

To: Barrett, Paul S [REDACTED]
From: Jeffrey Epstein
Sent: Fri 5/10/2013 8:06:52 PM
Subject: Re: NEW PRIME HY RMBS - \$1.5mm of GSR 05-5F B1 @ 97-16 (6.132% yield/7.23durn)

ok

On Fri, May 10, 2013 at 4:05 PM, Barrett, Paul S <[REDACTED]> wrote:

Jeffrey

We should buy these for Haze Trust. Spend around \$1.2MM, We have over \$3MM in cash.

***** ALL OFFERS ARE SUBJECT**

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<http://pscppv1.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 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.**

THE BOND:

The GSR 05-5F B1 is a seasoned Prime Fix 5.76% subordinate bond backed by 105 months seasoned 30yr Fix mortgages. The bond has 4.81% credit enhancement vs. 9.99% 60+ delinquencies, for a 0.48x coverage ratio. The bond has a fairly stable yield profile ranging from 6.11% in our stress case to 6.15% in our recovery case. This is attributable to both the quality of the underlying loans and the relatively thicker CE/60+ ratio. Additionally, we do not see this bond taking any writedowns in all scenarios.

THE COLLATERAL:

The bond is backed by 836-Prime 30yr Fix Rate mortgages that are 104-months seasoned and have a 64% updated LTV. The average balance of the loans is \$369k . This coupled with the low updated LTVs and a recovering housing market should keep future severities low on this pool. Further, the 3-month and 6-month average severity have been light at approx 32% and 35%, respectively. We are using 40% Severity ramping down to 35% over 4 years in our base case. Additionally, 84% of homeowners are 24-months perfect payers.

THE STORY:

For investors looking to gain exposure to US housing recovery backed by cleaner and more seasoned Prime collateral, this bond provides a healthy yield pickup that is less levered to other

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

HIGHLIGHTS

- HPI Updated LTV = 64%
- 84% 24-month perfect payers
- 726 FICO score
- 105 months seasoned
- \$368k average balance

**Source: Bloomberg

GSR 2005-5F B1 Offered @ 97-16

BOND DESCRIPTION

Cusip:	36242D7X5
Original Face:	1,500,000
Current Face:	1,245,235
Bond Type:	Prime Fix 5.76% Sub
Ratings (S&P/Moodys/Fitch):	B+/NR/-
Current Coupon:	5.759%

Yield @ Base Case 6.132%

WAL @ Base Case	10.34
Principal Window @ Base Case	Jun13 to May35
Writedown %	0.00%
Current Credit Enhancement:	4.81%
60+ Delinquencies	9.99
60+ Delinquency Coverage	0.48x

UNDERLYING COLLATERAL DESCRIPTION

Average Loan Balance (\$,000s)	368
Loan Count	818
Mortgage Type	Prime 30yr Fix

Prepay Rate

Default Rate
Default Severity
Delinq Rate
Delinq Advance (% of P&I)

Price @ 97-16

Yield
Spread over Tsy
Duration
WAL
Principal Window
Principal Writedown
Total Collat Loss
Total Liquidation

HISTORICAL PERFORMANCE

Wtd Avg Mortgage Coupon	5.813%	CPR
Wtd Avg FICO Score	726	CDR
Wtd Avg Orig Loan-to-Value	59.50%	SEV
HPI Adj LTV	64.07%	
Weighted Avg Loan Age	105	
Owner Occupied	91.47	
Top 1 Geo Concentration	CA 33%	
Top 2 Geo Concentration	NY 11%	
Top 3 Geo Concentration	FL 7%	
Always Current (24 mos)	84.04%	

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