January 24, 2016

To: Jim Erchul

From Peter Flom

Re: SHOP 2012LLC Bridge to Success Contract for Deed Program

Dear Jim,

Below is a snapshot of the Bridge to Success Contract for Deed Programs from inception in 12-31-15.

The program is designed to help potential homeowners secure financing for the purchase of a primary residence in specific areas of the Twin Cities Greater Metropolitan Area. This is done through the use of a contract for deed as opposed to a standard mortgage product. The targeted market is those people that are unable to secure financing in the traditional manner. The program has very specific underwriting criteria; pre and post purchase counseling requirements as well as higher than normal property condition standards. All of this is done in an effort to insure that our borrowers have an opportunity to refinance the contract to a traditional loan as soon as they have the ability to do so. Investment in the programs has come from private banks, individual investors and public agencies.

Summary of Loans Contracts for SHOP 2012 LLC through 12-31-2015

Total Investment in Pool: $24,300,000

Number of contracts closed: 143

- Dollar volume of closed contracts: $20,860,736.00
- Average contract amount: $145,879.00
- Number of refinances and sales: 18
- REO: 5
- Principle balance reduction from refinances and sales: $3,650,987
- Principle balance due investors: $17,702,682 (Does not include Class CE)

Investors by Class

- Class A: MHFA $2M, U.S. Bank $2M, American Bank $2M, Bell State Bank and Trust $1.58M, Private $300K
- Class B: MHFA $10.4M
- Class C: American Bank $1.5M, Bell State Bank and Trust $174K
- Class D: U.S. Bank $600K, Bell State Bank and Trust $246K
- Class E: Family Housing Fund $3M
- Class CE: DBNHS $100K, GMHC $100K, City of St. Paul $100K, City of Minneapolis $200K. Class CE is a Credit Enhancement not to be use for lending.

Closed Contracts by Location

- Minneapolis: 48 (33.35%)
- St. Paul: 24 (16.78%)
- Western Suburbs: 57 (39.86%)
- Eastern Suburbs: 14 (9.79%)

Closed Contracts by Income based on Average Median Income at Time of Closing

- 80% or below: 72 (50.35%)
- 81% - 115% of: 52 (36.36%)

- 115% and above: 19 (13.29%)

Closed Contracts by Race and Ethnicity

- American Indian: 5 (3.50%)
- Asian: 10 (6.99%)
- Black: 50 (34.97)
- White: 77 (53.85%)
- Pacific Islanders: 1 (.70%)

Servicing and Loss Mitigation

SHOP staff and our servicer, Community Reinvestment Fund (CRF), work hand in hand on a daily basis in an effort to assist those borrowers that may run into difficulty while they are under contract. While many standard industry loan programs require strict adherence to foreclosure guidelines, the SHOP 2012LLC program is able to work with borrowers that show an effort and desire to remain in the home while working through their difficulties. We achieve this through our post- closing counseling sessions, alternative payment options (if warranted) and a three point, high touch servicing platform that includes SHOP staff, CRF and our counseling partners. While not all borrowers will be successful as homeowners, we believe the high level of contact and service from all segments of the platform will help a certain number of people work out their problems and be able to remain in the home. To date we have four borrowers that are performing on alternative payment plans while dealing with the issues that caused them to become delinquent. We believe these people are dedicated to retaining the home and will be successful in that effort in the long run.

Program Continuation

Pool#1 had been on hold with respect to all origination activities since Oct. 1st 2014. The restriction is now lifted as of 1-18-2016 as additional funding in the required amount has been received. SHOP will begin marketing, advertising on a moderate level on our website and take applications as they come in, but only up to the amount we have available. SHOP staff will monitor the funding availability on a daily basis with respect to all aspects such as approval/denials, closings and pre-approval commitments. This is being done to insure we do not over commit the funding we have now or will receive in the future. Pool#1 will cease funding activities as of 7-1-2016 unless an extension of time to originate is granted.

4th Quarter Activity for 2015

There was no origination activity in the 4th quarter of 2015 due to funding restrictions in place.

Non-Pool Contracts

PROGRAM	# LOANS	TOTAL $ Invested	Current Balance	# Refi/sold	# Rolled	Other	# Cancelled
GMHC/UNIVERSITY BANK/FHF	21	$2,564,450.00	$ 0.00	4	11	0 Pool closed	6
DBNHS/UNIVERSITY BANK/FHF	14	$1,996,300.00	$116,758.69	6	3	1 open	4
GMHC/ANCHOR/FHF	7	$ 786,900.00	$414,163.24	2 Refinance 1Sold	0	4 open	0
TOTALS	**42**	**$5,347,650.00**	**$530,921.93**	**13**	**14**	**5**	**10**

Bridge to Success ™
Recovery Finance Program

Review 25 November 2015

Planning Assumptions Revised 2 April 2014

(Other Working Assumptions Revised 7 December 2012)

CONTENTS

Program and Product

Program Overview

- Expansion of existing *Bridge to Success*™ Program to more comprehensively address the changed housing landscape
  - Targeted to serve 350-400 homes
  - Dedicated loan loss reserve
  - Public/private partnership effort
  - Targeting loans to neighborhoods that have community stabilization needs, generally low/moderate income borrowers
  - Comprehensive approach that addresses family financial and property issues
  - Loans originated by SHOP – in partnership with GMHC & DBNHS, and supporting other community redevelopment partners

- Structured loan fund of $50 million
  - First closing and launch in July 2012, with second closing in May 2014
  - Additional participation in Classes A and D through 2014 and 2015
  - Funding window recently extended

Participation by Drake Bank

- Consideration for OSP's participation in a blend of Class A and Class D of this structured loan fund

- Existing investor Classes E, CE and the Credit Reserve are all junior to Class D and account for approximately 10% of the fully-funded loan fund

- Attractive investment returns

- Program design for expected borrower base and property locations allow for participants to qualify for CRA credit (and typically can be pass-through for bank investors)

Program Purpose and Goals

- Reverse the trend of more homes being vacated than being purchased by increasing access to credit
- Provides funding to reverse disinvestment among low and moderate-income households and communities by:
  - Increasing home ownership and rehabilitation
  - Providing access to credit to borrowers and neighborhoods experiencing disinvestment and disenfranchisement
  - Enabling stabilization and rebuilding of home equity
  - Encouraging sales of other owner occupied properties in areas that need stabilization
  - Providing investment in homes not covered by other programs
- Increase the number of residents in targeted neighborhoods
- Create a shared-risk investment that offers a reasonable return thereby attracting a variety of investors

Product Overview

- A socially responsible contract for deed product
  - fills the void left by traditional mortgage programs
  - geared for low to moderate income homeowners
  - both Purchase and Purchase Rehab
- It is targeted to the areas identified by the Minnesota Housing Finance Agency for neighborhood stabilization (moderate and high need areas)
- The product leverages the program run by GMHC and DBNHS, and as witnessed by the Minnesota Foreclosure Prevention council, the Office of the Comptroller of the Currency, and others
- The origination and approval process requires:
  - Full documentation loans with independent appraisals reflecting current market value
  - Additional analysis of risk regarding borrowers' employment and income continuation
  - Homebuyer education (8 hour minimum) required for home purchase; financial and debt management counseling
  - Post closing support/follow-up counseling for borrowers
  - Properties expected to meet code or required repairs will be made

Loan Fund Structuring

Overview of Financial Model

- The investment product is structured as a hybrid debt / equity instrument
  - Certain classes are paid as debt and certain classes as equity
  - Principal is repaid in order of seniority
  - There are Credit Enhancements and Credit Reserves incorporated in to the loan fund

- Assumptions for planned performance based on current experience
  - Base Case

- These are "stress tested" against various loan performance scenarios
  - Prepayment
  - Default Frequency – considered adverse case and worst-case scenarios
  - Default Frequency and Severity – considered catastrophic scenario
  - Deferred Refinancings

GENERAL MODEL ASSUMPTIONS

- All loans are amortized over 30 years and refinanced within 10 years
  - Delinquency rates are based on current portfolio experience (~16% average pool delinquency, ~62% of loans delinquent at some point)
  - Default rates and severity are based on current portfolio experience (~6.5% default rate, ~16.1% average severity, 14 months average disposition)
  - Loan modifications incorporated are based on current portfolio experience (50% of delinquencies have repayment plans, remainder are deferred)
  - Refinancing staggered to occur between years three and ten
  - Some refinancing will be via short sale (~5% short sale, ~20% average loss severity)

- There is <u>no appreciation in property value</u> over the ten year period

- Loan interest rate to borrower is 7.5% average
  - Interest is compounded monthly
  - Missed payments incur a late fee of 4% of the missed payment
  - Borrower pays 2% origination (to SHOP)

Base Portfolio Characteristics

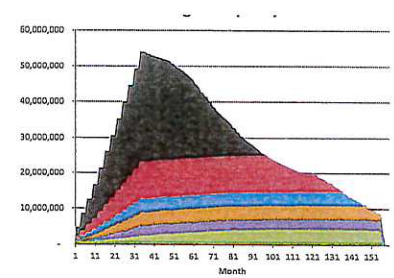
- First pool assumption of $50mm in assets
  - Total of 400 loans in the model, average of $125,000 per loan
- Program is table funded, with a 4% investor premium
  - 1% for purchase of assets at 101%, ultimately to originator (to SHOP)
  - 3% towards fees / deal costs and credit reserve
  - Class A participation is aligned with second close*
- Any shortfalls in principal payment is first covered by leveraging the Credit Enhancement (CE) funds and the Credit Reserve (CR)
  - Credit Enhancement is funded at deal inception by CE Provider
  - Credit Reserve is initially funded at deal inception through overcollateralization by investors
  - The Credit Enhancement balance is capped at its original value; if this is exceeded, excess funds go to the Credit Reserve
  - On the last month of the program any excess balances are liquidated

** Note: Second close originally modeled for Month 4. No material impact for second closing within 18 months. Additionally, extension of funding period and origination period in to fourth year noted no material impact.*

Expected Investor Class Structure (Total)

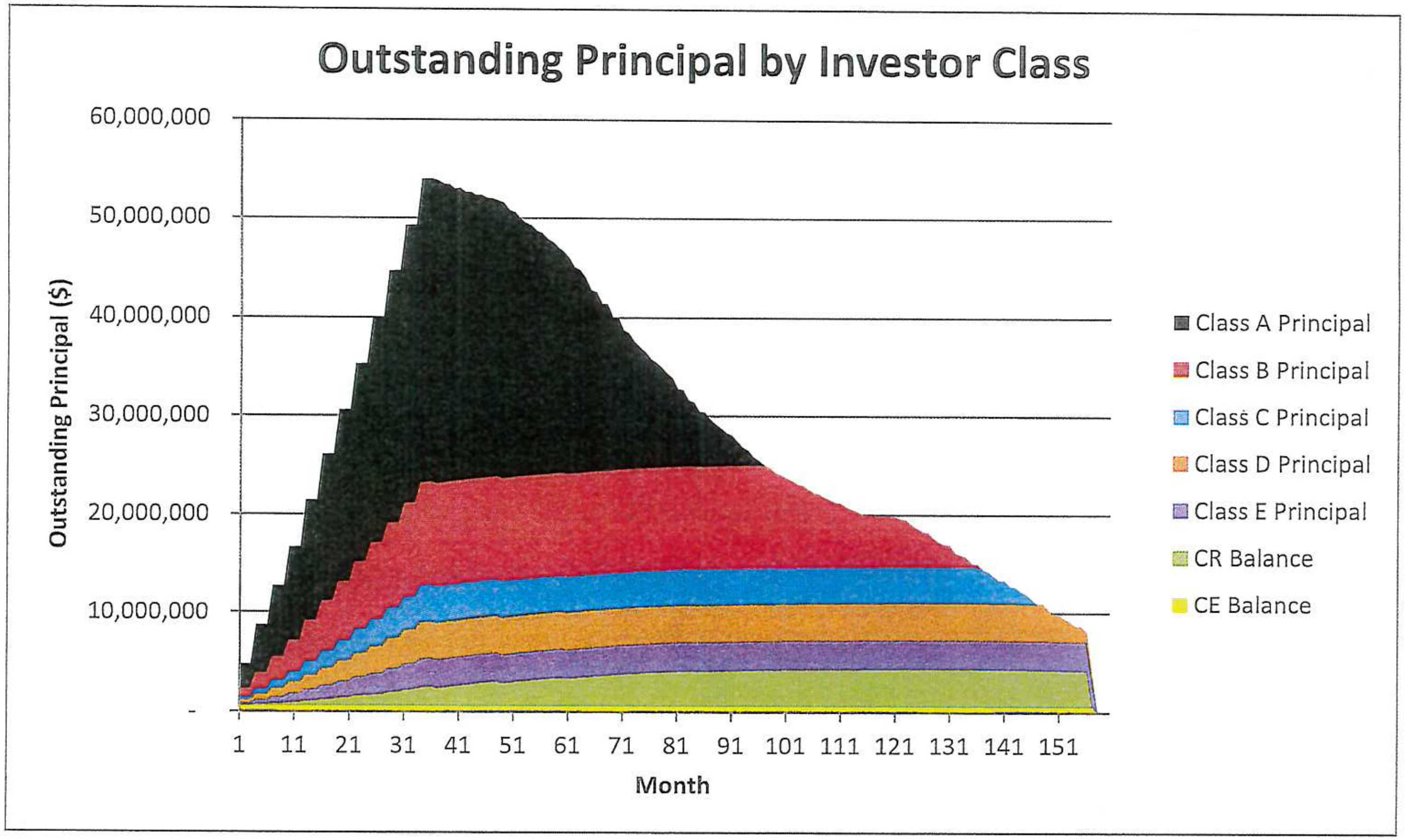
- Class A (~$31.2mm, 4.5% Interest)
  - (partially funded) Target for impact investors
- Class B (~$10mm, 5% Interest)
  - (fully funded) Minnesota Housing Finance Agency
- Class C (~$3.7mm, 6% Interest)
  - (partially funded) Target for institutional impact investor
- Class D (~$3.7mm, 5.5% Interest)
  - (partially funded) Target for institutional impact investors
- Class E (~$3mm, 5% Interest)
  - (fully funded) Family Housing Fund
- Credit Reserve (~$1.1mm)
  - Pool funded reserve to cover principal or interest shortfalls
  - Residual in CR account goes to investor Class L
- Credit Enhancement ($500k)
  - (fully funded) Funding from local government to cover principal shortfalls

Proportion of Investment



BASE – PRINCIPAL BY INVESTOR CLASS

- Base case portfolio's outstanding principal, cumulatively for all classes



PARTICIPATION BY OSP

- OSP's participation to include a proportional blend of Class A, Class C, and Class D (initial weighted average coupon rate ~4.75%).
- Prorated across Classes A, C and D based on remaining investments available as of April 2015 including $5mm reserved in Class A.
- Example for participation of $2.0MM in a blend of Class A, Class C, and Class D with a combined 4.75% weighted coupon rate (IRR

Class	Coupon	Proportion	Amount
Class A	4.5%	79.0%	1,580,000
Class C	6.0%	8.7%	174,000
Class D	5.5%	12.3%	246,000

- Existing investor Classes E, CE and the Credit Reserve are all subordinate to Class D, and account for approximately $4.5mm of the $50mm loan fund

INVESTOR CLASS A+C+D SUMMARY PROJECTIONS

- Invest $2mm on blended basis across Class A, Class C, Class D
- Projected principal and interest summaries are below

Scenario	Return (P)	Return (I)	Total Return	Period	(Cash Basis) ROI	(Cash Basis) IRR	(5% Discount Rate) NPV RWC	(10% Discount Rate) NPV RWC
Base	$2.0mm	$0.56mm	$2.56mm	2/157	28.2%	5.120%	8.79x	4.1x
Adverse	$2.0mm	$0.55mm	$2.55mm	2/157	27.6%	5.126%	7.70x	3.63x
Worse	$2.0mm	$0.67mm	$2.67mm	2/157	33.6%	5.030%	7.45x	3.56x
Catastrophic	$1.7mm	$0.71mm	$2.43mm	2/157	21.6%	3.428%	0.92x	0.95x
Prepayment	$2.0mm	$0.38mm	$2.38mm	2/157	18.9%	5.100%	7.18x	3.47x
Deferred	$2.0mm	$0.70mm	$2.70mm	2/157	35.0%	5.027%	9.91x	4.56x

The **Adverse Case** projection stress test case increases default (via foreclosure) to ~15%.
The **Worse Case** projection stress test case increases default (via foreclosure) to ~30%.
The **Catastrophic Case** projection stress test case uses the Worse Case portfolio with 50% REO loss severity.
The **Prepay** projection stress test case reduces refinancing timeframe
The **Deferred** portfolio extends the average refinancing timeframe

- NPV of Risk Weighted Capital (5% discount rate)
  - Factor of up to 8.8x and higher (NPV of $1mm risk-weighted capital in base is $8.8mm)
- NPV of Risk Weighted Capital (10% discount rate)
  - Factor of 4.1x (NPV of $1mm of risk-weighted capital in base is $4.1mm)

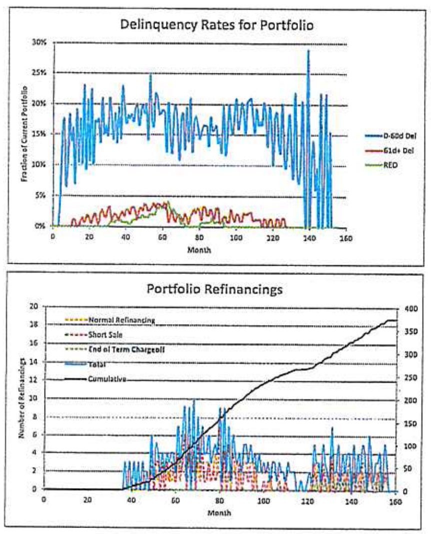
WATERFALL CHARACTERISTICS

- Deferred Principal Debt / Equity Bond Model:
  - All monthly incoming **principal** is paid to Class A until their principal is entirely paid off
  - Once Class A's principal is paid back, Class B receives all principal, followed by C, D, and E
  - At the end of the program, the CE and CR are used to pay off any outstanding principal owed (in the order of seniority), then the CR is used to repay the CE (if necessary) and any remaining CR is liquidated to investor Class L after all investor principal is repaid
  - Coupon rates are set for each Class and are paid by incoming **interest** paid by borrowers
  - Shortfalls in coupon payments are covered by the CR (and overages are added to CR)
  - If the CR is exhausted, the same payment priorities are applied as described above
  - In months where tax is due, the tax is paid in the first priority. The Credit Reserve may be used to pay any shortfalls to scheduled principal, fee or interest payments.
  - Returns are calculated on ROI, IRR on a cash basis, and IRR and NPV on a return on risk-weighted regulatory capital basis
  - Recently revised Basel III guidelines are in the process of being incorporated in to revised RWC calculations, noting that these materials include the calculations under the previous Basel III guidelines

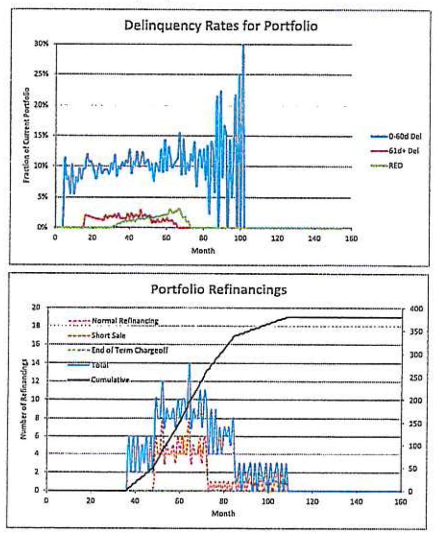
Overview of Portfolio Scenarios

Scenario Label	Description
Cashflow Model	
Debt / Equity	Deferred Principal Model (Classes A/B/C/D/E as Debt, Residual Class L as Equity)
Performance Indicator	
Base	Base Case Portfolio
Prepayment	Timing of refinancing accelerated towards earlier years of fund
Adverse	15% Default Portfolio
Worse	30% Default Portfolio
Catastrophic	30% Default Portfolio with 50% Severity
Deferred	Timing of refinancing deferred towards outside years of fund

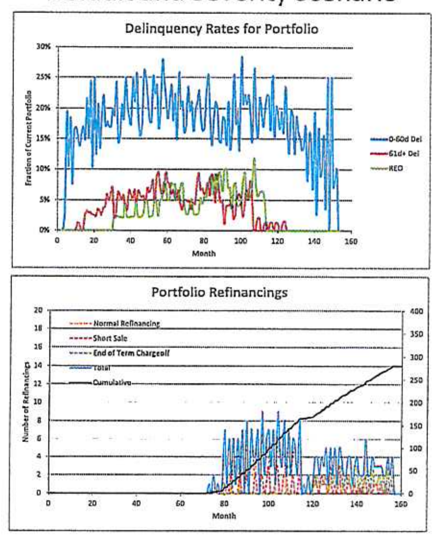
Base Scenario



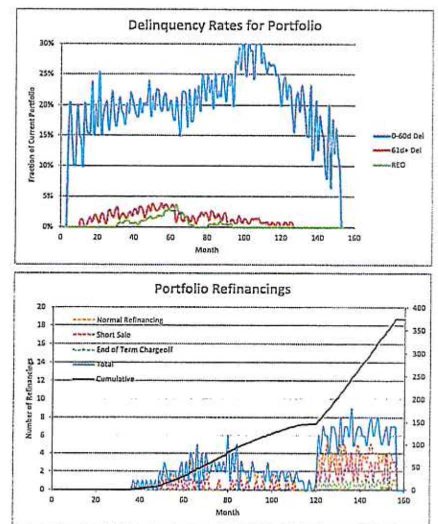
Prepayment Scenario



Default and Severity Scenario



Deferred Scenario



INVESTOR CLASS A SUMMARY PROJECTIONS

- Class A invests $31,200,000 (~$30.8mm principal) with a 4.5% coupon rate
- Projected principal and interest summaries are below

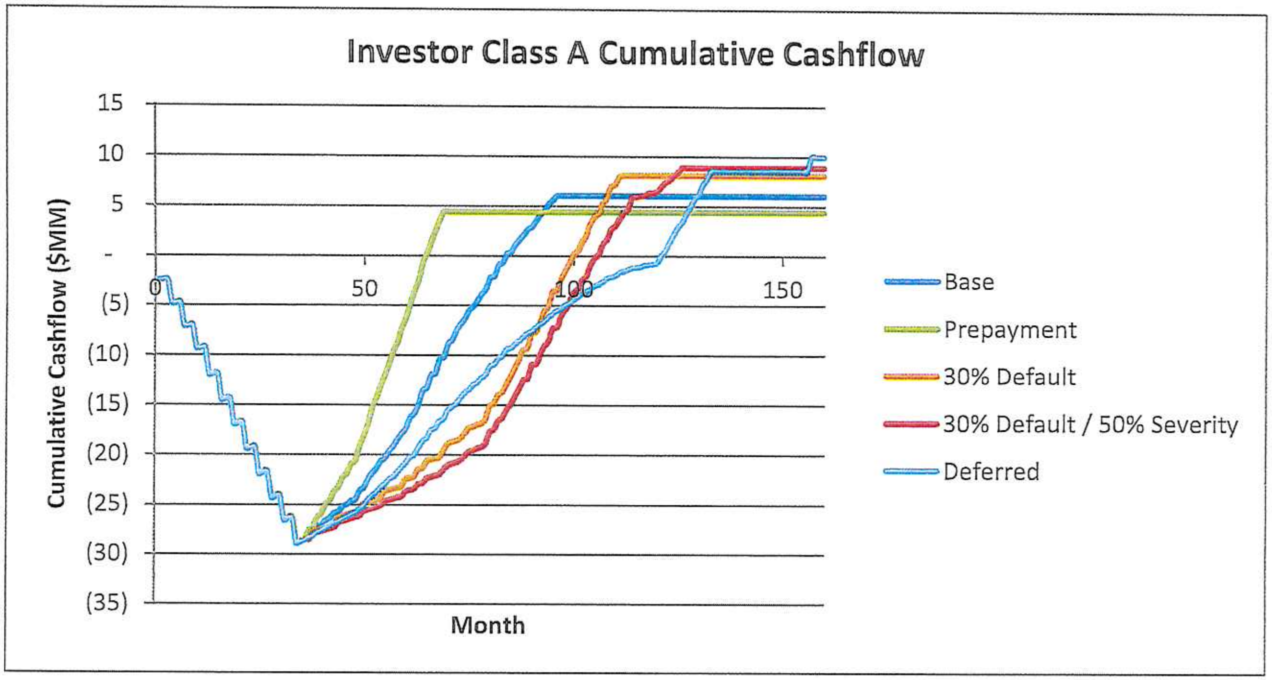
Scenario	Return (P)	Return (I)	Total Return	Period	(Cash Basis) ROI	(Cash Basis) IRR	(5% Discount Rate) NPV RWC	(10% Discount Rate) NPV RWC
Base	$31.2mm	$7.1mm	$38.3mm	2/96	22.6%	5.176%	43.54 x	21.73 x
Prepayment	$31.2mm	$5.0mm	$36.2mm	2/69	16.1%	5.118%	43.49 x	21.70 x
Worse	$31.2mm	$8.1mm	$39.3mm	2/112	26.0%	4.655%	43.58 x	21.75 x
Catastrophic	$31.2mm	$8.9mm	$40.1mm	2/126	28.4%	4.649%	43.59 x	21.75 x
Deferred	$31.2mm	$11.6mm	$42.8mm	2/134	37.3%	5.737%	43.58 x	21.75 x

The **Prepay** projection stress test case reduces refinancing timeframe
The **Worse Case** projection stress test case increases default (via foreclosure) to ~30%.
The **Catastrophic Case** projection stress test case uses the Worse Case portfolio with 50% REO loss severity.
The **Deferred** portfolio extends the average refinancing timeframe

- NPV of Risk Weighted Capital (5% discount rate)
  - Factor of 8x to 13x and higher (NPV of $1mm risk-weighted capital in base is $13.8mm)
  - RWC IRR estimated at ~220%
- NPV of Risk Weighted Capital (10% discount rate)
  - Factor of 6x to 10x (NPV of $1mm of risk-weighted capital in base is $9.8mm)

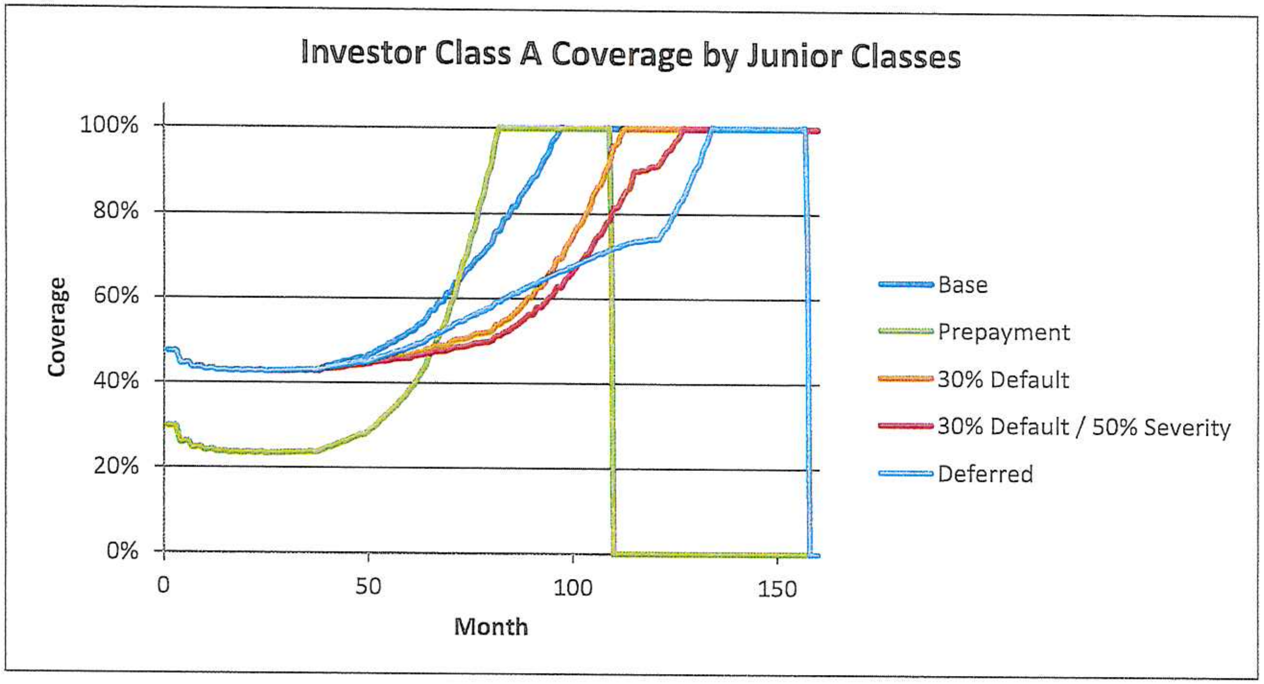
INVESTOR CLASS A CUMULATIVE CASHFLOW

- Cumulative cashflow to / (from) Investor Class A is shown below for the various scenarios considered



INVESTOR CLASS A COVERAGE

- The graph below shows Class A's coverage by subordinate classes for each portfolio scenario



INVESTOR CLASS C SUMMARY PROJECTIONS

- Class C invests $3,700,000 (~$3.5mm principal) with a 6% coupon rate
- Projected principal and interest summaries are below

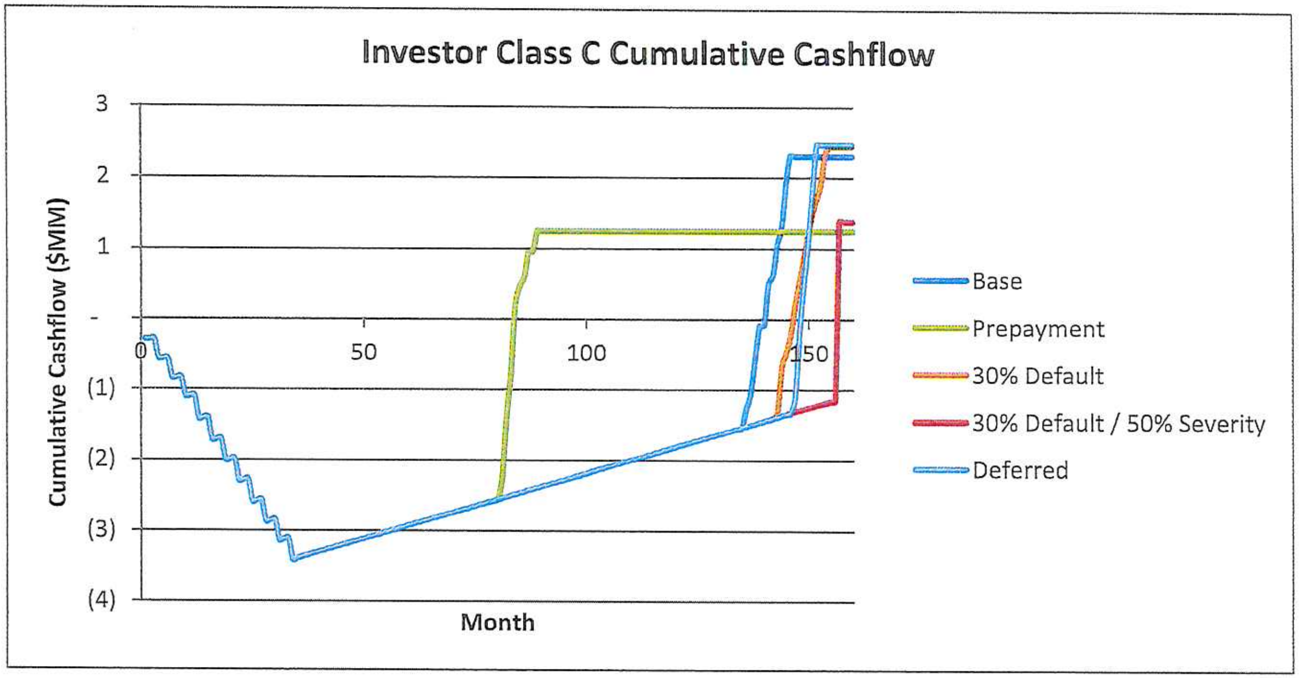
Scenario	Return (P)	Return (I)	Total Return	Period	(Cash Basis) ROI	(Cash Basis) IRR	(5% Discount Rate) NPV RWC	(10% Discount Rate) NPV RWC
Base	$3.7mm	$2.3mm	$6mm	136/146	62.3%	6.205%	8.88 x	3.79 x
Prepayment	$3.7mm	$1.2mm	$4.9mm	81/89	33.5%	6.248%	6.00 x	2.75 x
Worse	$3.7mm	$2.4mm	$6.1mm	143/155	64.7%	6.203%	6.79 x	2.97 x
Catastrophic	$2.9mm	$2.5mm	$5.4mm	157/157	45.8%	4.637%	1.30 x	1.03 x
Deferred	$3.7mm	$2.4mm	$6.1mm	147/152	65.1%	6.203%	9.00 x	3.82 x

The **Prepay** projection stress test case reduces refinancing timeframe
The **Worse Case** projection stress test case increases default (via foreclosure) to ~30%.
The **Catastrophic Case** projection stress test case uses the Worse Case portfolio with 50% REO loss severity.
The **Deferred** portfolio extends the average refinancing timeframe

- NPV of Risk Weighted Capital (5% discount rate)
  - Factor of up to 9x and higher (NPV of $1mm risk-weighted capital in base is $9.0mm)
  - In catastrophic case, losses exceeding investment would be incurred
- NPV of Risk Weighted Capital (10% discount rate)
  - Factor of 3.8x (NPV of $1mm of risk-weighted capital in base is $3.8mm)

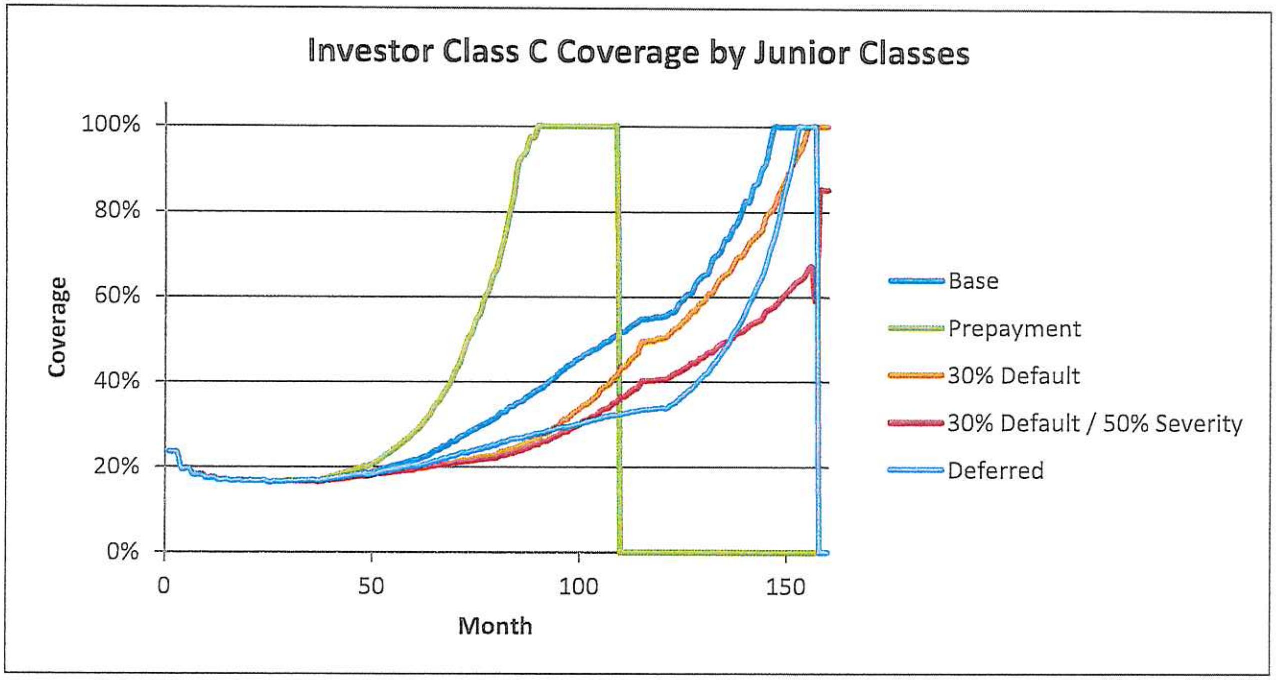
Investor Class C Cumulative Cashflow

- Cumulative cashflow to / (from) Investor Class C is shown below for the various scenarios considered



Investor Class C Coverage

- The graph below shows Class C's coverage by subordinate classes for each portfolio scenario



Investor Class D Summary Projections

- Class D invests $3,700,000 (~$3.5mm principal) with a 5.5% coupon
- Projected principal and interest summaries are below

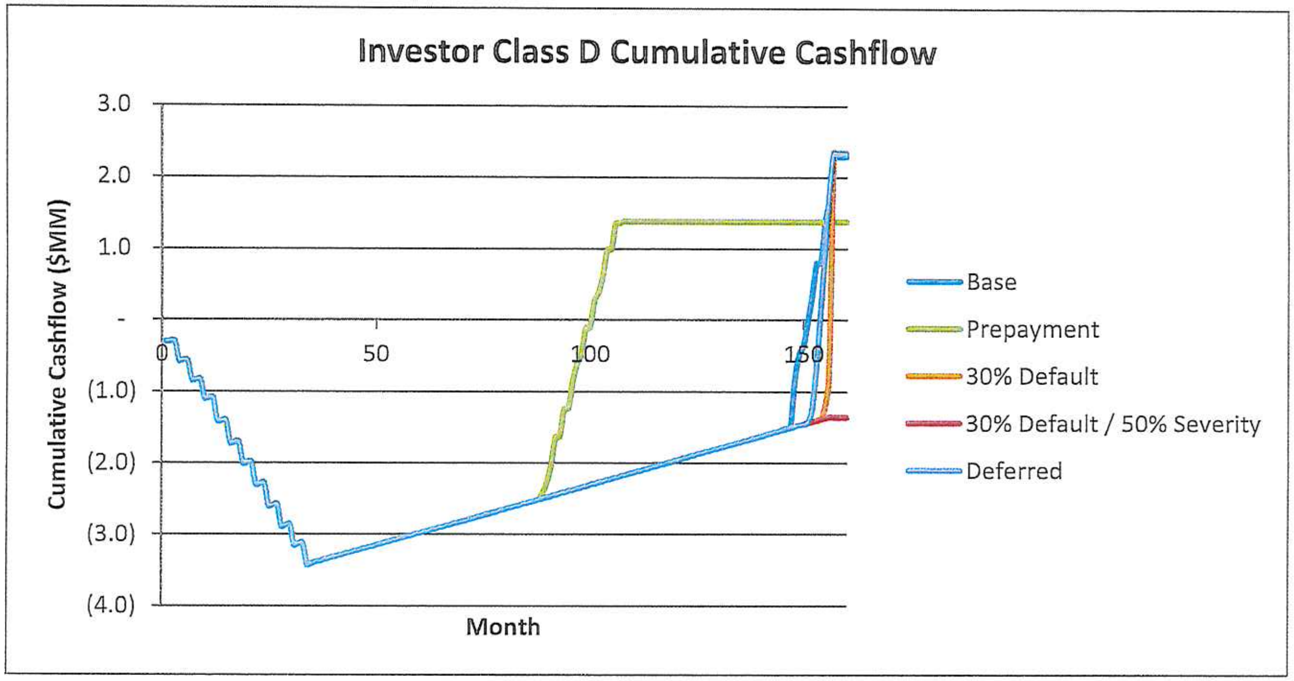
Scenario	Return (P)	Return (I)	Total Return	Period	(Cash Basis) ROI	(Cash Basis) IRR	(5% Discount Rate) NPV RWC	(10% Discount Rate) NPV RWC
Base	$3.7mm	$2.2mm	$5.9mm	147/157	60.3%	5.668%	3.11 x	1.35 x
Prepayment	$3.7mm	$1.4mm	$5.1mm	89/108	36.5%	5.701%	2.35 x	1.09 x
Worse	$3.7mm	$2.3mm	$6mm	155/157	60.9%	5.615%	2.23 x	1.01 x
Catastrophic	$0mm	$2.3mm	$2.3mm	N/A	(39.1%)	(7.985%)	Neg.	Neg.
Deferred	$3.7mm	$2.3mm	$6mm	152/157	61.0%	5.667%	3.04 x	1.32 x

The **Prepay** projection stress test case reduces refinancing timeframe
The **Worse Case** projection stress test case increases default (via foreclosure) to ~30%.
The **Catastrophic Case** projection stress test case uses the Worse Case portfolio with 50% REO loss severity.
The **Deferred** portfolio extends the average refinancing timeframe

- NPV of Risk Weighted Capital (5% discount rate)
  - Factor of up to 3x and higher (NPV of $1mm risk-weighted capital in base is $3.1mm)
  - In catastrophic case, losses exceeding investment would be incurred
- NPV of Risk Weighted Capital (10% discount rate)
  - Factor of 1x (NPV of $1mm of risk-weighted capital in base is $1.0mm)

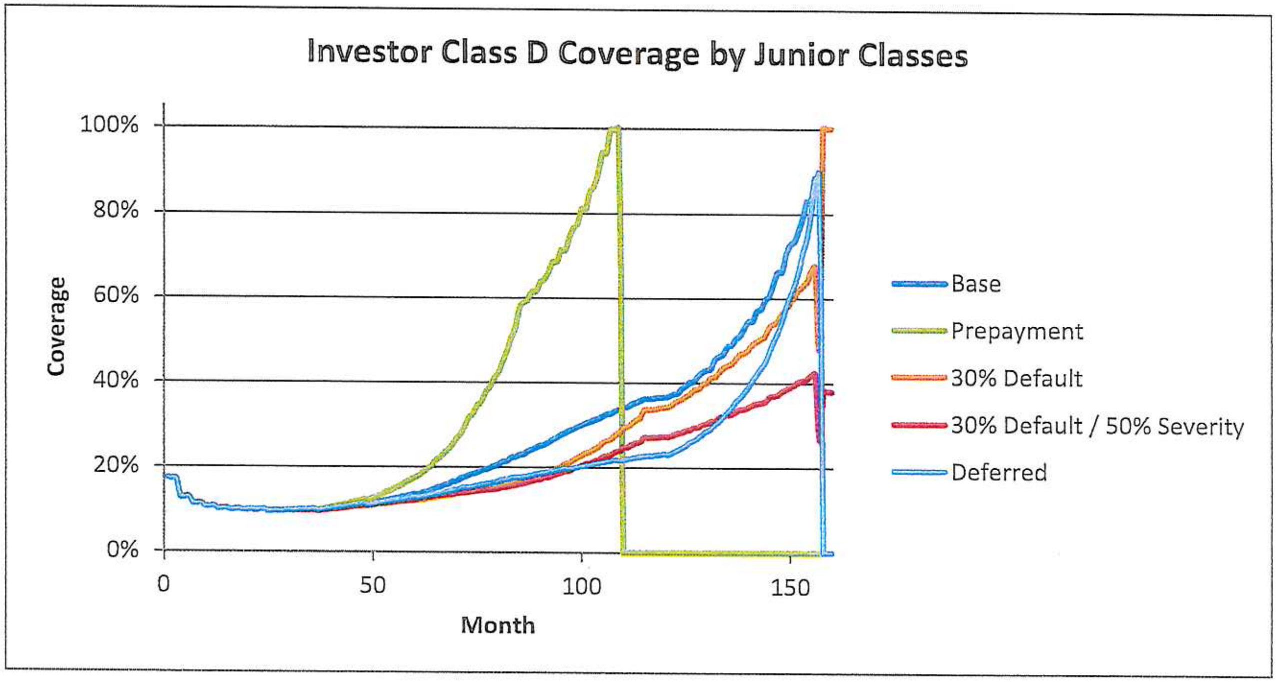
INVESTOR CLASS D CUMULATIVE CASHFLOW

- Cumulative cashflow to / (from) Investor Class D is shown below for the various scenarios considered



INVESTOR CLASS D COVERAGE

- The graph below shows Class D's coverage by subordinate classes for each portfolio scenario



PRODUCT AND MARKET REVIEW

Community Impacts and Outcomes

- Allows people to obtain financing (provided they have sufficient stable income and have taken care of past credit issues)
- New home purchases for individuals attending counseling and homebuyer training classes
- Purchase – rehab loans for borrowers buying vacant properties for rehab as their own home
- Reduced home operating costs through rehabilitation and by adding energy efficient improvements

→ Values stabilize

→ Crime goes down

→ Neighborhood pride increased

→ Taxes contribute to community

→ Foreclosures recycled back into homeownership

→ Housing inventories starting to come into balance

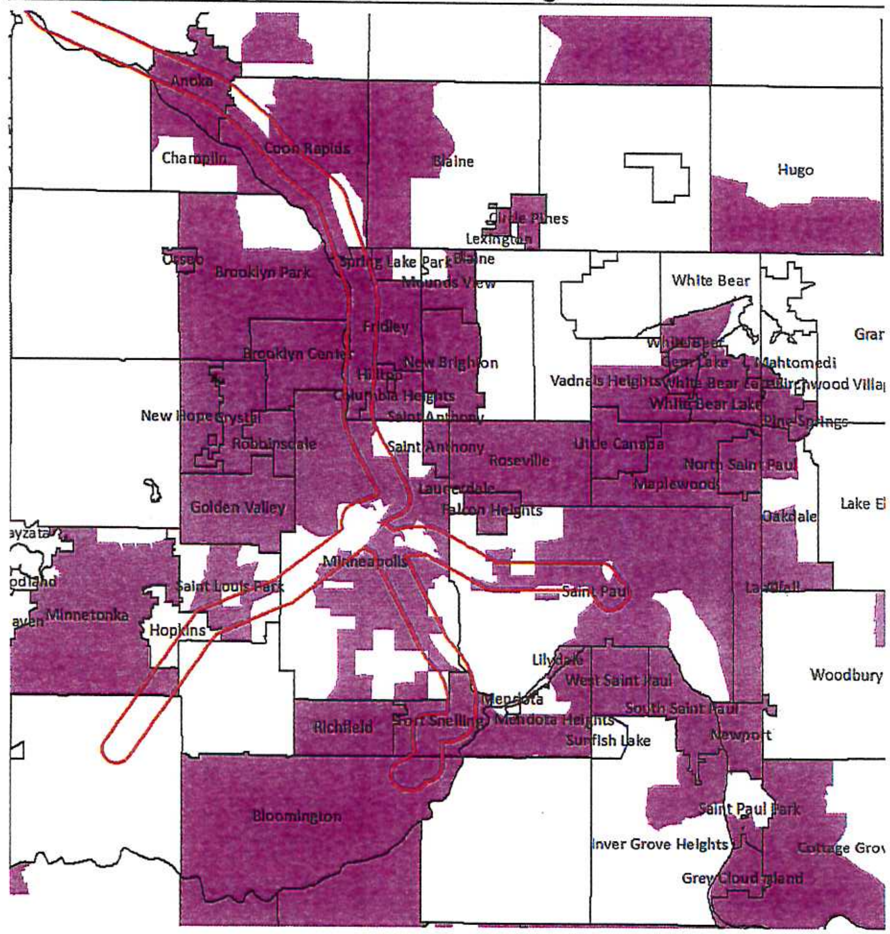
Product Details

Maximum Loan Size	$200,000; no minimum loan size
Occupancy	Owner occupied only
Purpose	Purchase and purchase with rehab
Interest Rate	7.5% Fixed *
Loan Term	10 year Balloon (30 year amortization)
Loan to Value	Up to 100% on purchase and 110% on rehab
Property Types	1 – 2 Single Family, PUD and Condos
Appraisal	Market rate appraisal
Property Inspections	All properties must meet code or be brought up to code
First Time Homebuyer	No restrictions
Minimum Investment	$2,000 or 2.0% of sales price, whichever is less, can be used towards closing cost or down Payment
Lending Restrictions	MHFA defined moderate and high risk stabilization need
Escrows	Escrows for taxes & insurance required (Escrows to be held and disbursed by Community Reinvestment Fund)
Flood Certification	As needed, will review appraisal to determine.
Allowable Financing	2nd Mortgages and Grants for down payment assistance

Allowable Fees	Actual fees (i.e., appraisal, credit report, normal title and closing cost) 2% origination fee covers all origination, processing, closing and post closing costs $100 counseling fee
Credit Evaluation	No minimum credit score, but will closely review past 12 month credit history Any collections must demonstrate corrective action
Bankruptcy / Foreclosure	Bankruptcy and Foreclosures will be considered under extenuating circumstances
Education	Pre-purchase home buyer education (Home Stretch Classes), financial counseling, and post-purchase counseling required Counselor will complete in-depth budget with borrowers and out come must support loan amount regardless of ratios
Buyer Requirements	Potential buyers must complete home buyer education and be pre-approved before they can make an offer on a home Clients who close with us on a Contract for Deed must agree to participate in the Sustainability Program.
Underwriting Criteria	Follows FHA guidelines for documenting and determining income, assets and liabilities Additional analysis of risk regarding borrower's income employment continuation

BRIDGE TO SUCCESS TARGET AREA

SHOP Home Mortgage - Bridge to Success Target Area



Community Stabilization Areas of Need

High and Moderate Need Census Tracts

Family Housing Fund Corridors of Opportunity

1/2 Mile around Hiawatha, Central Corridor, Northstar, and Southwest

Community Stabilization Areas of Need are based on Minnesota Housing Community Profiles data for 2011. These lower income and older communities have had a lot of foreclosures or a drop in housing prices. Sources: American Community Survey 2005-2009 estimates, MN Dept of Revenue Certificate of Real Estate Value, 2009, and LPS Applied Analytics foreclosure data for 2010. Updated June, 2012.

APPENDIX A

INVESTOR PERSPECTIVES

Investor Class B Summary Projections

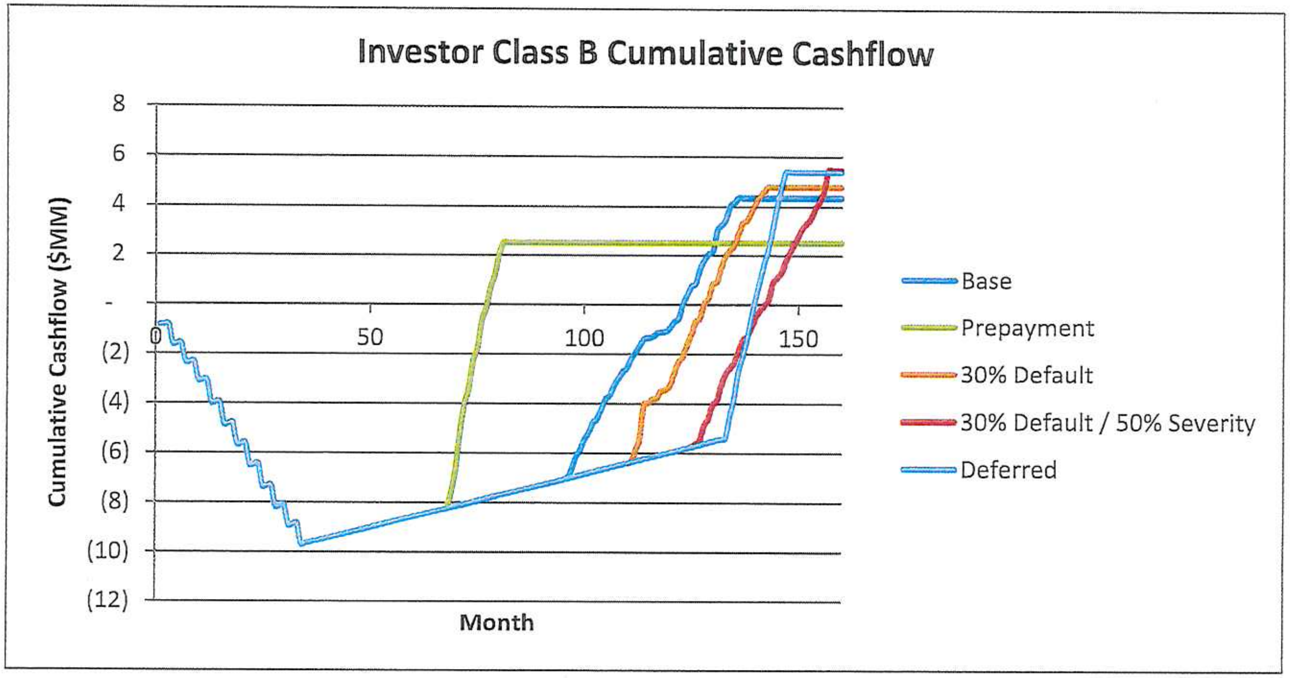
- Class B invests $10,400,000 ($10.0mm principal) with a 5% coupon rate
- Projected principal and interest summaries are below

Scenario	Return (P)	Return (I)	Total Return	Period	ROI	IRR
Base	$10.4mm	$4.3mm	$14.7mm	96/136	41.6%	5.159%
Prepayment	$10.4mm	$2.4mm	$12.8mm	69/81	23.2%	5.201%
Worse	$10.4mm	$4.8mm	$15.2mm	112/143	45.9%	5.154%
Catastrophic	$10.4mm	$5.4mm	$15.8mm	126/157	52.0%	5.142%
Deferred	$10.4mm	$5.4mm	$15.8mm	134/147	51.6%	5.149%

The **Prepay** projection stress test case reduces refinancing timeframe
The **Worse Case** projection stress test case increases default (via foreclosure) to ~30%.
The **Catastrophic Case** projection stress test case uses the Worse Case portfolio with 50% REO loss severity.
The **Deferred** portfolio extends the average refinancing timeframe

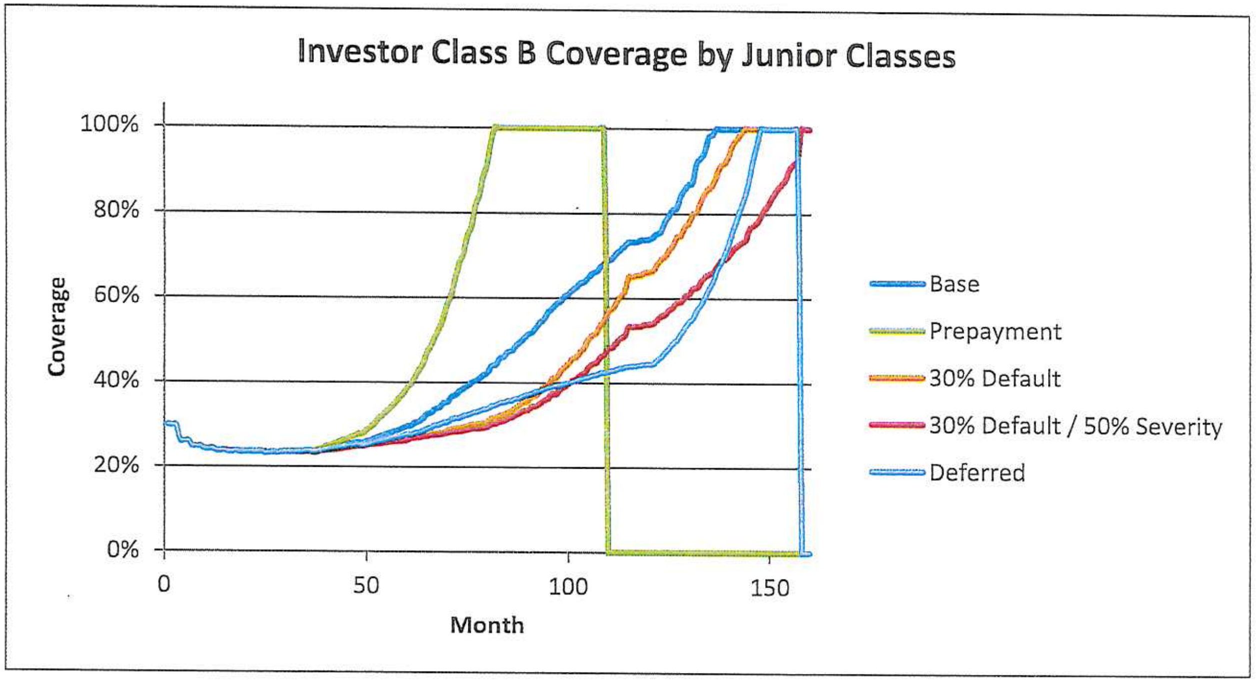
INVESTOR CLASS B CUMULATIVE CASHFLOW

- Cumulative cashflow to / (from) Investor Class B is shown below for the various scenarios considered



INVESTOR CLASS B COVERAGE

- The graph below shows Class B's coverage by subordinate classes for each portfolio scenario



Investor Class E Summary Projections

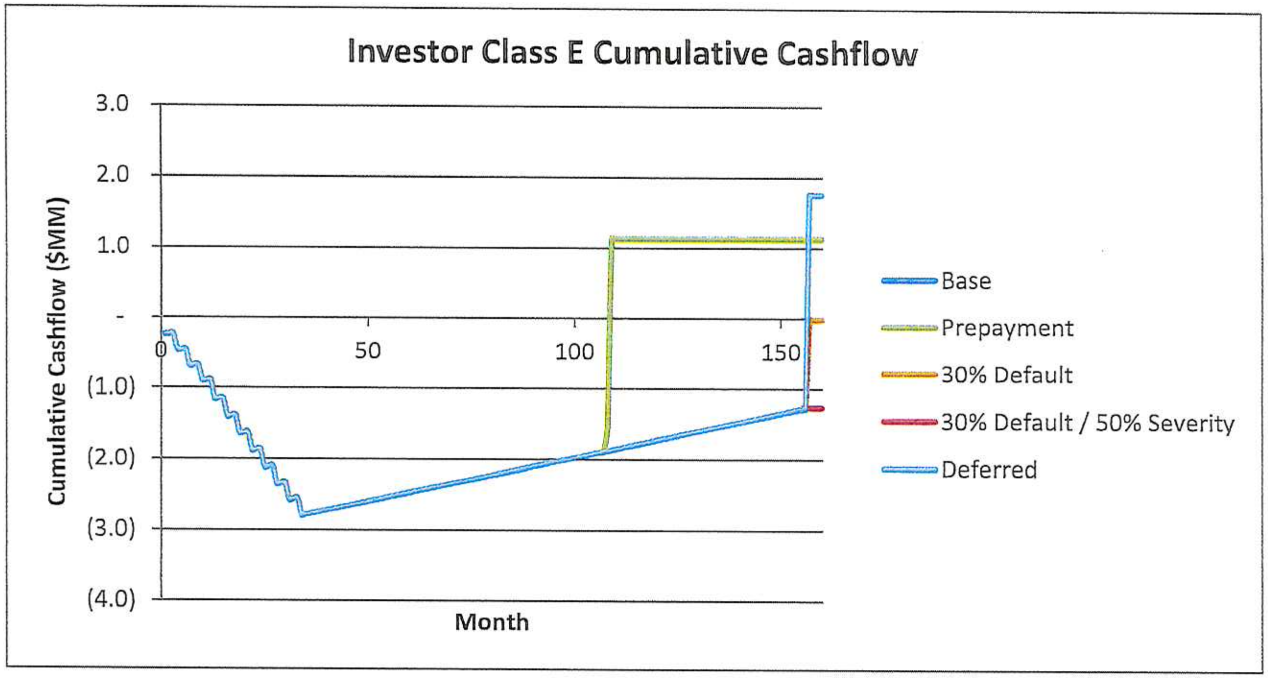
- Class E invests $3,000,000 (~$2.9mm principal) with a 5% coupon rate
- Projected principal and interest summaries are below

Scenario	Return (P)	Return (I)	Total Return	Period	ROI	IRR
Base	$3mm	$1.7mm	$4.7mm	157/157	55.8%	5.116%
Prepayment	$3mm	$1.1mm	$4.1mm	108/109	35.8%	5.122%
Worse	$2.1mm	$1.7mm	$3.8mm	157/157	25.2	2.675%
Catastrophic	$0mm	$1.7mm	$1.7mm	N/A	(44.7%)	(9.338%)
Deferred	$3mm	$1.7mm	$4.7mm	157/157	55.8%	5.116%

The **Prepay** projection stress test case reduces refinancing timeframe
The **Worse Case** projection stress test case increases default (via foreclosure) to ~30%.
The **Catastrophic Case** projection stress test case uses the Worse Case portfolio with 50% REO loss severity.
The **Deferred** portfolio extends the average refinancing timeframe

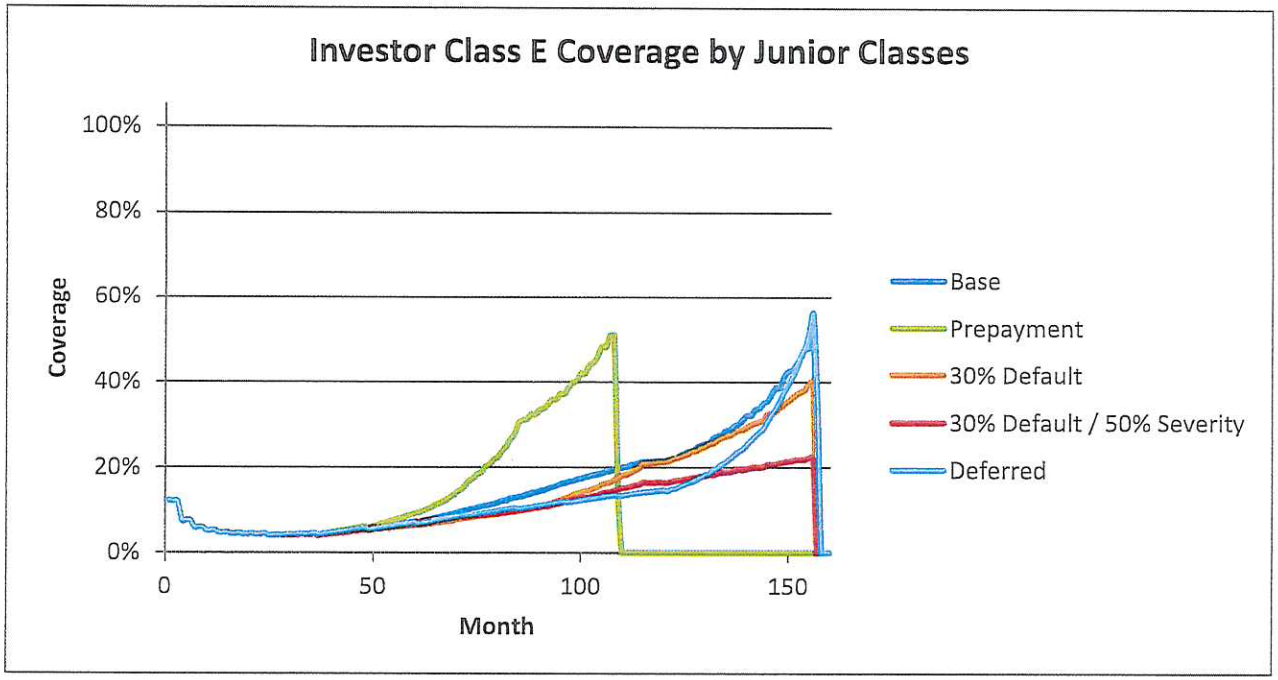
INVESTOR CLASS E CUMULATIVE CASHFLOW

- Cumulative cashflow to / (from) Investor Class E is shown below for the various scenarios considered



INVESTOR CLASS E COVERAGE

- The graph below shows Class E's coverage by subordinate classes for each portfolio scenario



Class CE/Credit Reserve

- The amount of principal returned to Class CE are shown below for each scenario considered.

Scenario	Return (P)	Return (I)	Total Return	Period	ROI	IRR
Base	$500k	$0k	$500k	N/A	0.0%	0.000%
Prepayment	$500k	$0k	$500k	N/A	0.0%	0.000%
Worse	$0k	$0k	$0k	N/A	(100.0%)	N/A
Catastrophic	$0k	$0k	$0k	N/A	(100.0%)	N/A
Deferred	$500k	$0k	$500k	N/A	0.0%	0.000%

Participant	Principal	Proportion
City of Minneapolis	$200k	40%
City of Saint Paul	$100k	20%
Hennepin County (via GMHC)	$100k	20%
NeighborWorks America (via DBNHS)	$100k	20%

- Projected residual interest in the Credit Reserve go to Class L.

BASE – DETAILS

Input Parameters

Pool 1

Origination Fee to SHOP	3.0%			
Borrower Paid	2.0%	$	1,000,000	Includes servicing setup, etc.
Pool Paid	1.0%	$	500,000	(Investor funded)

Additional Investor Premium at Origination

Pool Paid	3.0%	$	1,500,000	(Investor funded)
Investment Schedule	Quarterly In Advance			

Subtotal Investor Premium + Origination Fee $ 2,000,000

Adjustable Loan Parameters and Portfolio Statistics

Appreciation Schedule	Flat	
LTV Refi Requirement	97.0%	
Borrower Interest Rate	7.5%	7.5%
Late Fee (% of missed payment	4.0%	4.0%
Tax Rate	40.5%	40.5%
REO Loss Severity Rate	16.1%	16.1%
Short Sale Loss Severity	20.0%	20.0%
Portfolio Scenario	Standard Portfolio	
Average Loan Term	74.7 months	
Fraction Ever Delinquent	62.5%	
Average Delinquent	16.3%	
Delinq. Partial Catchup	50.0%	
Delinq. Catchup Deferred	50.0%	
Default Process Begun	21.5%	
Fraction to Default	6.5%	
Fraction Short Sale (Event)	5.0%	
Number of REO Sales	26	
Number of Market Short Sales	177	
Number of Event Short Sales	20	
Number of Loan Modifications	30	
Early Prepay	58.3%	
Expected Prepay	41.8%	
Always On Time	37.5%	
Occasional Late Payments	23.3%	
Chronic Late Payments	39.3%	

Non-Investor Waterfall Payments

Master Svc/ Trustee (% of Prin	0.02%	$	709,415	
Servicer (SHOP) (% of Principa	0.02%	$	709,415	
Counseling Services (per loan)	$ 6.69	$	197,023	
Warehouse Line Interest Rate	0.00%	$	-	(not used)
Sub-Servicer (CRF)		$	232,644	
Total		$	1,848,496	

Credit Enhancement Parameters

Initial Credit Enh.	$ 500,000
CE % of Interest Added	1.0%
Interest on CE/CR Pools	0.05%

Investor Class Parameters	Proportion	Interest	Total Invested	Prin Invest
Class A (Private)	60%	4.500%	31,200,000	30,000,000
Class B (MHFA)	20%	5.000%	10,400,000	10,000,000
Class C (TBD)	7%	6.000%	3,700,000	3,557,692
Class D (TBD)	7%	5.500%	3,700,000	3,557,692
Class E (FHF)	6%	5.000%	3,000,000	2,884,615
			52,000,000	50,000,000

Deal Setup Costs

Cost 1	$ 350,000
Cost 2	$ -
Cost 3	$ -
Total	$ 350,000

Key Model Outputs

Deferred Debt	A	B	C	D	E	CE	Totals
Investment	*31,200,000*	*10,400,000*	*3,700,000*	*3,700,000*	*3,000,000*	*500,000*	*52,500,000*
Actual Return (P)	*31,200,000*	*10,400,000*	*3,700,000*	*3,700,000*	*3,000,000*	*500,000*	*52,500,000*
Actual Return (I,E)	*6,050,187*	*4,325,988*	*2,303,427*	*2,297,216*	*1,738,053*	-	*16,714,871*
Total Return	37,250,187	14,725,988	6,003,427	5,997,216	4,738,053	500,000	69,214,871
Coupon Rate	4.500%	5.000%	6.000%	5.500%	5.000%		4.81%
IRR on Actual	4.589%	5.041%	6.035%	5.525%	5.000%	0.00%	4.92%
ROI Actual	19.4%	41.6%	62.3%	62.1%	57.9%	0.0%	

Participation	A	B	C	D	E	CE	
Investment	*31,200,000*	*10,400,000*	*3,700,000*	*3,700,000*	*3,000,000*	*500,000*	*52,500,000*
Actual Return (P)	*31,200,000*	*10,400,000*	*3,700,000*	*3,700,000*	*3,000,000*	*500,000*	*52,500,000*
Actual Return (I+CR)	*10,536,513*	*3,355,310*	*1,432,459*	*1,313,088*	*967,878*	-	*17,605,247*
Total Return	41,736,513	13,755,310	5,132,459	5,013,088	3,967,878	500,000	70,105,247
Coupon Rate	4.500%	5.000%	6.000%	5.500%	5.000%		4.81%
IRR on Actual	5.048%	5.054%	6.064%	5.559%	5.054%		5.16%
ROI Actual	33.8%	32.3%	38.7%	35.5%	32.3%	0.0%	

Participation Mod	A	B	C	D	E	CE	
Investment	*31,200,000*	*10,400,000*	*3,700,000*	*3,700,000*	*3,000,000*	*500,000*	*52,500,000*
Actual Return (P)	*31,200,000*	*10,400,000*	*3,700,000*	*3,700,000*	*3,000,000*	*500,000*	*52,500,000*
Actual Return (I+CR)	*10,340,377*	*3,313,270*	*1,434,745*	*1,338,143*	*1,178,649*	-	*17,605,184*
Total Return	41,540,377	13,713,270	5,134,745	5,038,143	4,178,649	500,000	70,105,184
Coupon Rate	4.500%	5.000%	6.000%	5.500%	5.000%		4.81%
IRR on Actual	5.050%	5.055%	6.064%	5.558%	5.040%		
ROI Actual	33.1%	31.9%	38.8%	36.2%	39.3%	0.0%	

Overall Cashflows

In	Def. Debt	Partic.	Partic. Mod
Investor Invested	52,500,000	52,500,000	52,500,000
Total Paid (P) by Loans	48,397,544	48,397,544	48,397,544
Total Paid (I) by Loans	21,877,426	21,877,426	21,877,426
Interest Earned on Pools	23,419	28,774	28,710
Total In	122,798,389	122,803,744	122,803,680
Out			
Origination fee to SHOP	500,000	500,000	500,000
Deal Costs	350,000	350,000	350,000
Note Funding	50,000,000	50,000,000	50,000,000
Total Returned (P) to Investors	52,000,000	52,000,000	52,000,000
Total Returned (I) to Investors	16,698,830	16,128,070	16,150,070
Other Interest Expenses	1,848,496	1,848,496	1,848,496
Fee Shortfall	-	-	-
Net Tax Paid	885,021	-	-
CE Liquidation	500,000	500,000	500,000
CR Liquidation	16,042	1,477,177	1,455,114
Total Out	122,798,389	122,803,744	122,803,680
Balance	-	-	-

Key Model Outputs (Difference from Standard)

Deferred Debt	A	B	C	D	E	CE	Totals
Investment	*31,200,000*	-	-	-	-		-
Actual Return (P)	-	-	-	-	-		-
Actual Return (I)	-	-	-	-	-		-
Total Return	-	-	-	-	-		-
IRR on Sched	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%
IRR on Actual	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%
ROI Actual	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Participation	A	B	C	D	E	CE	
Investment	-	-	-	-	-	-	-
Actual Return (P)	-	-	-	-	-	-	-
Actual Return (I+CR)	-	-	-	-	-	-	-
Total Return	-	-	-	-	-	-	-
Coupon Rate	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%
IRR on Actual	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%
ROI Actual	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

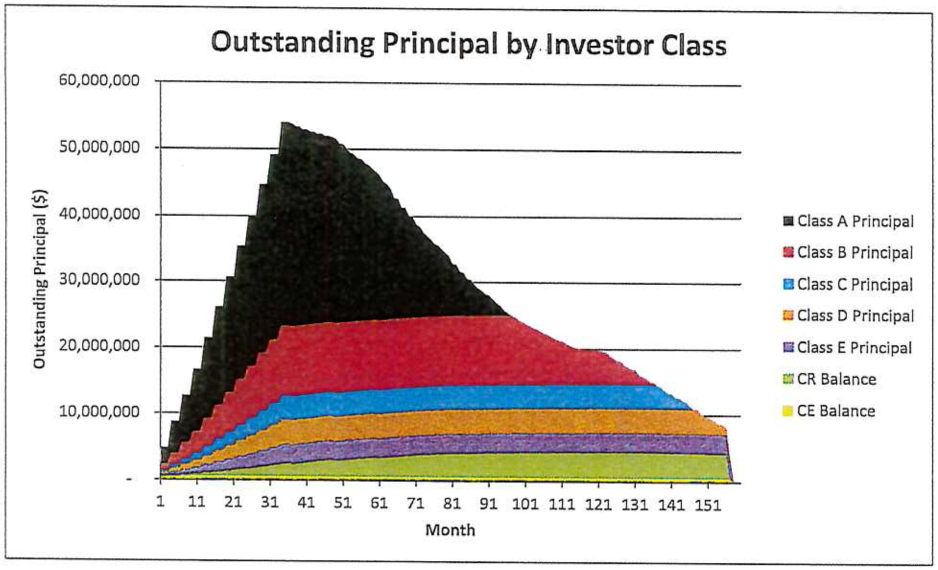
Participation Mod	A	B	C	D	E	CE	
Investment	-	-	-	-	-	-	-
Actual Return (P)	-	-	-	-	-	-	-
Actual Return (I+CR)	-	-	-	-	-	-	-
Total Return	-	-	-	-	-	-	-
Coupon Rate	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%
						0.00%	0.00%
ROI Actual	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

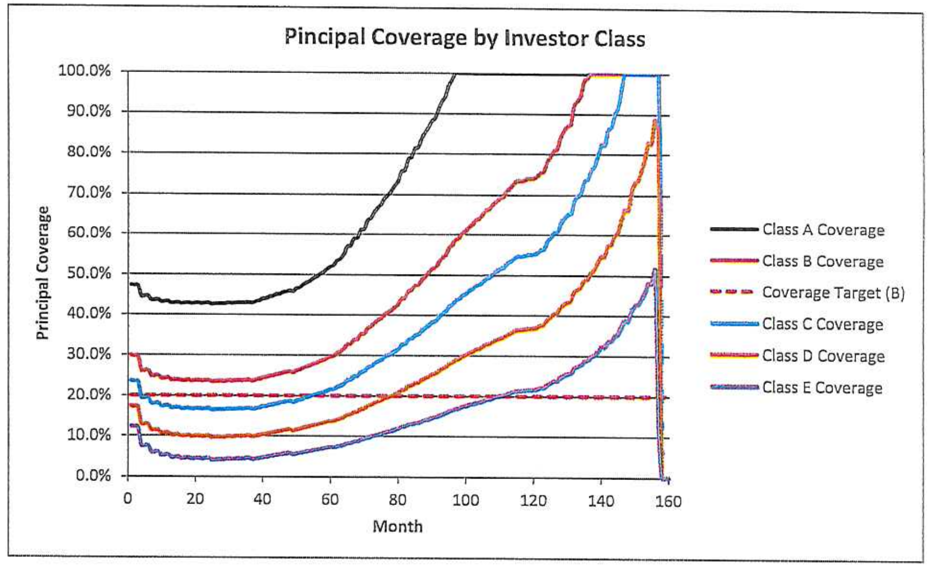
Overall Cashflows

In	Def. Debt	Partic.	Partic. Mod
Investor Invested	-	-	-
Total Paid (P) by Loans	-	-	-
Total Paid (I) by Loans	-	-	-
Interest Earned on Pools	-	-	-
Total In	-	-	-
Out			
Origination fee to SHOP	-	-	-
Deal Costs	-	-	-
Note Funding	-	-	-
Total Returned (P) to Investors	-	-	-
Total Returned (I) to Investors	-	-	-
Other Interest Expenses	-	-	-
Fee Shortfall	-	-	-
CE Liquidation	-	-	-
CR Liquidation	-	-	-
Total Out	-	-	-
Balance	-	-	-

BASE – PRINCIPAL / COVERAGE

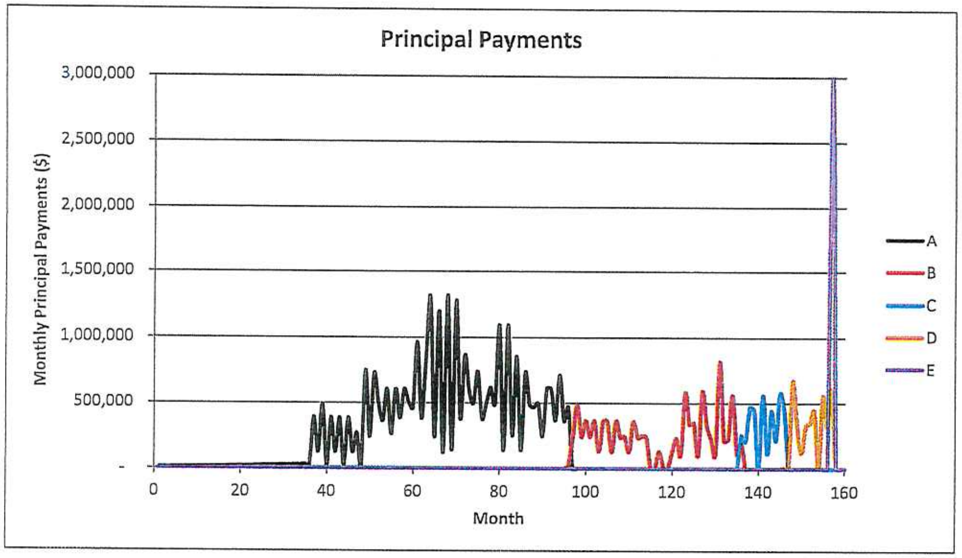
- Base case portfolio's outstanding principal, cumulatively for all classes
- Also shown is investor coverage by class along with target for B

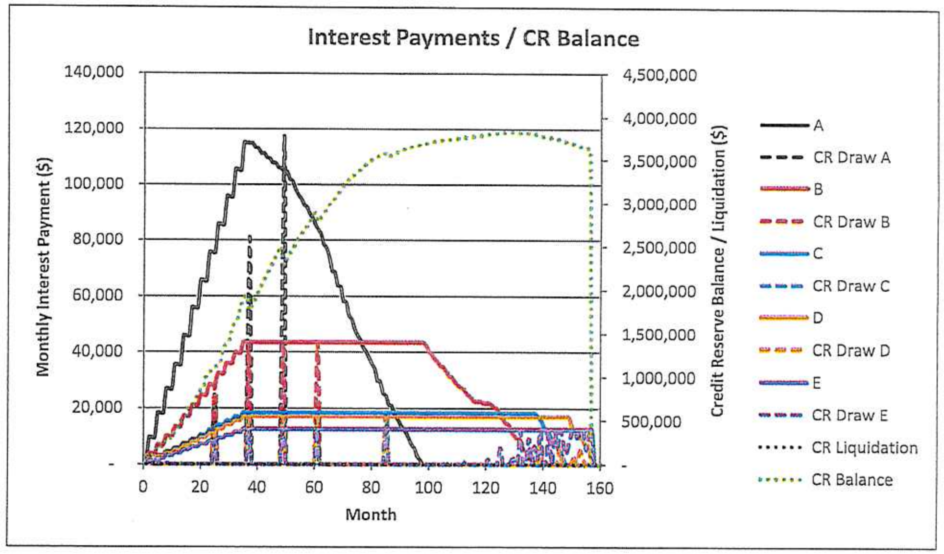




BASE – P & I CASHFLOWS

- Principal and interest payments are plotted below by investor class
- The interest graph also show CR use for each investor class as well as the CR liquidation to Class L





PREPAYMENT – DETAILS

Input Parameters

Pool 1

Origination Fee to SHOP	3.0%		
Borrower Paid	2.0%	$ 1,000,000	Includes servicing setup, etc.
Pool Paid	1.0%	$ 500,000	(Investor funded)

Additional Investor Premium at Origination

Pool Paid	3.0%	$ 1,500,000	(Investor funded)
Investment Schedule	Quarterly In Advance		

Subtotal Investor Premium + Origination Fee $ 2,000,000

Adjustable Loan Parameters and Portfolio Statistics

Appreciation Schedule	Flat	
LTV Refi Requirement	97.0%	
Borrower Interest Rate	7.5%	7.5%
Late Fee (% of missed payment	4.0%	4.0%
Tax Rate	40.5%	40.5%
REO Loss Severity Rate	16.1%	16.1%
Short Sale Loss Severity	20.0%	20.0%
Portfolio Scenario	Prepay 36-48	
Average Loan Term	46.7 months	
Fraction Ever Delinquent	60.0%	
Average Delinquent	7.4%	
Delinq. Partial Catchup	66.7%	
Delinq. Catchup Deferred	33.3%	
Default Process Begun	20.0%	
Fraction to Default	5.0%	
Fraction Short Sale (Event)	0.0%	
Number of REO Sales	20	
Number of Market Short Sales	200	
Number of Event Short Sales	0	
Number of Loan Modifications	20	
Early Prepay	100.0%	
Expected Prepay	0.0%	
Always On Time	40.0%	
Occasional Late Payments	40.0%	
Chronic Late Payments	20.0%	

Non-Investor Waterfall Payments

Master Svc/ Trustee (% of Prin	0.02%	$ 455,003	
Servicer (SHOP) (% of Principa	0.02%	$ 455,003	
Counseling Services (per loan)	$ 10.70	$ 202,196	
Warehouse Line Interest Rate	0.00%	$ -	(not used)
Sub-Servicer (CRF)		$ 153,120	
Total		$ 1,265,322	

Credit Enhancement Parameters

Initial Credit Enh.	$ 500,000
CE % of Interest Added	1.0%
Interest on CE/CR Pools	0.05%

Investor Class Parameters	Proportion	Interest	Total Invested	Prin Invest
Class A (Private)	60%	4.500%	31,200,000	30,000,000
Class B (MHFA)	20%	5.000%	10,400,000	10,000,000
Class C (TBD)	7%	6.000%	3,700,000	3,557,692
Class D (TBD)	7%	5.500%	3,700,000	3,557,692
Class E (FHF)	6%	5.000%	3,000,000	2,884,615
			52,000,000	50,000,000

Deal Setup Costs

Cost 1	$ 350,000
Cost 2	$ -
Cost 3	$ -
Total	$ 350,000

Key Model Outputs

Deferred Debt	A	B	C	D	E	CE	Totals
Investment	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	500,000	52,500,000
Actual Return (P)	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	468,916	52,468,916
Actual Return (I,E)	4,417,059	2,491,502	1,239,717	1,376,319	1,125,553	-	10,650,151
Total Return	35,617,059	12,891,502	4,939,717	5,076,319	4,125,553	468,916	63,119,066
Coupon Rate	4.500%	5.000%	6.000%	5.500%	5.000%		4.81%
IRR on Actual	4.614%	5.078%	6.076%	5.556%	4.960%	-0.71%	4.92%
ROI Actual	14.2%	24.0%	33.5%	37.2%	37.5%	-6.2%	

Participation	A	B	C	D	E	CE	
Investment	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	500,000	52,500,000
Actual Return (P)	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	500,000	52,500,000
Actual Return (I+CR)	6,540,273	2,164,358	924,015	847,013	624,334	-	11,099,993
Total Return	37,740,273	12,564,358	4,624,015	4,547,013	3,624,334	500,000	63,599,993
Coupon Rate	4.500%	5.000%	6.000%	5.500%	5.000%		4.81%
IRR on Actual	4.998%	5.089%	6.105%	5.597%	5.089%		5.15%
ROI Actual	21.0%	20.8%	25.0%	22.9%	20.8%	0.0%	

Participation Mod	A	B	C	D	E	CE	
Investment	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	500,000	52,500,000
Actual Return (P)	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	500,000	52,500,000
Actual Return (I+CR)	6,491,964	2,148,415	923,639	849,055	686,909	-	11,099,983
Total Return	37,691,964	12,548,415	4,623,639	4,549,055	3,686,909	500,000	63,599,983
Coupon Rate	4.500%	5.000%	6.000%	5.500%	5.000%		4.81%
IRR on Actual	4.999%	5.090%	6.105%	5.596%	5.078%		
ROI Actual	20.8%	20.7%	25.0%	22.9%	22.9%	0.0%	

Overall Cashflows

In	Def. Debt	Partic.	Partic. Mod
Investor Invested	52,500,000	52,500,000	52,500,000
Total Paid (P) by Loans	49,326,921	49,326,921	49,326,921
Total Paid (I) by Loans	13,872,841	13,872,841	13,872,841
Interest Earned on Pools	13,540	15,554	15,544
Total In	115,713,301	115,715,315	115,715,305
Out			
Origination fee to SHOP	500,000	500,000	500,000
Deal Costs	350,000	350,000	350,000
Note Funding	50,000,000	50,000,000	50,000,000
Total Returned (P) to Investors	52,000,000	52,000,000	52,000,000
Total Returned (I) to Investors	10,650,130	10,403,488	10,408,429
Other Interest Expenses	1,265,322	1,265,322	1,265,322
Fee Shortfall	-	-	-
Net Tax Paid	478,912	-	-
CE Liquidation	468,916	500,000	500,000
CR Liquidation	21	696,505	691,554
Total Out	115,713,301	115,715,315	115,715,305
Balance	-	-	-

Key Model Outputs (Difference from Standard)

Deferred Debt	A	B	C	D	E	CE	Totals
Investment	31,200,000	-	-	-	-		-
Actual Return (P)	0	(0)	(0)	0	-		(31,084)
Actual Return (I)	(1,633,128)	(1,834,485)	(1,063,710)	(920,897)	(612,500)		(6,064,721)
Total Return	(1,633,128)	(1,834,485)	(1,063,710)	(920,897)	(612,500)		(6,095,805)
IRR on Sched	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%
IRR on Actual	0.025%	0.037%	0.041%	0.031%	-0.040%	-0.71%	0.00%
ROI Actual	-5.2%	-17.6%	-28.7%	-24.9%	-20.4%	-6.2%	0.0%

Participation	A	B	C	D	E	CE	
Investment	-	-	-	-	-	-	-
Actual Return (P)	. 0	(0)	(0)	(0)	(0)	-	0
Actual Return (I+CR)	(3,996,241)	(1,190,951)	(508,445)	(466,074)	(343,544)	-	(6,505,254)
Total Return	(3,996,241)	(1,190,951)	(508,445)	(466,074)	(343,544)	-	(6,505,254)
Coupon Rate	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%
IRR on Actual	-0.050%	0.034%	0.041%	0.038%	0.034%	0.00%	-0.02%
ROI Actual	-12.8%	-11.5%	-13.7%	-12.6%	-11.5%	0.0%	0.0%

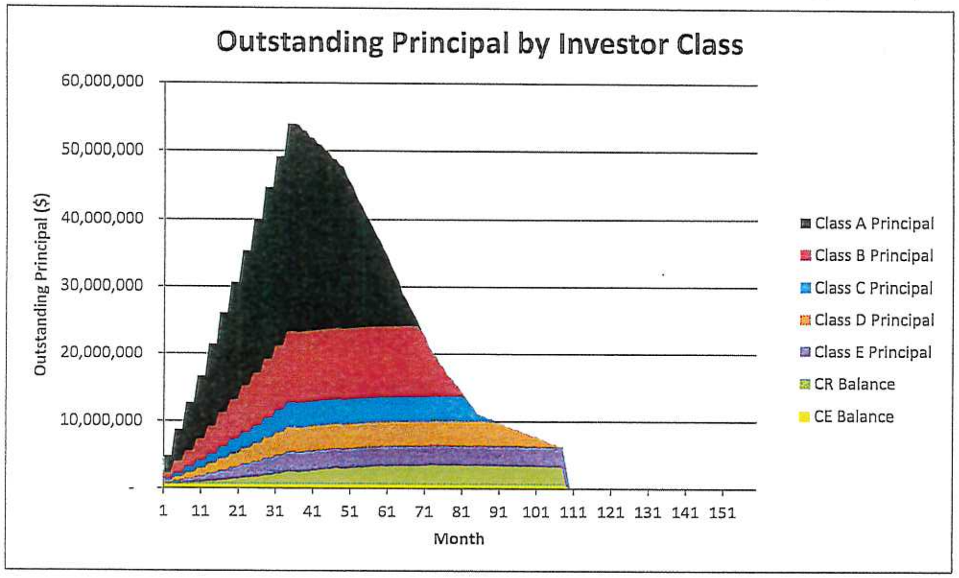
Participation Mod	A	B	C	D	E	CE	
Investment	-	-	-	-	-	-	-
Actual Return (P)	-	0	(0)	(0)	0	-	0
Actual Return (I+CR)	(3,848,413)	(1,164,855)	(511,105)	(489,087)	(491,740)	-	(6,505,201)
Total Return	(3,848,413)	(1,164,855)	(511,105)	(489,087)	(491,740)	-	(6,505,201)
Coupon Rate	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%
						0.00%	0.00%
ROI Actual	-12.3%	-11.2%	-13.8%	-13.2%	-16.4%	0.0%	0.0%

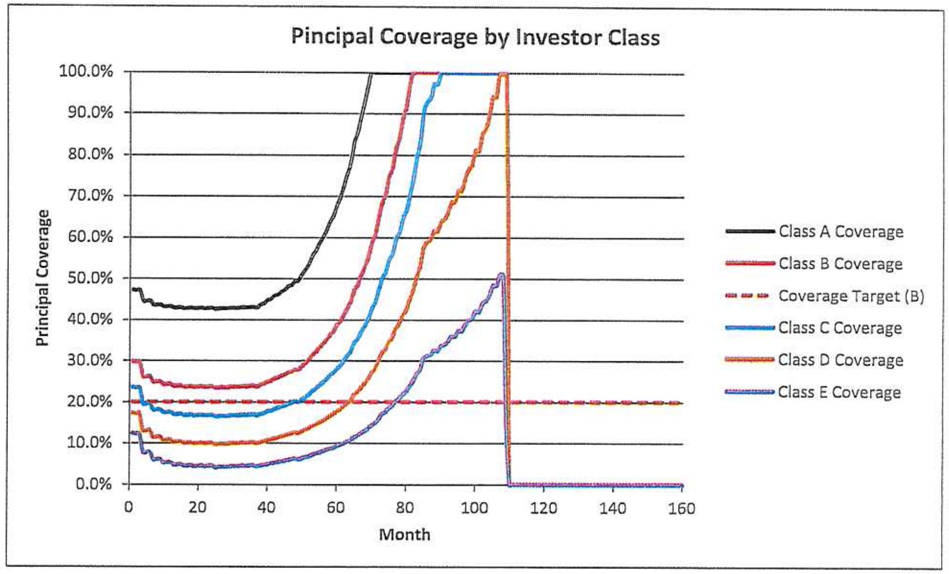
Overall Cashflows

In	Def. Debt	Partic.	Partic. Mod
Investor Invested	-	-	-
Total Paid (P) by Loans	929,376	929,376	929,376
Total Paid (I) by Loans	(8,004,585)	(8,004,585)	(8,004,585)
Interest Earned on Pools	(9,879)	(13,219)	(13,166)
Total In	(7,085,088)	(7,088,428)	(7,088,375)
Out			
Origination fee to SHOP	-	-	-
Deal Costs	-	-	-
Note Funding	-	-	-
Total Returned (P) to Investors	-	0	0
Total Returned (I) to Investors	(6,048,700)	(5,724,582)	(5,741,641)
Other Interest Expenses	(583,174)	(583,174)	(583,174)
Fee Shortfall	-	-	-
CE Liquidation	(31,084)	-	-
CR Liquidation	(16,021)	(780,672)	(763,560)
Total Out	(7,085,088)	(7,088,428)	(7,088,375)
Balance	-	-	-

PREPAYMENT – PRINCIPAL / COVERAGE

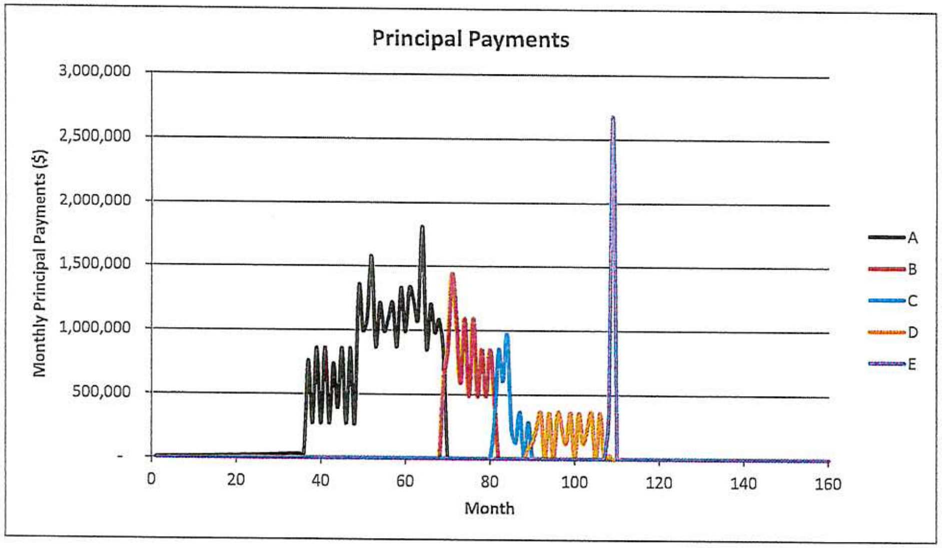
- Prepayment case portfolio's outstanding principal, cumulatively for all classes
- Also shown is investor coverage by class along with target for B

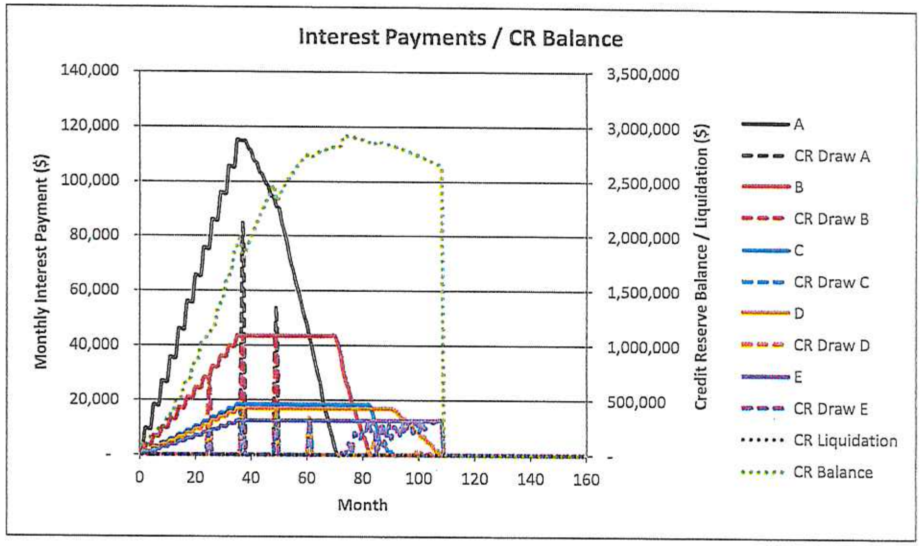




PREPAYMENT – P & I CASHFLOWS

- Principal and interest payments are plotted below by investor class
- The interest graph also show CR use for each investor class as well as the CR liquidation to Class L





DEFAULT – DETAILS

Pool 1

Origination Fee to SHOP	3.0%		
Borrower Paid	2.0%	$ 1,000,000	Includes servicing setup, etc.
Pool Paid	1.0%	$ 500,000	(Investor funded)
Additional Investor Premium at Origination			
Pool Paid	3.0%	$ 1,500,000	(Investor funded)
Investment Schedule	Quarterly in Advance		
Subtotal Investor Premium + Origination Fee		$ 2,000,000	

Adjustable Loan Parameters and Portfolio Statistics		
Appreciation Schedule	Flat	
LTV Refi Requirement	97.0%	
Borrower Interest Rate	7.5%	7.5%
Late Fee (% of missed payment	4.0%	4.0%
Tax Rate	40.5%	40.5%
REO Loss Severity Rate	16.1%	16.1%
Short Sale Loss Severity	20.0%	20.0%
Portfolio Scenario	30% default	
Average Loan Term	94.3 months	
Fraction Ever Delinquent	80.0%	
Average Delinquent	22.6%	
Delinq. Partial Catchup	50.0%	
Delinq. Catchup Deferred	50.0%	
Default Process Begun	60.0%	
Fraction to Default	30.0%	
Fraction Short Sale (Event)	12.5%	
Number of REO Sales	120	
Number of Market Short Sales	200	
Number of Event Short Sales	50	
Number of Loan Modifications	60	
Early Prepay	37.5%	
Expected Prepay	62.5%	
Always On Time	20.0%	
Occasional Late Payments	10.0%	
Chronic Late Payments	70.0%	

Non-Investor Waterfall Payments			
Master Svc/ Trustee (% of Prin	0.02%	$ 817,371	
Servicer (SHOP) (% of Principa	0.02%	$ 817,371	
Counseling Services (per loan)	$ 5.30	$ 179,380	
Warehouse Line Interest Rate	0.00%	$ -	(not used)
Sub-Servicer (CRF)		$ 270,174	
Total		$ 2,084,295	

Credit Enhancement Parameters	
Initial Credit Enh.	$ 500,000
CE % of Interest Added	1.0%
Interest on CE/CR Pools	0.05%

Investor Class Parameters	Proportion	Interest	Total Invested	Prin Invest
Class A (Private)	60%	4.500%	31,200,000	30,000,000
Class B (MHFA)	20%	5.000%	10,400,000	10,000,000
Class C (TBD)	7%	6.000%	3,700,000	3,557,692
Class D (TBD)	7%	5.500%	3,700,000	3,557,692
Class E (FHF)	6%	5.000%	3,000,000	2,884,615
			52,000,000	50,000,000

Deal Setup Costs	
Cost 1	$ 350,000
Cost 2	$ -
Cost 3	$ -
Total	$ 350,000

Deferred Debt	A	B	C	D	E	CE	Totals
Investment	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	500,000	52,500,000
Actual Return (P)	31,200,000	10,400,000	3,700,000	3,700,000	1,252,749	-	50,252,749
Actual Return (I,E)	8,068,931	4,753,749	2,437,887	2,341,000	1,725,553	-	19,327,119
Total Return	39,268,931	15,153,749	6,137,887	6,041,000	2,978,301	-	69,579,868
Coupon Rate	4.500%	5.000%	6.000%	5.500%	5.000%		4.81%
IRR on Actual	4.558%	5.036%	6.032%	5.477%	-0.088%	n/a	4.67%
ROI Actual	25.9%	45.7%	65.9%	63.3%	-0.7%	-100.0%	

Participation	A	B	C	D	E	CE	
Investment	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	500,000	52,500,000
Actual Return (P)	31,200,000	10,400,000	3,700,000	3,479,579	2,645,458	-	51,425,037
Actual Return (I+CR)	10,586,457	3,920,902	1,673,924	1,534,430	1,131,029	-	18,846,742
Total Return	41,786,457	14,320,902	5,373,924	5,014,009	3,776,487	-	70,271,779
Coupon Rate	4.500%	5.000%	6.000%	5.500%	5.000%		4.81%
IRR on Actual	4.534%	5.038%	6.044%	4.995%	3.856%		4.75%
ROI Actual	33.9%	37.7%	45.2%	35.5%	25.9%	-100.0%	

Participation Mod	A	B	C	D	E	CE	
Investment	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	500,000	52,500,000
Actual Return (P)	31,200,000	10,400,000	3,700,000	3,700,000	2,354,215	-	51,354,215
Actual Return (I+CR)	10,210,938	3,857,954	1,759,094	1,696,346	1,393,049	-	18,917,381
Total Return	41,410,938	14,257,954	5,459,094	5,396,346	3,747,264	-	70,271,596
Coupon Rate	4.500%	5.000%	6.000%	5.500%	5.000%		4.81%
IRR on Actual	4.537%	5.039%	6.041%	5.534%	3.142%		
ROI Actual	32.7%	37.1%	47.5%	45.8%	24.9%	-100.0%	

Overall Cashflows

In	Def. Debt	Partic.	Partic. Mod
Investor Invested	52,500,000	52,500,000	52,500,000
Total Paid (P) by Loans	45,854,600	45,854,600	45,854,600
Total Paid (I) by Loans	24,822,308	24,822,308	24,822,308
Interest Earned on Pools	24,976	29,167	28,984
Total In	123,201,884	123,206,075	123,205,891
Out			
Origination fee to SHOP	500,000	500,000	500,000
Deal Costs	350,000	350,000	350,000
Note Funding	50,000,000	50,000,000	50,000,000
Total Returned (P) to Investors	50,252,749	51,425,037	51,354,215
Total Returned (I) to Investors	19,327,098	18,846,721	18,917,360
Other Interest Expenses	2,084,295	2,084,295	2,084,295
Fee Shortfall	-	-	-
Net Tax Paid	687,720	-	-
CE Liquidation	-	-	-
CR Liquidation	21	21	21
Total Out	123,201,884	123,206,075	123,205,891
Balance	-	-	-

Deferred Debt	A	B	C	D	E	CE	Totals
Investment	31,200,000	-	-	-	-		-
Actual Return (P)	0	(0)	(0)	0	(1,747,251)		(2,247,251)
Actual Return (I)	2,018,744	427,761	134,459	43,784	(12,500)		2,612,248
Total Return	2,018,744	427,761	134,459	43,784	(1,759,751)		364,996
IRR on Sched	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%
IRR on Actual	-0.030%	-0.005%	-0.003%	-0.048%	-5.088%	n/a	-0.25%
ROI Actual	6.5%	4.1%	3.6%	1.2%	-58.7%	-100.0%	0.0%

Participation	A	B	C	D	E	CE	
Investment	-	-	-	-	-	-	-
Actual Return (P)	0	0	0	(220,421)	(354,542)	(500,000)	(1,074,963)
Actual Return (I+CR)	49,943	565,593	241,465	221,342	163,152	-	1,241,495
Total Return	49,943	565,593	241,465	922	(191,391)	(500,000)	166,532
Coupon Rate	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%
IRR on Actual	-0.513%	-0.017%	-0.020%	-0.564%	-1.198%	0.00%	-0.41%
ROI Actual	0.2%	5.4%	6.5%	0.0%	-6.4%	-100.0%	0.0%

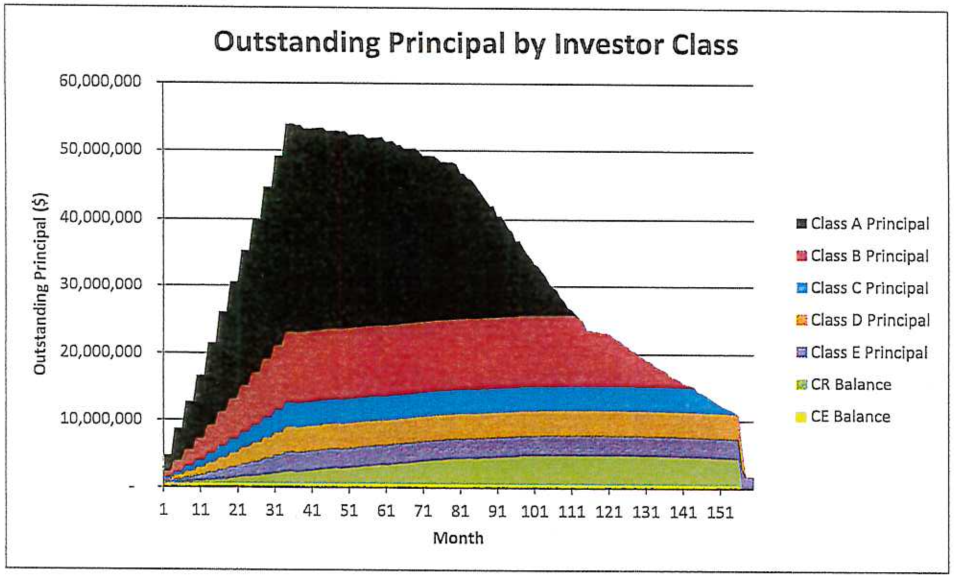
Participation Mod	A	B	C	D	E	CE	
Investment	-	-	-	-	-	-	-
Actual Return (P)	(0)	0	-	0	(645,785)	(500,000)	(1,145,785)
Actual Return (I+CR)	(129,439)	544,684	324,349	358,203	214,400	-	1,312,197
Total Return	(129,439)	544,684	324,349	358,203	(431,385)	(500,000)	166,412
Coupon Rate	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%
						0.00%	0.00%
ROI Actual	-0.4%	5.2%	8.8%	9.7%	-14.4%	-100.0%	0.0%

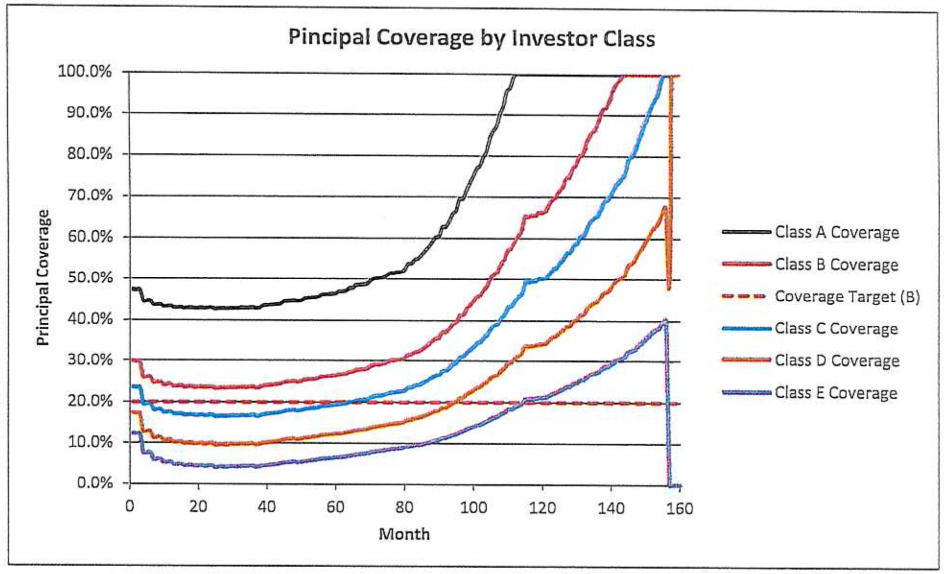
Overall Cashflows

In	Def. Debt	Partic.	Partic. Mod
Investor Invested	-	-	-
Total Paid (P) by Loans	(2,542,944)	(2,542,944)	(2,542,944)
Total Paid (I) by Loans	2,944,882	2,944,882	2,944,882
Interest Earned on Pools	1,557	393	273
Total In	403,495	402,331	402,211
Out			
Origination fee to SHOP	-	-	-
Deal Costs	-	-	-
Note Funding	-	-	-
Total Returned (P) to Investors	(1,747,251)	(574,963)	(645,785)
Total Returned (I) to Investors	2,628,268	2,718,651	2,767,290
Other Interest Expenses	235,799	235,799	235,799
Fee Shortfall	-	-	-
CE Liquidation	(500,000)	(500,000)	(500,000)
CR Liquidation	(16,021)	(1,477,157)	(1,455,093)
Total Out	403,495	402,331	402,211
Balance	-	-	-

DEFAULT – PRINCIPAL / COVERAGE

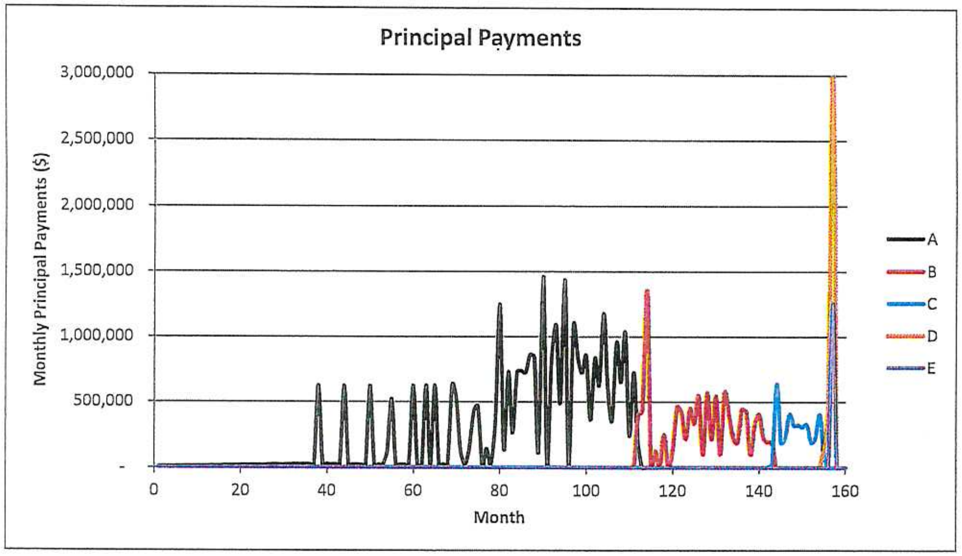
- Default case portfolio's outstanding principal, cumulatively for all classes
- Also shown is investor coverage by class along with target for B

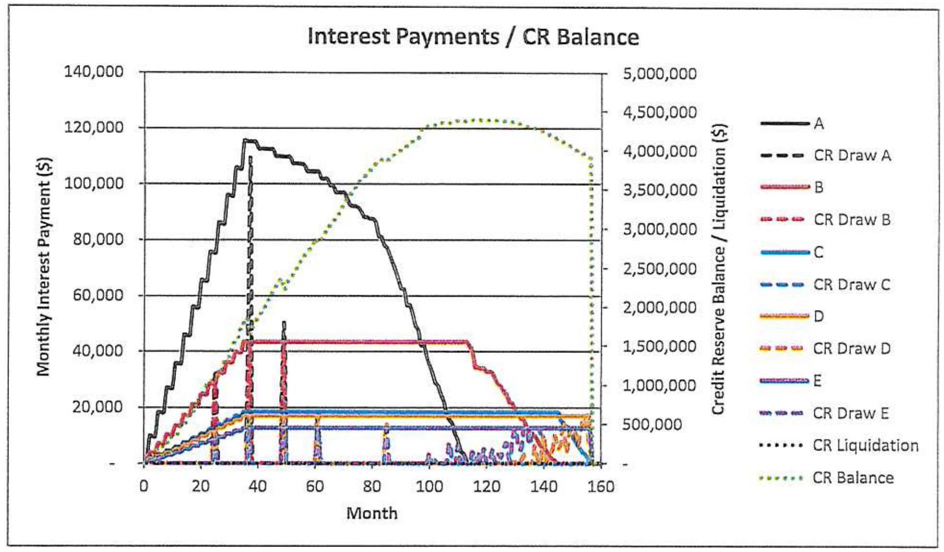




DEFAULT – P & I CASHFLOWS

- Principal and interest payments are plotted below by investor class
- The interest graph also show CR use for each investor class as well as the CR liquidation to Class L





SEVERITY – DETAILS

Input Parameters

Pool 1

Origination Fee to SHOP	3.0%		
Borrower Paid	2.0%	$ 1,000,000	Includes servicing setup, etc.
Pool Paid	1.0%	$ 500,000	(Investor funded)

Additional Investor Premium at Origination

Pool Paid	3.0%	$ 1,500,000	(Investor funded)
Investment Schedule	Quarterly In Advance		

Subtotal Investor Premium + Origination Fee $ 2,000,000

Adjustable Loan Parameters and Portfolio Statistics

Appreciation Schedule	Flat	
LTV Refi Requirement	97.0%	
Borrower Interest Rate	7.5%	7.5%
Late Fee (% of missed payment	4.0%	4.0%
Tax Rate	40.5%	40.5%
REO Loss Severity Rate	50.0%	16.1%
Short Sale Loss Severity	20.0%	20.0%
Portfolio Scenario	30% default	
Average Loan Term	94.3 months	
Fraction Ever Delinquent	80.0%	
Average Delinquent	22.6%	
Delinq. Partial Catchup	50.0%	
Delinq. Catchup Deferred	50.0%	
Default Process Begun	60.0%	
Fraction to Default	30.0%	
Fraction Short Sale (Event)	12.5%	
Number of REO Sales	120	
Number of Market Short Sales	200	
Number of Event Short Sales	50	
Number of Loan Modifications	60	
Early Prepay	37.5%	
Expected Prepay	62.5%	
Always On Time	20.0%	
Occasional Late Payments	10.0%	
Chronic Late Payments	70.0%	

Non-Investor Waterfall Payments

Master Svc/ Trustee (% of Prin	0.02%	$ 817,371	
Servicer (SHOP) (% of Principa	0.02%	$ 817,371	
Counseling Services (per loan)	$ 5.30	$ 179,380	
Warehouse Line Interest Rate	0.00%	$ -	(not used)
Sub-Servicer (CRF)		$ 270,174	
Total		$ 2,084,295	

Credit Enhancement Parameters

Initial Credit Enh.	$ 500,000
CE % of Interest Added	1.0%
Interest on CE/CR Pools	0.05%

Investor Class Parameters	Proportion	Interest	Total Invested	Prin Invest
Class A (Private)	60%	4.500%	31,200,000	30,000,000
Class B (MHFA)	20%	5.000%	10,400,000	10,000,000
Class C (TBD)	7%	6.000%	3,700,000	3,557,692
Class D (TBD)	7%	5.500%	3,700,000	3,557,692
Class E (FHF)	6%	5.000%	3,000,000	2,884,615
			52,000,000	50,000,000

Deal Setup Costs

Cost 1	$ 350,000
Cost 2	$ -
Cost 3	$ -
Total	$ 350,000

Key Model Outputs

Deferred Debt	A	B	C	D	E	CE	Totals
Investment	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	500,000	52,500,000
Actual Return (P)	31,200,000	10,400,000	2,517,871	-	-	-	44,117,871
Actual Return (I,E)	8,861,213	5,428,391	2,553,818	2,341,000	1,725,553	-	20,909,975
Total Return	40,061,213	15,828,391	5,071,689	2,341,000	1,725,553	-	65,027,846
Coupon Rate	4.500%	5.000%	6.000%	5.500%	5.000%		4.81%
IRR on Actual	4.553%	5.025%	3.765%	-7.416%	-8.847%	n/a	3.82%
ROI Actual	28.4%	52.2%	37.1%	-36.7%	-42.5%	-100.0%	

Participation	A	B	C	D	E	CE	Totals
Investment	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	500,000	52,500,000
Actual Return (P)	28,441,666	8,153,920	2,900,914	2,900,914	2,352,092	-	44,749,506
Actual Return (I+CR)	11,478,302	4,251,215	1,814,942	1,663,697	1,226,312	-	20,434,469
Total Return	39,919,968	12,405,135	4,715,856	4,564,611	3,578,404	-	65,183,974
Coupon Rate	4.500%	5.000%	6.000%	5.500%	5.000%		4.81%
IRR on Actual	3.692%	2.865%	4.051%	3.460%	2.865%		3.50%
ROI Actual	27.9%	19.3%	27.5%	23.4%	19.3%	-100.0%	

Participation Mod	A	B	C	D	E	CE	Totals
Investment	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	500,000	52,500,000
Actual Return (P)	29,603,494	8,070,226	2,709,252	2,568,950	1,658,576	-	44,610,498
Actual Return (I+CR)	10,720,811	4,467,526	2,012,855	1,900,847	1,471,140	-	20,573,179
Total Return	40,324,305	12,537,752	4,722,106	4,469,797	3,129,716	-	65,183,677
Coupon Rate	4.500%	5.000%	6.000%	5.500%	5.000%		4.81%
IRR on Actual	4.030%	2.891%	3.738%	2.806%	0.622%		
ROI Actual	29.2%	20.6%	27.6%	20.8%	4.3%	-100.0%	

Overall Cashflows

In	Def. Debt	Partic.	Partic. Mod
Investor Invested	52,500,000	52,500,000	52,500,000
Total Paid (P) by Loans	40,769,600	40,769,600	40,769,600
Total Paid (I) by Loans	24,822,308	24,822,308	24,822,308
Interest Earned on Pools	24,571	26,362	26,065
Total In	118,116,478	118,118,270	118,117,972
Out			
Origination fee to SHOP	500,000	500,000	500,000
Deal Costs	350,000	350,000	350,000
Note Funding	50,000,000	50,000,000	50,000,000
Total Returned (P) to Investors	44,117,871	44,749,506	44,610,498
Total Returned (I) to Investors	20,909,954	20,434,448	20,573,158
Other Interest Expenses	2,084,295	2,084,295	2,084,295
Fee Shortfall	-	-	-
Net Tax Paid	154,337	-	-
CE Liquidation	-	-	-
CR Liquidation	21	21	21
Total Out	118,116,478	118,118,270	118,117,972
Balance	-	-	-

Key Model Outputs (Difference from Standard)

Deferred Debt	A	B	C	D	E	CE	Totals
Investment	31,200,000	-	-	-	-		-
Actual Return (P)	(0)	(0)	(1,182,129)	(3,700,000)	(3,000,000)		(8,382,129)
Actual Return (I)	2,811,026	1,102,404	250,391	43,784	(12,500)		4,195,104
Total Return	2,811,026	1,102,404	(931,738)	(3,656,216)	(3,012,500)		(4,187,025)
IRR on Sched	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%
IRR on Actual	-0.036%	-0.016%	-2.270%	-12.940%	-13.847%	n/a	-1.10%
ROI Actual	9.0%	10.6%	-25.2%	-98.8%	-100.4%	-100.0%	0.0%

Participation	A	B	C	D	E	CE	Totals
Investment	-	-	-	-	-	-	-
Actual Return (P)	(2,758,334)	(2,246,080)	(799,086)	(799,086)	(647,908)	(500,000)	(7,750,494)
Actual Return (I+CR)	941,789	895,906	382,483	350,609	258,434	-	2,829,221
Total Return	(1,816,545)	(1,350,174)	(416,603)	(448,477)	(389,473)	(500,000)	(4,921,273)
Coupon Rate	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%
IRR on Actual	-1.356%	-2.189%	-2.013%	-2.099%	-2.189%	0.00%	-1.66%
ROI Actual	-5.8%	-13.0%	-11.3%	-12.1%	-13.0%	-100.0%	0.0%

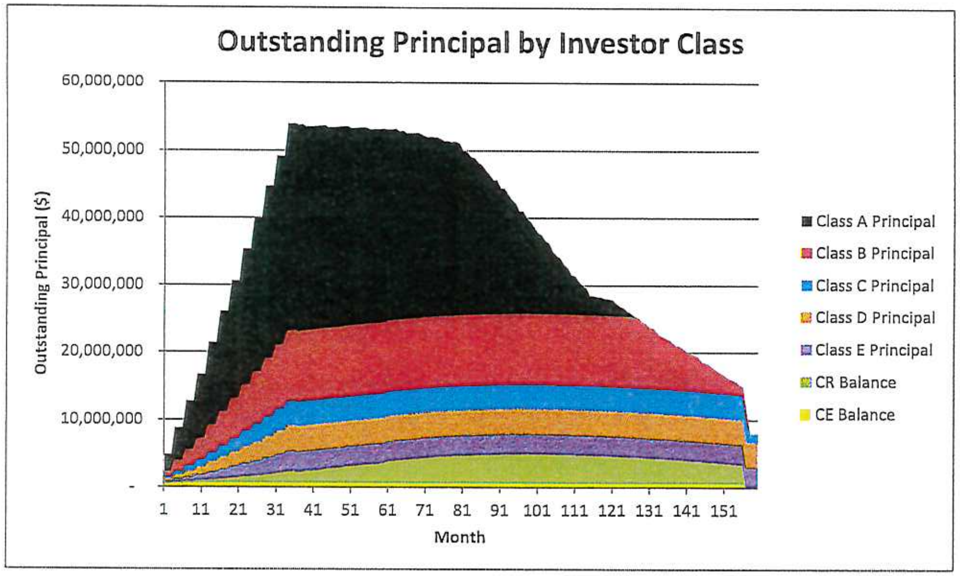
Participation Mod	A	B	C	D	E	CE	Totals
Investment	-	-	-	-	-	-	-
Actual Return (P)	(1,596,506)	(2,329,774)	(990,748)	(1,131,050)	(1,341,424)	(500,000)	(7,889,502)
Actual Return (I+CR)	380,434	1,154,256	578,110	562,704	292,490	-	2,967,995
Total Return	(1,216,072)	(1,175,518)	(412,638)	(568,346)	(1,048,934)	(500,000)	(4,921,507)
Coupon Rate	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%
						0.00%	0.00%
ROI Actual	-3.9%	-11.3%	-11.2%	-15.4%	-35.0%	-100.0%	0.0%

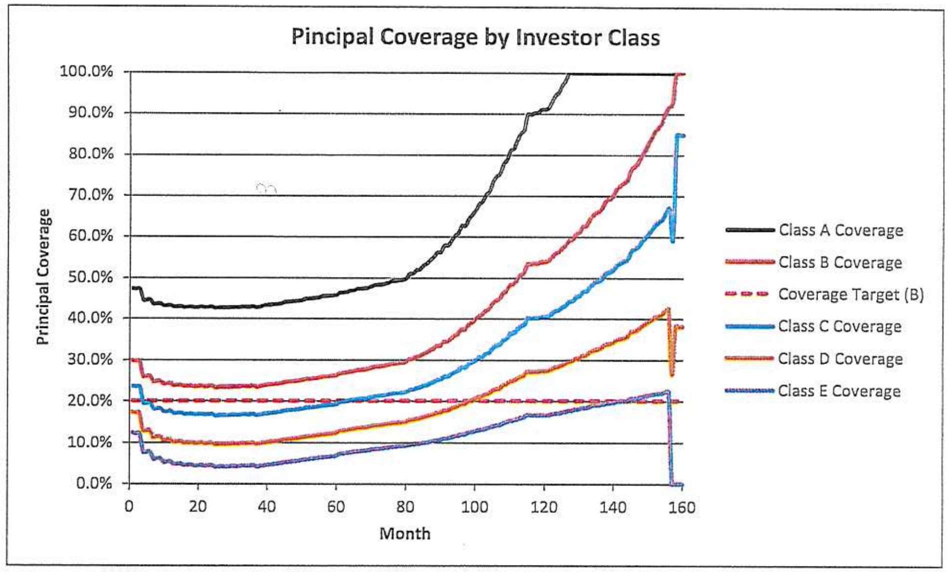
Overall Cashflows

In	Def. Debt	Partic.	Partic. Mod
Investor Invested	-	-	-
Total Paid (P) by Loans	(7,627,944)	(7,627,944)	(7,627,944)
Total Paid (I) by Loans	2,944,882	2,944,882	2,944,882
Interest Earned on Pools	1,152	(2,412)	(2,646)
Total In	(4,681,911)	(4,685,474)	(4,685,708)
Out			
Origination fee to SHOP	-	-	-
Deal Costs	-	-	-
Note Funding	-	-	-
Total Returned (P) to Investors	(7,882,129)	(7,250,494)	(7,389,502)
Total Returned (I) to Investors	4,211,125	4,306,378	4,423,088
Other Interest Expenses	235,799	235,799	235,799
Fee Shortfall	-	-	-
CE Liquidation	(500,000)	(500,000)	(500,000)
CR Liquidation	(16,021)	(1,477,157)	(1,455,093)
Total Out	(4,681,911)	(4,685,474)	(4,685,708)
Balance	-	-	-

SEVERITY – PRINCIPAL / COVERAGE

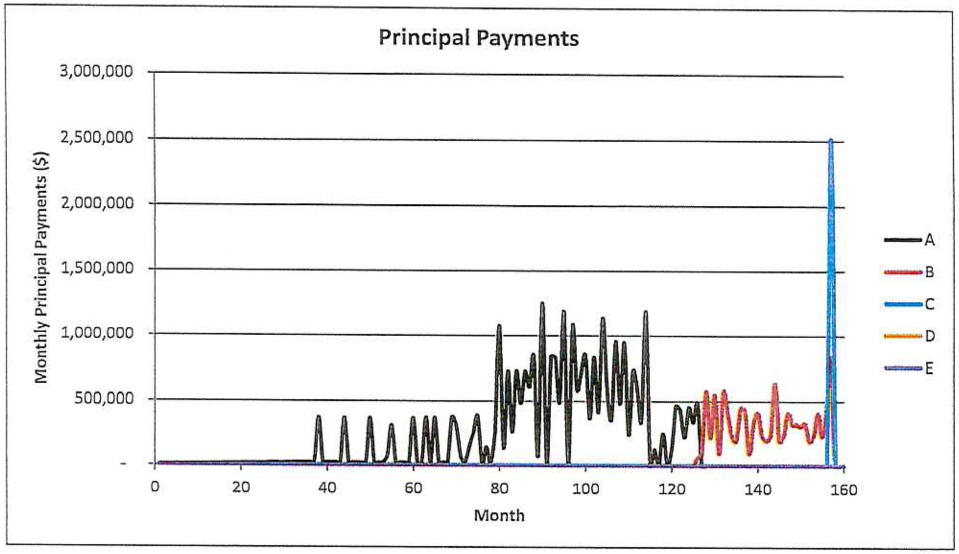
- Severity case portfolio's outstanding principal, cumulatively for all classes
- Also shown is investor coverage by class along with target for B

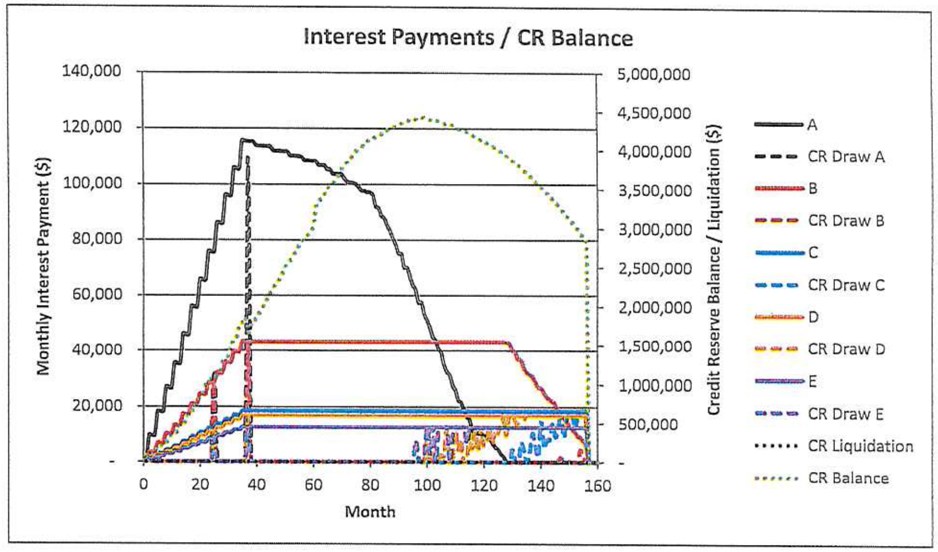




SEVERITY – P & I CASHFLOWS

- Principal and interest payments are plotted below by investor class
- The interest graph also show CR use for each investor class as well as the CR liquidation to Class L





DEFERRED – DETAILS

Input Parameters

Pool 1

Origination Fee to SHOP	3.0%		
Borrower Paid	2.0%	$ 1,000,000	Includes servicing setup, etc.
Pool Paid	1.0%	$ 500,000	(Investor funded)

Additional Investor Premium at Origination

Pool Paid	3.0%	$ 1,500,000	(Investor funded)
Investment Schedule	Quarterly in Advance		

Subtotal Investor Premium + Origination Fee $ 2,000,000

Adjustable Loan Parameters and Portfolio Statistics

Appreciation Schedule	Flat	
LTV Refi Requirement	97.0%	
Borrower Interest Rate	7.5%	7.5%
Late Fee (% of missed payment	4.0%	4.0%
Tax Rate	40.5%	40.5%
REO Loss Severity Rate	16.1%	16.1%
Short Sale Loss Severity	20.0%	20.0%
Portfolio Scenario	Deferred	
Average Loan Term	96.1 months	
Fraction Ever Delinquent	62.5%	
Average Delinquent	20.7%	
Delinq. Partial Catchup	50.0%	
Delinq. Catchup Deferred	50.0%	
Default Process Begun	21.5%	
Fraction to Default	6.5%	
Fraction Short Sale (Event)	5.0%	
Number of REO Sales	26	
Number of Market Short Sales	137	
Number of Event Short Sales	20	
Number of Loan Modifications	30	
Early Prepay	34.0%	
Expected Prepay	66.0%	
Always On Time	37.5%	
Occasional Late Payments	23.3%	
Chronic Late Payments	39.3%	

Non-Investor Waterfall Payments

Master Svc/ Trustee (% of Prin	0.02%	$ 904,106	
Servicer (SHOP) (% of Principa	0.02%	$ 904,106	
Counseling Services (per loan)	$ 5.20	$ 194,794	
Warehouse Line Interest Rate	0.00%	$ -	(not used)
Sub-Servicer (CRF)		$ 285,844	
Total		$ 2,288,850	

Credit Enhancement Parameters

Initial Credit Enh.	$ 500,000
CE % of Interest Added	1.0%
Interest on CE/CR Pools	0.05%

Investor Class Parameters	Proportion	Interest	Total Invested	Prin Invest
Class A (Private)	60%	4.500%	31,200,000	30,000,000
Class B (MHFA)	20%	5.000%	10,400,000	10,000,000
Class C (TBD)	7%	6.000%	3,700,000	3,557,692
Class D (TBD)	7%	5.500%	3,700,000	3,557,692
Class E (FHF)	6%	5.000%	3,000,000	2,884,615
			52,000,000	50,000,000

Deal Setup Costs

Cost 1	$ 350,000
Cost 2	$ -
Cost 3	$ -
Total	$ 350,000

Key Model Outputs

Deferred Debt	A	B	C	D	E	CE	Totals
Investment	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	500,000	52,500,000
Actual Return (P)	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	500,000	52,500,000
Actual Return (I,E)	9,978,827	5,347,242	2,455,848	2,336,216	1,738,053	-	21,856,185
Total Return	41,178,827	15,747,242	6,155,848	6,036,216	4,738,053	500,000	74,356,185
Coupon Rate	4.500%	5.000%	6.000%	5.500%	5.000%		4.81%
IRR on Actual	5.062%	5.031%	6.032%	5.524%	5.000%	0.00%	5.17%
ROI Actual	32.0%	51.4%	66.4%	63.1%	57.9%	0.0%	

Participation	A	B	C	D	E	CE	
Investment	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	500,000	52,500,000
Actual Return (P)	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	500,000	52,500,000
Actual Return (I+CR)	14,602,717	4,148,852	1,771,241	1,623,637	1,196,784	-	23,343,231
Total Return	45,802,717	14,548,852	5,471,241	5,323,637	4,196,784	500,000	75,843,231
Coupon Rate	4.500%	5.000%	6.000%	5.500%	5.000%		4.81%
IRR on Actual	5.463%	5.042%	6.049%	5.545%	5.042%		5.41%
ROI Actual	46.8%	39.9%	47.9%	43.9%	39.9%	0.0%	

Participation Mod	A	B	C	D	E	CE	
Investment	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	500,000	52,500,000
Actual Return (P)	31,200,000	10,400,000	3,700,000	3,700,000	3,000,000	500,000	52,500,000
Actual Return (I+CR)	14,276,586	4,092,418	1,769,814	1,714,688	1,489,623	-	23,343,128
Total Return	45,476,586	14,492,418	5,469,814	5,414,688	4,489,623	500,000	75,843,128
Coupon Rate	4.500%	5.000%	6.000%	5.500%	5.000%		4.81%
IRR on Actual	5.475%	5.043%	6.049%	5.542%	5.029%		
ROI Actual	45.8%	39.4%	47.8%	46.3%	49.7%	0.0%	

Overall Cashflows

In	Def. Debt	Partic.	Partic. Mod
Investor Invested	52,500,000	52,500,000	52,500,000
Total Paid (P) by Loans	48,417,790	48,417,790	48,417,790
Total Paid (I) by Loans	28,031,130	28,031,130	28,031,130
Interest Earned on Pools	26,182	33,161	33,058
Total In	128,975,102	128,982,081	128,981,978
Out			
Origination fee to SHOP	500,000	500,000	500,000
Deal Costs	350,000	350,000	350,000
Note Funding	50,000,000	50,000,000	50,000,000
Total Returned (P) to Investors	52,000,000	52,000,000	52,000,000
Total Returned (I) to Investors	20,417,091	19,942,413	19,982,252
Other Interest Expenses	2,288,850	2,288,850	2,288,850
Fee Shortfall	-	-	-
Net Tax Paid	1,480,067	-	-
CE Liquidation	500,000	500,000	500,000
CR Liquidation	1,439,094	3,400,818	3,360,876
Total Out	128,975,102	128,982,081	128,981,978
Balance	-	-	-

Key Model Outputs (Difference from Standard)

Deferred Debt	A	B	C	D	E	CE	Totals
Investment	31,200,000	-	-	-	-		-
Actual Return (P)	0	(0)	(0)	-	-		0
Actual Return (I)	3,928,639	1,021,254	152,421	39,000	-		5,141,314
Total Return	3,928,639	1,021,254	152,421	39,000	-		5,141,314
IRR on Sched	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%
IRR on Actual	0.473%	-0.010%	-0.003%	0.000%	0.000%	0.00%	0.25%
ROI Actual	12.6%	9.8%	4.1%	1.1%	0.0%	0.0%	0.0%

Participation	A	B	C	D	E	CE	
Investment	-	-	-	-	-	-	-
Actual Return (P)	0	(0)	0	0	(0)	-	0
Actual Return (I+CR)	4,066,204	793,542	338,781	310,550	228,906	-	5,737,984
Total Return	4,066,204	793,542	338,781	310,550	228,906	-	5,737,984
Coupon Rate	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%
IRR on Actual	0.416%	-0.013%	-0.015%	-0.014%	-0.013%	0.00%	0.25%
ROI Actual	13.0%	7.6%	9.2%	8.4%	7.6%	0.0%	0.0%

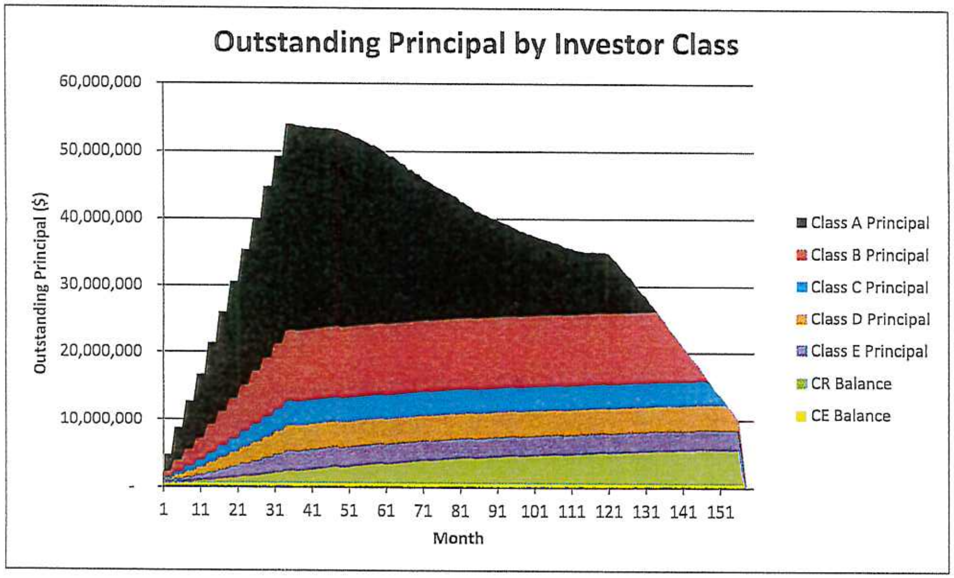
Participation Mod	A	B	C	D	E	CE	
Investment	-	-	-	-	-	-	-
Actual Return (P)	0	-	(0)	0	0	-	0
Actual Return (I+CR)	3,936,209	779,147	335,069	376,545	310,974	-	5,737,944
Total Return	3,936,209	779,147	335,069	376,545	310,974	-	5,737,944
Coupon Rate	0.000%	0.000%	0.000%	0.000%	0.000%	0.00%	0.00%
						0.00%	0.00%
ROI Actual	12.6%	7.5%	9.1%	10.2%	10.4%	0.0%	0.0%

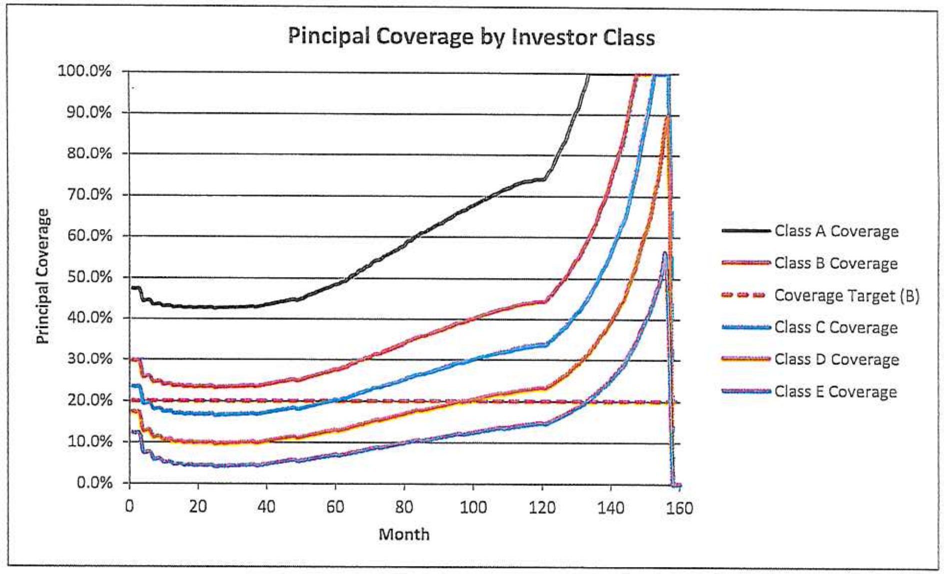
Overall Cashflows

In	Def. Debt	Partic.	Partic. Mod
Investor Invested	-	-	-
Total Paid (P) by Loans	20,246	20,246	20,246
Total Paid (I) by Loans	6,153,704	6,153,704	6,153,704
Interest Earned on Pools	2,763	4,387	4,347
Total In	6,176,713	6,178,337	6,178,297
Out			
Origination fee to SHOP	-	-	-
Deal Costs	-	-	-
Note Funding	-	-	-
Total Returned (P) to Investors	0	0	0
Total Returned (I) to Investors	3,718,261	3,814,343	3,832,182
Other Interest Expenses	440,353	440,353	440,353
Fee Shortfall	-	-	-
CE Liquidation	-	-	-
CR Liquidation	1,423,053	1,923,640	1,905,762
Total Out	6,176,713	6,178,337	6,178,297
Balance	-	-	-

DEFERRED – PRINCIPAL / COVERAGE

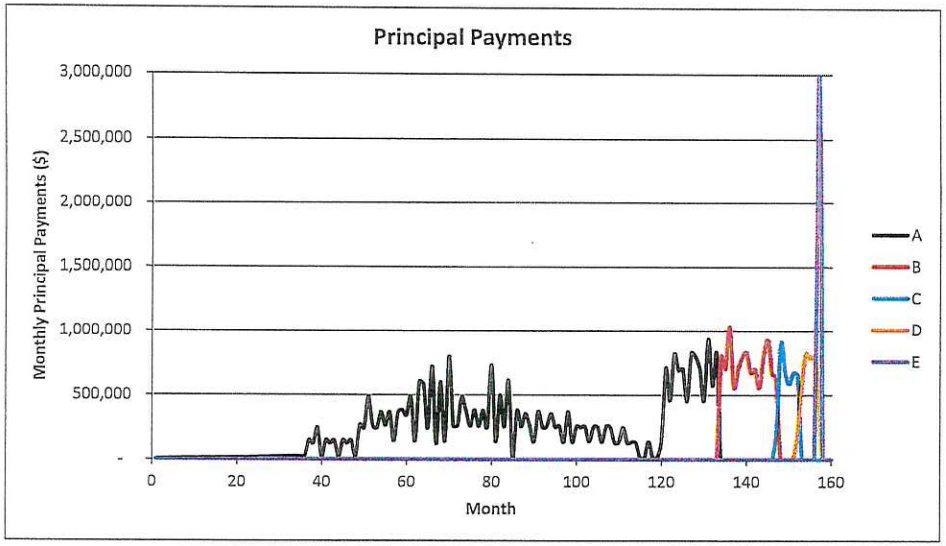
- Base case portfolio's outstanding principal, cumulatively for all classes
- Also shown is investor coverage by class along with target for B

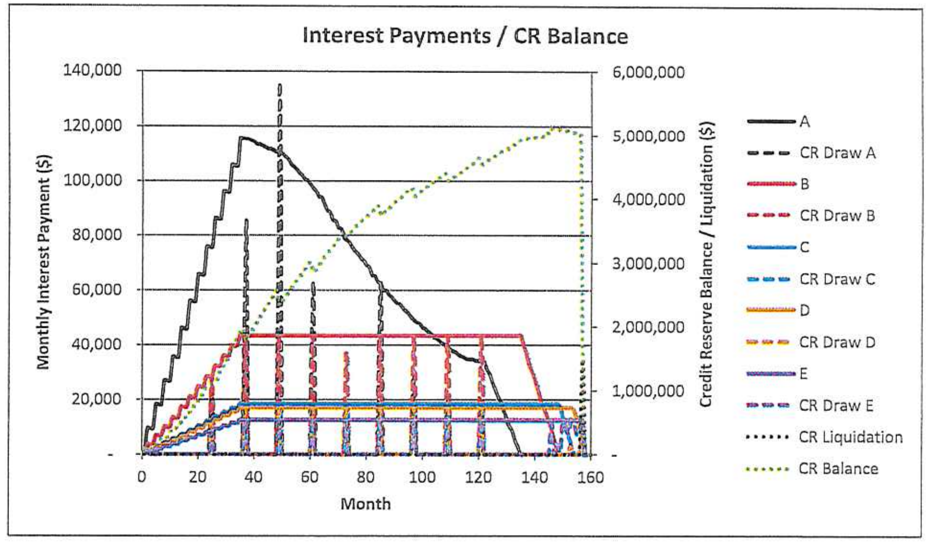




DEFERRED – P & I CASHFLOWS

- Principal and interest payments are plotted below by investor class
- The interest graph also show CR use for each investor class as well as the CR liquidation to Class L





APPENDIX B

DESCRIPTION OF PROTOTYPE LOAN SCENARIOS

Loan Scenario Detailed Descriptions

Normal 120	All payments are on time, refinance entire UPB at 120 months
Normal 36	All payments are on time, refinance entire UPB at 36 months
Normal 48	All payments are on time, refinance entire UPB at 48 months
Normal 60	All payments are on time, refinance entire UPB at 60 months
Normal 78	All payments are on time, refinance entire UPB at 78 months
Normal 120a	12% of payments are late one month, refinance entire UPB at 120 months. Total of 4% payments missed.
Normal 36a	14% of payments are late one month, refinance entire UPB at 36 months. Total of 5% payments missed.
Normal 48a	18% of payments are late one month, refinance entire UPB at 48 months. Total of 2% payments missed.
Normal 60a	15% of payments are late one month, refinance entire UPB at 60 months. Total of 7% payments missed.
Normal 78a	15% of payments are late one month, refinance entire UPB at 78 months. Total of 1% payments missed.
Normal 120b	39% of payments are late one month, refinance entire UPB at 120 months. Total of 11% payments missed.
Normal 36b	35% of payments are late one month, refinance entire UPB at 36 months. Total of 14% payments missed.
Normal 48b	35% of payments are late one month, refinance entire UPB at 48 months. Total of 6% payments missed.
Normal 60b	34% of payments are late one month, refinance entire UPB at 60 months. Total of 11% payments missed.
Normal 78b	33% of payments are late one month, refinance entire UPB at 78 months. Total of 5% payments missed.
Default 1	Default after 2 years, REO sale 14 months later
Default 2	Default after 4 years, REO sale 14 months later
Default 3	Default after 6 years, REO sale 14 months later
Delinq 1	Periodic late payments with one 4-month delinquency without catch-up payments, refinance at 72 months for entire UPB. Total of 0% payments missed.
Delinq 2	Periodic late payments with two 4-month delinquencies with catch-up payments completed for one, refinance at 96 months for entire UPB. Total of 4% payments missed.
Delinq 3	Periodic late payments with three 4-month delinquencies with catch-up payments completed for one, partial for the second and none for the third. Refinances at 120 months as a short sale. Total of 7% payments missed.
Delinq 4	Periodic late payments with four 4-month delinquencies with catch-up payments completed for two, partial (about half) for the other two. Refinances at 120 months for entire UPB. Total of 4% payments missed.
Delinq 5	Periodic late payments with five 4-month delinquencies with catch-up payments completed for two, none for the other three. Refinances at 120 months as a short sale. Total of 7% payments missed.
Delinq 1a	Periodic late payments with one 4-month delinquency without catch-up payments, refinance at 72 months for entire UPB. Total of 5% payments missed.
Delinq 2a	Periodic late payments with two 4-month delinquencies with catch-up payments completed for one, refinance at 96 months for entire UPB. Total of 8% payments missed.
Delinq 3a	Periodic late payments with three 4-month delinquencies with catch-up payments completed for one, partial for the second and none for the third. Refinances at 120 months as a short sale. Total of 13% payments missed.
Delinq 4a	Periodic late payments with four 4-month delinquencies with catch-up payments completed for two, partial (about half) for the other two. Refinances at 120 months for entire UPB. Total of 14% payments missed.
Delinq 5a	Periodic late payments with five 4-month delinquencies with catch-up payments completed for two, none for the other three. Refinances at 120 months as a short sale. Total of 17% payments missed.

Appendix C

Regulatory Capital Calculation Summary

Risk Weighted Capital (Under Prior Basel III Guidelines)

- Risk Weighted Capital (RWC) calculation overview
  - Calculates return on regulatory capital (including ALLL) for the participating financial institution
  - Note: this is different than an straight IRR calculation, as it is not calculated on every loan inflow/outflow, but rather assumes a general liquidity facility is used for the funding of the loans with a cost of funds associated with this (e.g. from the bank's deposit base, or other internal / external source), and instead uses the increases/decreases to regulatory capital combined with any gains/losses as the inflow/outflow
  - Returns are calculated on a Cash Basis (vs. Accrual Basis) as ensure a conservative treatment
  - Regulatory capital treatment is under current Basel II future Basel III regulatory standards, as applied by the Federal Reserve / OCC / FDIC
- Cashflows from loans originated are calculated based on a set of performance assumptions capturing
  - Month-by-month payments modeled for a portfolio of 400 loans to 400 borrowers
  - Some delinquent loans will catch up or be otherwise restructured and others may go into default and subsequently liquidated as REO properties
- Regulatory capital required is calculated in the following way
  - Capital is required in the amount of 8% of risk-weighted assets (RWA)
  - Risk weighting is 50% for the pool, as exposure is backed by residential assets
  - ALLL may be used as 1.25% of the 8% of RWA figure and Tier 1 capital requirements are then minimized using the allowable amount of ALLL or actual ALLL, whichever is less
- ALLL is calculated by asset classification as Substandard, Doubtful and Loss
  - ALLL is triggered as a cash outflow starting in period 7, if 3 months of cumulative cash flow for a given class requires draws from the Credit Reserve due to insufficient interest available to investors
  - Loans which are 30-60d delinquent are classified as "Substandard" and require ALLL accrual of 20% of their outstanding balance less realizable value
  - Loans which are 61-90d delinquent are classified as "Doubtful" and require ALLL accrual of 50% of their outstanding balance less realizable value
  - Loans which are 90d+ delinquent are classified as "Loss" and require ALLL accrual of 100% of their outstanding balance less realizable value
  - Once the ALLL is triggered, calculations continue to impact IRR RWC for the life of the deal
  - Full amount of ALLL accrual is allocated in the first period the ALLL is triggered. Subsequent periods represent the change based on the status of the loans
- The IRR RWC results from netting all of the following cashflows
  - The resulting monthly funding requirement to / from capital and ALLL, which may be positive or negative, depending on the changes to portfolio (e.g. new originations will increase capital requirements whereas refinancing of those loans out of the pool will reduce the requirement).
  - Interest earned on the loans (less all applicable fees) is used as the primary cashflow in
  - Principal repayments are used to pay down the general liquidity facility that is used for the funding of the loans
  - Interest charged on the liquidity facility (cost of funds at 1%) is used as a cashflow out
  - ALLL allocations are a cashflow out
  - Principal write-offs due to REO losses or a short sale are also counted as a cashflow out, when the ALLL has been triggered
  - Principal losses on the individual classes (if any), which not covered by Credit Enhancement or Credit Reserve, are a cashflow out

APPENDIX D

WORKING GROUP DISCLAIMER

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