

From: Jeffrey Epstein <jeevacation@gmail.com>

To: "Barrett, Paul S" <[REDACTED]>

Subject: Re: To Do - \$8mm of SEMT 03-1 B1 @ 62-00 (9.178% yield/ 6.41 durn)

Date: Mon, 02 Apr 2012 13:13:34 +0000

ok

On Mon, Apr 2, 2012 at 8:36 AM, Barrett, Paul S <[REDACTED]> wrote:

Jeffrey

We should buy this bond. Net spend of around \$1MM. Base case yield around 9.20%.

BOND HIGHLIGHTS

- The SEMT 03-1 B1 is a Prime subordinate floater paying 1ML + 88bps
 1. Bond is backed by 110 month seasoned Prime Vanilla ARMs with an avg FICO score of 730
 2. 89% of the borrowers have never missed a payment in the past 2 years; 79% have never missed a payment in the past 110 months
 3. HPI Updated LTV = 53%
 4. Base case: 9.178% yield @ 6.41 mod duration

SEMT 2003-1 B1 Offered @ 62-00

BOND DESCRIPTION	
Cusip:	81743PAH9
Original Face:	8,000,000
Current Face:	1,793,589
Bond Type:	Prime Sub Floater
Ratings (S&P/Moodys/Fitch):	AA+/B2/BBB
Current Coupon:	1.122%
Yield @ Base Case	9.178%
WAL @ Base Case	9.30
Principal Window @ Base Case	Mar13 to Mar33
Writedown %	12.15%
Current Credit Enhancement:	4.27%
60+ Delinquencies	4.31
60+ Delinquency Coverage	0.99x

Prepay Rate	0 CPR	0 CPR	0 ramp 48 1.5 CPR
Default Rate	16 ramp 24 25 25 ramp 12 12	16 ramp 24 25 25 ramp 12 12	16 ramp 24 25 25 ramp 12 12
Default Severity	CDR	CDR	CDR
	68 ramp 18 75 75	65 ramp 12 70 65	65 ramp 24 60

Price @ 62-00	Stress Case	Base Case	Recovery Case
Yield	2.033	9.178	9.897
Spread	20	699	767
Duration	5.40	6.41	6.59
WAL	7.27	9.3	9.57
Principal Window	Mar13 to Nov26	Mar13 to Mar33	Mar13 to Mar33
Principal Writedown	54.46%	12.15%	2.64%
Total Collat Loss	0.67%	0.49%	0.44%
Total Liquidation	11.88%	8.97%	8.36%

HISTORICAL PERFORMANCE	1 MOS	3 MOS	6 MOS
CPR	7.58	5.40	4.63
CDR	0.00	0.00	0.00
SEV	NA	NA	NA

UNDERLYING COLLATERAL DESCRIPTION	
Average Loan Balance (\$,000s)	326
Mortgage Type	Prime Vanilla ARMs
Wtd Avg Mortgage Coupon	2.202%
Wtd Avg FICO Score	730
Wtd Avg Orig Loan-to-Value	57.87%
HPI Adj LTV	52.90%
Weighted Avg Loan Age	110
Owner Occupied	84.16
Top 1 Geo Concentration	FL 17%
Top 2 Geo Concentration	CA 15%
Top 3 Geo Concentration	NY 13%
Always Current (24 mos)	88.60%

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*Investment idea may not be suitable for all investors.

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