



COMMONWEALTH OF MASSACHUSETTS

SUFFOLK, ss.

SUPERIOR COURT  
DEPARTMENT OF THE TRIAL COURT

Civil Action No. 11-4303 A

In re: RBS Financial Products Inc.,  
f/k/a Greenwich Capital Products, Inc.



**ASSURANCE OF DISCONTINUANCE**

*PURSUANT TO M.G.L. CHAPTER 93A, § 5*

**INTRODUCTION**

1. Pursuant to the provisions of Massachusetts General Laws, Chapter 93A, the Commonwealth of Massachusetts, by and through Attorney General Martha Coakley, is investigating the role of investment banks, during the period from late 2005 through 2007, in the financing, purchase, and securitization of allegedly unfair residential mortgage loans, including whether investment banks facilitated the origination by others of unfair loans under Massachusetts law (the "Investigation"). As part of the Investigation, the Attorney General examined the role of Greenwich Capital Financial Products, Inc., now known as RBS Financial Products Inc. ("RBS").

2. In Massachusetts, subprime mortgage originators made adjustable rate mortgages ("ARMs") with initial rates that reset to considerably higher interest rates after an introductory period. Subprime mortgage originators typically qualified borrowers for those loans based on the borrowers' ability to make payments under the low introductory rates, and assumed that the borrowers would need to refinance their loans before the interest rate on their loans reset to higher rates. Yet if borrowers refinanced their loans before the loans' interest rate reset to a higher rate, they were often charged substantial pre-payment



penalties. In addition, often subprime loans had loan-to-value ratios that exceeded 95%. The borrowers' ability to refinance such loans therefore often depended on appreciation in home prices.

3. Under current Massachusetts law, a mortgage lender must determine whether a borrower has the ability to repay a prospective loan in accordance with its terms. The lender may not rely on the assumed ability of the borrower to obtain refinancing. As a result, it is unfair for a lender to make a home mortgage loan secured by the borrower's principal residence in circumstances where the lender does not reasonably believe that the borrower will be able to make the scheduled payments and avoid foreclosure.

4. Subprime lenders relied on two principal sources of funds for making subprime loans: (i) lines of credit known as warehouse facilities, and (ii) proceeds from the sale and securitization of subprime loans. Both of those sources of funds were provided by investment banks.

5. RBS did not originate subprime loans. Rather, RBS funded subprime lenders through warehouse facilities, purchased loans from subprime lenders, and securitized loans originated by subprime lenders. Based on the Investigation, the Attorney General alleges that RBS financed, purchased, and securitized Massachusetts loans that contained the following features, which rendered them presumptively unfair under Massachusetts law: (i) a fully indexed DTI<sup>1</sup> ratio of greater than 50%; (ii) an introductory rate at least 2% less than the fully-indexed rate; (iii) an introductory period of three years or less; and (iv) substantial pre-payment penalties, or pre-payment penalties that extended beyond the introductory period, or an LTV over 97%.

6. In resolution of these issues and in exchange for RBS's assistance and cooperation, the Office of the Attorney General ("AGO") agrees to accept this Assurance of Discontinuance ("AOD") on the terms and conditions contained herein. The AGO and RBS voluntarily enter into this AOD.

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<sup>1</sup> For definitions of terms used in this AOD, see Attachment "A."

7. This AOD is made without any trial or adjudication or finding of any issue of fact or law, and is not a final order of any court. RBS enters into this AOD for settlement purposes only and neither admits nor denies the AGO's allegations.

### PAYMENTS

8. At a date to be agreed upon with the AGO, but in no circumstances later than five (5) business days after the filing of this AOD, RBS shall pay \$40,275,454 to an independent trust ("**Consumer Relief Fund**") for purposes of making payments to provide principal forgiveness and foreclosure relief to certain borrowers as set forth in this AOD. The Consumer Relief Fund shall be overseen by an independent trustee ("**Trustee**") to be mutually agreed upon by the AGO and RBS within five (5) days of the date of this AOD. If the AGO and RBS are unable to agree on the identity of the Trustee, the AGO shall choose the Trustee in its sole discretion. The Trustee shall deposit the Consumer Relief Fund into interest bearing accounts such that, to the extent possible: (i) all of the funds are fully guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or the United States Department of the Treasury, and (ii) the interest rates are at least equal to the highest interest rate available from among the five largest banks in the City of Boston for a fully liquid federally insured deposit account holding such a sum of money. The Trustee will make investments of and disbursements from the Consumer Relief Fund only with the consent of the AGO and may vary from the investment criteria of this paragraph only with the consent of the AGO. RBS will retain and pay the Trustee's fees and costs associated with its duties under this AOD separate and apart from all other payments required under this AOD.

9. At a date to be agreed upon with the AGO, but in no circumstance later than twelve (12) business days after the filing of this AOD, RBS will, per the direction and determination by the AGO, make the following payments:

- a. \$8,215,000 to the Commonwealth of Massachusetts, by certified check payable to the Commonwealth of Massachusetts, delivered to Arwen Thoman, Office of the Attorney General, One Ashburton Place, 18<sup>th</sup> Floor, Boston, MA 02108;
- b. \$747,000 to the AGO pursuant to G.L. c. 12, sec. 4A, by check payable to the Office of the Attorney General, delivered to Arwen Thoman, Office of the Attorney General, One Ashburton Place, 18<sup>th</sup> Floor, Boston, MA 02108, which shall be used for administering the terms of this AOD, monitoring RBS's compliance with the terms of this AOD, assisting in the implementation of the relief programs described in this AOD, and supporting the AGO's continuing investigation of the financing, purchase, and securitization of allegedly unfair residential mortgage loans; and
- c. \$2,629,811 to a "**Sub-Entity Relief Fund**," which shall be an independent trust overseen by the Trustee. The Trustee shall deposit the Sub-Entity Relief Fund into accounts that meet the requirements for a trust account under this AOD as set forth in Paragraph 8. No sooner than sixty (60) days after the filing of the AOD, the AGO shall direct the Trustee to make payments from the Sub-Entity Relief Fund to Massachusetts governmental sub-entities identified by the AGO for, among other things, services in municipalities necessitated by foreclosures effected by nonparties to this AOD.

#### **INFORMATION DEVELOPMENT FOR THE LOAN PRINCIPAL FORGIVENESS PROGRAM**

10. No later than fifteen (15) business days after the filing of this AOD, the AGO shall provide the Trustee with a list of loans meeting the criteria set forth in **Attachment B** as well as additional criteria for the principal forgiveness program as determined by the AGO, and the amount of principal forgiveness calculated on each loan in accordance with the methodology set forth in **Attachment C**. Within thirty (30)



days of receiving the list, the Trustee shall provide the AGO with the following information, to the extent the Trustee can obtain it without undue burden: the name, address, and social security number of the borrower; the name and address of the loan's servicer; and other information reasonably requested by the AGO. This list shall hereinafter be referred to as the "Initial Borrower List," and the AGO may make such corrections or adjustments to the list as it deems appropriate in its sole discretion. The finalized version of this list shall be referred to in this AOD as the "Final Borrower List."

11. The AGO may direct the Trustee to send a letter drafted by the AGO to each holder and/or servicer of a loan on the Initial Borrower List and/or the Final Borrower List. The Trustee shall send this letter within three (3) days of the AGO's direction. This letter shall seek to determine whether the holder and/or servicer will accept payments for principal forgiveness as part of the implementation of this AOD and whether the holder and/or servicer agrees to apply principal forgiveness amounts received from the Trustee to the relevant borrower's loan as principal forgiveness ("principal forgiveness program"), in accordance with the terms and requirements contained in the letter. The Trustee (and RBS, if the AGO should request RBS's assistance) shall undertake reasonable steps to inform the holder and/or servicer regarding the principal forgiveness program, and shall in good faith attempt to secure the holder's and/or servicer's participation. On a rolling basis as received, the Trustee shall inform the AGO of all holders and/or servicers that have agreed to participate in the principal forgiveness program, and shall provide the AGO with copies of the written documentation of the loan holders'/servicers' agreements.

12. The AGO may direct the Trustee to send a letter as drafted by the AGO to each person who is both (1) a borrower on the Final Borrower List ("Qualified Borrower") and (2) a borrower whose loan holder and/or servicer has agreed to participate in the principal forgiveness program ("Qualified Borrower With Participating Holder" or "QBWPH"). This letter ("QBWPH Letter") shall inform the QBWPH of this AOD and the loan principal forgiveness available to the QBWPH under this AOD. The QBWPH Letter shall

include a web address and dedicated telephone number for the Trustee that QBWPHs may use to obtain information regarding the AOD, and shall suggest that the QBWPH consider obtaining tax advice regarding the effect of participating in the loan principal forgiveness program. With each QBWPH Letter, the Trustee shall also include a postage paid return envelope, and a form drafted by the AGO ("Opt-in Form") that the QBWPH may use to agree to participate in the loan principal forgiveness program available under the AOD.

13. The Trustee will send the QBWPH Letter and Opt-In Form within three (3) days of the AGO's directions to send them, and will resend them if undeliverable, by such means as the AGO shall direct. Opt-in Forms executed and returned to the Trustee shall be maintained in a secure fashion as directed by the AGO. In addition, the Trustee shall keep in the same manner any additional executed Opt-in Forms provided to the Trustee by the AGO.

14. The Trustee shall provide the AGO with information relating to the loans and/or the principal forgiveness program implementation reasonably available to the Trustee upon request. The Trustee shall fully cooperate with the AGO in the implementation of this AOD, and shall provide materials relevant to the implementation of this AOD promptly to the AGO upon request.

### **LOAN PRINCIPAL FORGIVENESS PAYMENTS**

15. For each QBWPH who has returned an executed Opt-In Form in accordance with the previous paragraphs to the Trustee within one-hundred twenty (120) days from the mailing of the QBWPH letter or to the AGO within a time period set by the AGO, the Trustee shall send, within such time frame as directed by the AGO, a check as directed by the holder and/or servicer pursuant to the written agreement referenced in paragraph 11, along with specific information regarding the loan to which the principal forgiveness should be applied. This check shall be in the amount identified on the Final Borrower List as the principal forgiveness for the relevant QBWPH. If a holder and/or servicer fails to apply the check as principal forgiveness within a reasonable time period to be determined by the AGO, the AGO may direct that the Trustee permanently stop



payment on the check. After such instruction to stop payment, the QBWPH shall thereafter no longer be considered a QBWPH, but shall still be considered a Qualified Borrower for purposes of this AOD.

16. For any Qualified Borrower who is not a QBWPH, the AGO may direct the Trustee to send a letter ("Non-QBWPH Letter") as drafted by the AGO to the Qualified Borrower that explains the AOD and offers the Qualified Borrower an opportunity to receive a payment for the purpose of principal forgiveness. The Non-QBWPH letter shall include a web address and dedicated telephone number that Qualified Borrowers may use to obtain information regarding the AOD, shall note that there may be tax consequences for a Qualified Borrower accepting such monies, shall include an IRS Form W-9 and explain that the Qualified Borrower must return a completed IRS Form W-9 to avoid the maximum allowable tax withholding, shall note that the borrower should seek tax advice, shall provide a form as drafted by the AGO ("Payment Authorization Form") which the Qualified Borrower may execute and return to the Trustee if the Qualified Borrower wishes to receive such a payment, and shall explain the time frame for accepting the payment. The Trustee shall send, and if undelivered resend, the form in such manner as the AGO directs.

17. For each Qualified Borrower who is not a QBWPH and for whom the Trustee receives a Payment Authorization Form within one-hundred twenty (120) days from the date of mailing, or from the AGO within a time period set by the AGO, the Trustee shall send a check and a properly completed IRS Form 1099-Misc. to the Qualified Borrower for the amount listed on the Final Borrower List. If any check sent to a Qualified Borrower under this paragraph remains uncashed sixty (60) days after the initial mailing, the Trustee shall take reasonable efforts to contact the Qualified Borrower regarding the status of the checks, and inform the Qualified Borrower that he or she must cash the check within one hundred twenty (120) days of the date the check was issued ("Check Issuance Date"), or payment will be permanently stopped on the check and the Qualified Borrower will no longer be eligible to receive the monies. The AGO may extend this deadline or alter this procedure as it deems appropriate in its sole discretion.



18. On July 1, 2012 or earlier as directed in individual instances by the AGO, the Trustee shall permanently stop payment on all outstanding uncashed checks payable to holders and/or servicers for QBWPHs and on checks payable to non-QBWPHs.

#### **INFORMATION DEVELOPMENT FOR FORECLOSURE RELIEF**

19. No later than ten (10) business days after the filing of this AOD, the AGO shall, with the assistance of the Trustee, create an initial list of loans that meet the criteria of **Attachment B** except for the fact that, due to foreclosure, those loans were paid off, written off, or liquidated on or before October 1, 2010, based on Loan Performance Reports as supplemented by information from RBS (“Initial Foreclosure Relief List”). Within thirty (30) days of receiving the Initial Foreclosure List, the Trustee shall provide the AGO with the following information for each loan to the extent the Trustee has such information in its control or can obtain it without undue burden: the name, address, and social security number of the borrower and such other information reasonably requested by the AGO. The AGO shall then provide a list of additional criteria, based on its review of the loans and related factors, to the Trustee and the Trustee shall, pursuant to G.L. c. 93A, sec. 6, provide the AGO with an amended list of loans (“Interim Foreclosure List”) that were (a) on the Initial Foreclosure List and (b) meet the additional criteria. The AGO shall then gather such additional information as needed to calculate the particular payment (“foreclosure relief”) to be ascribed to each borrower on the final foreclosure list. The Trustee shall send out such letters as directed by the AGO to assist in the gathering of information that the AGO deems required to assist in these calculations. The calculations, the criteria, and the Interim Foreclosure List may be amended as required based on the AGO’s determination in its sole discretion. The finalized version of this list shall be referred to in this AOD as the “Final Foreclosure Relief List,” and shall contain the final amounts of foreclosure relief to be proffered to each eligible borrower.

20. No sooner than sixty (60) days after the filing of this AOD, the AGO may direct the Trustee to send a letter drafted by the AGO ("Foreclosure Relief Letter") to each borrower on the Final Foreclosure Relief List ("Foreclosure Relief Borrower"), informing the Foreclosure Relief Borrower of this AOD and the potential relief available ("Foreclosure Relief Program") to the Foreclosure Relief Borrower under this AOD. The Foreclosure Relief Letter shall include a web address and dedicated telephone number that Foreclosure Relief Borrowers may use to gather information regarding the AOD. The Foreclosure Relief Letter shall note that there may be tax consequences for a borrower accepting such monies and shall note that the borrower should seek individual tax advice. The Foreclosure Relief Letter will include an IRS Form W-9 and explain the need for the recipient to send the Trustee a completed W-9 in order to avoid maximum withholding of taxes. The Foreclosure Relief Letter shall also include a postage paid return envelope, and a form ("Foreclosure Opt-in Form", or "FOF") that the Foreclosure Relief Borrower may use to agree to participate in the Foreclosure Relief Program available under the AOD. The Trustee shall undertake commercially reasonable efforts to obtain current addresses for the Foreclosure Relief Borrowers.

21. Within five (5) business days of notice from the AGO, the Trustee will send the Foreclosure Relief Letter and FOF through the USPS with delivery confirmation. If any such mailing is returned to the Trustee by the USPS with a forwarding address within thirty (30) days of the Trustee's mailing of the Foreclosure Relief Letter and FOF, the Trustee will re-mail the Foreclosure Relief Letter and FOF to said forwarding address within ten (10) days of the date the Foreclosure Relief Letter is returned to the Trustee by the USPS.

22. For each FOF executed and returned to the Trustee, the Trustee shall maintain these executed FOFs in accordance with instructions from the AGO. In addition, the Trustee shall similarly maintain any additional executed FOFs provided to the Trustee by the AGO in accordance with instructions from the AGO.



## **FORECLOSURE RELIEF PROGRAM PAYMENTS**

23. For each Foreclosure Relief Borrower for whom the Trustee receives an executed FOF within 180 days from the date of mailing, or from the AGO within a time period set by the AGO, the Trustee shall send a check and a properly completed IRS Form 1099-Misc, to the relevant Foreclosure Relief Borrower along with an explanatory letter as directed by the AGO. The Trustee will send such check and explanatory letter within ten (10) days of receiving the executed FOF. If any check sent to a Foreclosure Relief Borrower under this paragraph remains uncashed after sixty (60) days of its initial mailing, the Trustee shall make reasonable efforts to contact the recipient regarding the status of the check and inform the recipient that the recipient must cash the check within one hundred twenty (120) days of the Check Issuance Date, or the Trustee will permanently stop payment on the check, and the recipient will no longer be eligible to receive the monies. The AGO may extend this deadline or alter this procedure as it deems appropriate in its sole discretion.

24. On February 1, 2013, any remaining monies in the Consumer Relief Fund shall be transferred by the Trustee to the AGO pursuant to G.L. c. 12 sec. 4A for the purposes of administering and monitoring the terms of this AOD and for investigation and mediation of related financial services issues.

25. If RBS or the Trustee receives any letters or forms in relation to this AOD from any borrower who received an offer under this AOD, RBS and/or the Trustee shall forward such forms to the AGO even if such letters or forms are received outside of the time frames contemplated by this AOD.

## **FORECLOSURE RELATED SERVICES**

26. At the direction of the Attorney General, no sooner than twenty (20) days after the entry of this AOD, the Trustee shall send a letter drafted by the Attorney General to each not-for-profit currently administering the distribution of transitional shelter or temporary rent assistance grants for foreclosure relief victims under the existing not-for-profit grant program previously established by the AGO's Insurance and

Financial Services Division in connection with the Investigation. The letter shall offer each such not-for-profit the opportunity to receive a \$100,000 grant (“Continuation Grant”), the funds of which shall be distributed to foreclosure victims as transitional assistance. The letter shall note that the Continuation Grant is offered to ensure that the not-for-profit may continue to assist additional consumers by providing them with foreclosure relief in the form of transitional shelter or rent assistance. The letter shall also state that the Continuation Grant is conditioned on the not-for-profit agreeing that, as to the Continuation Grant monies, the not-for-profit will abide by the terms currently governing its distribution of transitional shelter or rent assistance (excepting deadline dates). For each such not-for-profit that agrees to these conditions in writing within 100 days, the Trustee shall send a check to the not-for-profit for \$100,000.

#### **COOPERATION AND RECORD KEEPING**

27. RBS shall fully cooperate with the AGO in its implementation of this AOD.
28. RBS will comply with all reasonable requests by the AGO for documents or information related to the subject matter of the AOD.
29. RBS will create and maintain, for a period of at least five years from the entry date of this AOD, records sufficient to demonstrate RBS’s compliance with its obligations under this AOD and will provide such records to the AGO upon request.

#### **RELEASE AND MISCELLANEOUS PROVISIONS**

30. The Attorney General will not proceed with or institute a civil action or proceeding based upon M.G.L. c. 93A, or any other statute or regulation, or common law against RBS, RBS’s parents, any of the subsidiaries of RBS’s parents (together with RBS and RBS’s parents, the “RBS entities”), any present or former employees of the RBS entities (relating solely to their conduct during their employment by any of the RBS entities), and any subsidiaries and subdivisions, successors, assigns, or any purchasers of all or



substantially all of the assets of any of the RBS entities, including but not limited to any action or proceeding seeking restitution, injunctive relief, fines, penalties, attorneys' fees or costs, for RBS's actions prior to the entry date of the AOD relating to the Investigation.

31. The AOD constitutes the entire agreement between the AGO and RBS and supersedes any prior communication, understanding, or agreements, whether written or oral, concerning the subject matter of the AOD. This AOD can be modified or supplemented only by a written document signed by both parties, except that deadlines in this AOD regarding implementation may be extended as needed by the AGO in its sole discretion.

32. This AOD is not intended to indicate that any of the RBS entities or any of their subsidiaries, subdivisions, current or former employees, successors, assigns, or any purchasers of all or substantially all of the assets of the RBS entities shall be subject to any disqualifications contained in the federal securities laws, the rules and regulations thereunder, the rules and regulations of self regulatory organizations or various states' securities laws, including any disqualifications from relying upon registration exemptions or safe harbor provisions. In addition, this AOD is not intended to form the basis for any such disqualifications.

33. This AOD will be binding upon the RBS entities and upon any subsidiaries, subdivisions, successors, and assigns of any of the RBS entities, and upon any purchasers of all or substantially all of the assets of any of the RBS entities.

34. Signatories for RBS and the AGO represent and warrant that they have the full legal power, capacity, and authority to bind the parties for which they are executing this AOD.

35. This AOD and its provisions will be effective on the date that it is filed in the Superior Court for Suffolk County.

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36. All notices required under this AOD will be provided as follows:

To the AGO:

Sabrina Maynard  
Office of the Massachusetts Attorney General  
Insurance & Financial Services Division  
One Ashburton Place 18th Floor  
Boston, MA 02108  
(617) 963-2074

To RBS:

James Esposito, Esq.  
RBS  
600 Washington Boulevard  
Stamford, CT 06901

and

Scott D. Corrigan, Esq.  
Wiggin and Dana LLP  
450 Lexington Avenue  
New York, NY 10017-3913

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37. By signing below, RBS, on behalf of the RBS entities and any subsidiaries and subdivisions of any of the RBS entities, agrees to comply with all of the terms of this AOD. Any violation of this AOD may be pursued in a civil action or proceeding under M.G.L. c. 93A hereafter commenced by the AGO.

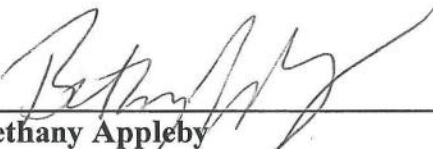
**RBS Financial Products Inc., formerly known as  
Greenwich Capital Financial Products, Inc.**

By:   
duly authorized.

Name: James M. Esposito

Title: General Counsel


Date: 11/18/2011

By:   
Date: 11/17/11

**Bethany Appleby  
Wiggin and Dana LLP  
One Century Tower  
P.O. Box 1832  
New Haven, CT 06508-1832  
BBO 662964**

**Office of the Attorney General**

One Ashburton Place  
Boston, MA 02108  
617-963-2074

By: 

Name: Glenn Kaplan, BBO #567-308

Title: Assistant Attorney General

Date: 11/18/11

## ATTACHMENT A

### DEFINITIONS

For the purposes of this AOD, the following words shall have the following definitions:

- a. “Fully Indexed Mortgage Payment” means the first monthly payment that would have been due on the mortgage, had the mortgage payment been calculated based on the Fully Indexed Rate.
- b. “Fully Indexed Rate” means the interest rate calculated by adding the index applicable at origination and the margin.
- c. “Fully Indexed DTI Ratio” means the ratio of: (i) the borrower’s total monthly debt, where the portion of debt attributable to the borrower’s mortgage principal and interest is calculated using the Fully Indexed Rate, to (ii) the borrower’s total monthly income.
- d. Unless otherwise noted, “LTV” means the loan to value ratio, defined as the ratio of the unpaid principal balance of the loan to the then most current value of the property.
- e. “UPB” means the unpaid principal balance of the loan.

## **ATTACHMENT B**

### **CRITERIA FOR DETERMINING INITIAL BORROWER LIST**

A. Borrowers of residential mortgage loans, secured by Massachusetts owner-occupied properties, that RBS purchased and securitized between January 1, 2006 and December 31, 2007, where the loan was presumptively unfair under Massachusetts law, including existing Massachusetts Superior Court decisions, and where the loan was not liquidated, paid off, or written off as a loss on or before October 1, 2010 based on Loan Performance Reports as may be supplemented by information from RBS.

B. Borrowers of residential mortgage loans, secured by Massachusetts owner-occupied properties, that RBS purchased between January 1, 2006 and December 31, 2007, where the loan was presumptively unfair under Massachusetts law, including existing Massachusetts Superior Court decisions, and where the loan was transferred and not liquidated, paid off, or written off as a loss on or before October 1, 2010.



## ATTACHMENT C

### PRINCIPAL FORGIVENESS CALCULATIONS

The principal forgiveness calculations shall be as of October 1, 2010 and the amounts shall be as follows:

- (a) for First Lien Performing Loans the amount shall be the lower of:
  - (i) 25% of the UPB or
  - (ii) so much of the UPB to bring the LTV to 96.5%;
- (b) for First Lien Non-Performing Loans, the amount shall be 35% of the UPB;
- (c) for Second Lien Performing Loans, the amount shall be 50% of the UPB; and
- (d) for the Second Lien Non-Performing loans the amount shall be the entire UPB.

If the first and second lien loans were both purchased by RBS (matched by property address and borrower name), and the first lien loan has a LTV before the principal forgiveness of greater than 96.5 percent, the entire second lien UPB shall be forgiven. If the first lien loan has a LTV of less than 96.5 percent before the principal forgiveness, the second lien loan shall be forgiven in accordance with sections (c) or (d) above as applicable.

The term "Performing" shall mean less than sixty days delinquent as of October 1, 2010, based on Loan Performance Reports as may be supplemented by information from RBS, under the Mortgage Bankers' Association delinquency calculation methodology. The term "Non-Performing" shall mean greater than or equal to sixty days delinquent under the Mortgage Bankers' Association delinquency calculation methodology.

For the purposes of this attachment, the value used for the LTV calculation will be the minimum of (i) the value determined by applying the changes in the loan's applicable Case-Shiller Housing Price Index through October 1, 2010 to the value of the property at the time the loan was originated, or (ii) the most recent appraised value as of October 1, 2010 that is found in the Loan Performance Reports.