

To: Barrett, Paul S [REDACTED]
From: Jeffrey
Sent: Tue 5/1/2012 8:05:21 PM
Subject: Re: \$2.59mm of WAMU 04-AR3 B2 @ 62-16 (10% yield / 6.26 durm)

Yes

Sorry for all the typos .Sent from my iPhone

On May 1, 2012, at 3:53 PM, "Barrett, Paul S" [REDACTED] wrote:

Jeffrey

Found a bond for the \$1MM we were looking to spend from last week.

WAMU 04-AR3 B2 is a Prime 5/1 Subordinate bond backed by seasoned Prime 5/1 hybrid jumbo mortgages.

HIGHLIGHTS

- 747 FICO
- HPI Updated LTV = 58.53%
- 85% of the borrowers have not missed a payment in the past 2 years
- 96% owner occupied
- 97 months seasoned

WAMU 2004-AR3 B2 Offered @ 62-16

BOND DESCRIPTION	
Cusip:	92922FNM6
Original Face:	2,590,000
Current Face:	1,888,737
Bond Type:	Prime 5/1 Sub
Ratings (S&P/Moodys/Fitch):	CCC/Ca/-
Current Coupon:	2.586%
Yield @ Base Case	10.001%
WAL @ Base Case	9.58
Principal Window @ Base Case	Jun12 to Apr34

Prepay Rate	6
Default Rate	1 ramp 3
Default Severity	35 fo

Price @ 62-16	Stres
Yield	4
Spread	2
Duration	6
WAL	9
Principal Window	Jun12

Writedown %	11.39%
Current Credit Enhancement:	2.30%
60+ Delinquencies	5.38
60+ Delinquency Coverage	0.43x

Principal Writedown	52
Total Collat Loss	1.
Total Liquidation	10

HISTORICAL PERFORMANCE

UNDERLYING COLLATERAL DESCRIPTION

Average Loan Balance (\$,000s)	571
Mortgage Type	Seasoned Prime 5/1 Hybrids
Wtd Avg Mortgage Coupon	3.010%
Wtd Avg FICO Score	747
Wtd Avg Orig Loan-to-Value	57.88%
HPI Adj LTV	58.53%
Weighted Avg Loan Age	97
Owner Occupied	96.18
Top 1 Geo Concentration	CA 72%
Top 2 Geo Concentration	NY 5%
Top 3 Geo Concentration	FL 3%
Always Current (24 mos)	85.46%

CPR	8
CDR	2
SEV	10

***All Investments are subject to risk, including possible loss of principal.**

***Investment idea may not be suitable for all investors.**

***This message is a product of sales and trading and is not a research report**

***Non-Agency bonds may have limited liquidity and clients should be aware that the secondary market for mortgage-backed securities has experienced volatility. Although any class of certificates may experience illiquidity, it is more likely that classes of certificates with higher delinquency rates will experience illiquidity.**

***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.

***** ALL OFFERS ARE SUBJECT**

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