
From: Barrett, Paul S [REDACTED] >
Sent: Wednesday, October 10, 2012 4:42 PM
To: Jeffrey Epstein
Cc: Giuffrida, David J
Subject: To Do - HY RMBS BWIC #2 - 3.85mm of WFMBS 04-C B1 (AA*/Ba3) @ 85-00 (6.952% yield / 4.70 durn)

Jeffrey

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We like this bond. Spending +/- \$1.4MM.

Let me know.</=pan>

&nb=p;

=0D

</=pan>*** ALL OFFERS ARE SUBJECT

=0D US Onshore Clients – Blue Sky (U.S. State Securities Law): Please confirm Blue Sky eligibility before soliciting to a US Onshore client by entering the CUSIP into the web tool located at: <http://pscppv=.amer.jpmchase.net:8080/BlueSkyPage.html> and review to see if your client's state of residence is listed. If you receive 'NO SECURITY FOUND', 'NO STATES FOUND' or the =0A security DOES NOT HAVE A CUSIP or is not USD-denominated, then please contact your SM or local compliance officer and provide the requested security and client information. Please note that a suitability review and other pre-trade procedures must still be followed.

=0AThe WFMBS 04-C B1 is a split rated Prime Subordinate Bond backed by seasoned hybrid ARMs.

This bond is out for bid wanted in competition at 2pm and the color we have received is that we will not get a 2nd look on this bond, meaning we need to show best foot forward on bids. At \$85-00, I see this bond as a 6.952% bond to a 4.70 duration to our base case assumptions. In our stress case where we liquidate/default 1.76x the current delinquent pipeline, this bond is a 2.3% yield to a 7.13 duration. In a recovery case scenario, we assume the Wells Fargo, the servicer, calls this deal 3 years after the call date (date when collateral balance drops below 10% of original issued balance) and see a 10% yield for a 2.5 duration bond.<=r>

HIGHLIGHTS

- HPI Updated LTV = 59%
- 90% of the borrowers have not missed a payment in the past 2 years
- 104 months seasoned

WF=BS 2004-C B1 Offered @ 85-00

BOND DESCRIPTION

Prepay Rate

16 CPR

22 ramp 12 20 CPR

24 ramp 12 26 CPR

Cusip: Default Rate

5 ramp 30 3 2 CDR

3.5 ramp 30 3 2 CDR

3 ramp 30 2.5 1.5 CDR

Original Face:

3,850,000

60 ramp 12 55

45 ramp 18 40

Current Face:

=0D Delinq Rate

7 ramp 24 6.5 Percent

7 ramp 24 5 Percent<=span>

=td width="278" nowrap="" valign="bottom" style="width:208.85pt;p=dding:0in 5.4pt 0in 5.4pt;height:12.75pt">

Bond Type:

Prime 10/1 Hybrid Sub

=0A =0A=0A

Delinq Advance (% of P&am=;l)

100<=span>

100

</=d> =span style="font-size:8.0pt;font-family:"Arial", "sans-s=rif";color:black">100

=0A

Ratings (S&P/Moodys/Fitch):

=0D AA/*-/Ba3/-

=span style="font-size:8.0pt;font-family:"Arial", "sans-s=rif";color:black">Optional Servicer Call

<=td> Current Coupon:

4.949%<=:p>

=0D =0D

Yield @ Base Case

=0A 6.952%

=0D =rice @ 85-00

Stress Case=/b>

Base Case

Recovery Case=/b>

W=L @ Base Case

6.=4

2.296

=0D 6.95=

Principal Window @ Base Case

=/td> Nov12 to Feb34

Speed over Tsy

94

603

=td width="200" nowrap="" valign="bottom" style="width:150.0pt;border:none;border-right:solid windowtext 1.0pt;padding:0in 5.4pt 0in 5.4pt;height:12.75pt">

971

=0D
Written=wn %

4.39%</=> Duration

7.13=/o:p>

4.70</=> Current Credit Enhancement:

5.36%

=0A =0A

8.21

6.14</=pan>

2.93</=pan>

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6.96

=0D =0D Principal Window

=0A Nov12 to Feb34<=:p>

Nov12 to Dec16

=0A
60+ Delinquency Coverage

0.77x

</=d> <=d width="184" nowrap="" valign="bottom" style="width:138.0pt;padding:0in 5.4pt 0in 5.4pt;height:12.75pt">

Principal Writedown

36.42%

4.39%=> =0D =0D Total Collat Loss

=0A 0.58%

=0A

0.36%

=0A

UN=ERLYING COLLATERAL DESCRIPTION

Total Liquidation

12.29%

5.58%<=:p>

Averag= Loan Balance (\$,000s)

390

=0D <=d width="175" nowrap="" valign="bottom" style="width:131.0pt;pad=ing:0in 5.4pt 0in 5.4pt;height:12.75pt"> 89=/span>

=0D HISTORICAL=PERFORMANCE

=0A=0A

=nbsp;

=0A

Mortgage Type

1 MOS=/span>

3 MOS

6 MOS

=0D
Wtd Avg Mortgage Coupon

=0A

5.208%

CPR

17.41=/

15.73

26.35

Wtd Av= FICO Score

727

=0D =0D CDR

<=d width="175" nowrap="" valign="bottom" style="width:131.0pt;padding:0in 5.4pt 0in 5.4pt;height:12.75pt">

0=2E00

0.00

=0A Wtd Avg Orig Loan-to-Value

=0A SEV</=:p>

NA

=0A NA

HPI Adj LTV

=0D

<=pan style="font-size:8.0pt;font-family:"Arial","sans-se=if";color:#1F497D">59.21%

Weighted Avg Loan Age

104

=0D

=0D Owner Occupied

96.65

=0D =0D

To= 1 Geo Concentration

CA 26%

=0D <=d width="175" nowrap="" valign="bottom" style="width:131.0pt;padding:0in 5.4pt 0in 5.4pt;height:12.75pt">
=N 12%

=0A =0D
IL 7%

=0D
Always Current (24 mos)

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=MPORTANT DISCLAIMER:

<=span>Non-agency RMBS is a complex fixed income product and is not suitable for all investors. Please note that while desk assumptions are driven by a number of collateral and macro factors, the historical performance of a deal is not indicative of its future performance. Additionally, this message is a product of sales and trading and is not a research report. Other key risks to consider are outlined below:

&nbs; <=span style="font-size:10.0pt;font-family:"Calibri","sans-serif";color:#C00000">All investments are subject to possible loss of principal

- = Non-Agency bonds may have limited liquidity and clients should be aware that the secondary market for mortgage-backed securities has experienced periods of illiquidity and may do so in the future. Illiquidity means that there may not be any purchasers for your class of certificates. Although any class of certificates may experience illiquidity, it is more likely that classes that are lower in the capital structure and non-investment grade related may experience greater illiquidity than more senior, investment-grade rated classes.

- &nsp; High Yield Non-Agency bonds are speculative non-investment grade bonds that have higher risk of default or other adverse credit events which are appropriate for high risk investors only

Non-Agency bonds are intended for clients with a minimum total net worth of \$50mm. Please make sure your client fulfills this requirement before soliciting this order.

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