
From: Barrett, Paul S <[REDACTED]>
Sent: Wednesday, November 14, 2012 8:25 PM
To: Epstein, Jeffrey (jeevacation@gmail.com)
Cc: Giuffrida, David J; Schaffer, Susannah
Subject: NEW HY PRIME RMBS (3:30pm BWIC) - \$10mm of IMM 05-2 1M1 @ 71-00 (6.44% yield/5.69 durn)

Jeffrey

Here is a good replacement for the bonds we sold last week. Spend around \$1.2MM.

Let me know.

Paul

*** ALL OFFERS ARE SUBJECT

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THE BOND:

The IMM 05-2 1M1 is an Alt-A Mezz floater (1ML + 43bps) that has 11.1% Credit support vs 15.3% in 60+ delinquency. That's 0.72x coverage assuming 100% severities. In our stress case scenario where we default 39% of the collateral (bear in mind only 15% is currently in 60+ delinquency), this bond @ 71-00 yields 3.12%. In our base case where we default 36% of the collateral, it is a 6.44% yield; to recovery, it's a 7.52% yield. The yield delta between scenarios demonstrates the resilience of the bond to different home price stresses.

THE COLLATERAL

The mortgage pool is backed by 93 months seasoned Alt-A borrowers with an average updated LTV of 88% and 704 FICO.

THE STORY:

For investors looking for a housing recovery play backed by well structured seasoned collateral, the IMM 05-2 1M1 offers a compelling spread and yield pickup levered to prepayments.

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

HIGHLIGHTS

- HPI Updated LTV = 88%
- 68% of the borrowers have not missed a payment in the past 2 years
- 93 months seasoned
- 704 FICO
- \$249k average balance

**Source: Bloomberg

IMM 2005-2 1M1 Offered @ 71-00

BOND DESCRIPTION

Prepay Rate

1 CPR

2 CPR

3 CPR

Cusip:

45254NNB9

Default Rate

6 for 30 4 CDR

6 for 24 4 ramp 12 3.5 CDR

5 for 24 4 ramp 12 3 CDR

Original Face:

10,000,000

Default Severity

65 ramp 12 60

55 ramp 12 60 55

55 ramp 24 50

Current Face:

1,665,558

Delinq Rate

16 Percent

16 Percent

16 Percent

Bond Type:

Alt-A Floater Mezz (1ML + 43bps)

Delinq Advance (% of P&I)

75

80

80

Ratings (S&P/Moodys/Fitch):

CCC/B2/-

Current Coupon:

0.856%

Yield @ Base Case

6.441%

Price @ 71-00

Stress Case

Base Case

Recovery Case

WAL @ Base Case

8.29

Yield

3.122

6.441

7.522

Principal Window @ Base Case

Nov12 to Feb38

Spread over Tsy

183

506

617

Writedown %

11.98%

Duration

5.32

5.69

5.73

Current Credit Enhancement:

11.07%

WAL

7.74

8.29

8.08

60+ Delinquencies

15.28

Principal Window

Nov12 to May28

Nov12 to Feb38

Nov12 to Jan35

60+ Delinquency Coverage

0.72x

Principal Writedown

33.06%

11.98%

0.00%

Total Collat Loss

8.66%

8.10%

7.35%

UNDERLYING COLLATERAL DESCRIPTION

Total Liquidation

38.95%

36.06%

30.31%

Average Loan Balance (\$,000s)

249

Loan Count

764

HISTORICAL PERFORMANCE

Mortgage Type

Mix Alt-A FRM and ARMs

1 MOS

3 MOS

6 MOS

Wtd Avg Mortgage Coupon

4.110%

CPR

0.10

4.44

3.95

Wtd Avg FICO Score

704

CDR

6.73

6.33

6.22

Wtd Avg Orig Loan-to-Value

70.45%

SEV

34.97

52.01

39.23

HPI Adj LTV

88.14%

Weighted Avg Loan Age

93

Owner Occupied

67.87

Top 1 Geo Concentration

CA 52%

Top 2 Geo Concentration

FL 11%

Top 3 Geo Concentration

VA 3%

Always Current (24 mos)

68.16%

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- All investments are subject to possible loss of principal

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