

BLTM UPDATE - PRODUCTION CALCULATOR RELEASE

Barclays Loan Transition Model with enhanced output and user overrides

This is reprinted from the April 13, 2012, Securitized Products Weekly

At the close of business on Friday, April 13, 2012, we will roll the beta version of our non-agency RMBS calculator to production. The new calculator, which uses the same underlying loan transition model as the calculator it will replace, provides users with extensive detail on model projections of future roll rates, modifications and servicer advances. It also offers an enormous amount of flexibility in stress-testing bond cash flows or customizing the underlying functions of the model. We will continue to make enhancements to the calculator over time and we encourage clients to use it and let us know what additional features they would like to see.

The new single (multiple) security non-agency calculators can be accessed in the usual way by typing *mcalc (msa)* in the search box on Barclays Live (see details below).

Highlights of the new calculator include:

- **Enhanced output:** In addition to the currently displayed valuation metrics and loss projections, users of the calculator will be able to view and export detailed output on collateral characteristics, historical performance and projected performance of the mortgages underlying a bond, including all major delinquency roll rates, servicer advance rates, modification rates and loss severities. When analyzing re-REMICs, users can view and export enhanced outputs for the mortgages underlying the CMO tranche that backs the re-REMIC.
- **Extensive user overrides:** Users can customize the loan transition model by multiplying or overriding any or all of its core functions, including always-current to delinquent roll rates, foreclosure-to-REO roll rates, servicer advance rates, modification rates out of various delinquency states, or balance forgiven on modifications. User-defined multipliers and overrides can be applied as scalars, dated vectors or vectors indexed by months forward from the current factor date, and can be combined and saved as user preferences that are essentially user-defined versions of the model.
- **Additional scenarios:** Users can run bonds to forward or static rate assumptions, as well as to base, stress and recovery home price scenarios.

Steve Bergantino
+1 212 412 2164
steven.bergantino@barclays.com

Chun Li
+1 212 412 7951
chun.li@barclays.com

www.barcap.com

Using the Calculator

- In the example below, we use the single security calculator. To access the non-agency calculator type *mcalc* in the search box on Barclays Live. When the calculator appears, enter a Cusip and select Load. Then select an Analysis Type (ZV or Static), Quote type and value (price, yield or spread), HPA scenario (Base Case, Stress, Severe Stress, Recovery, or Strong Recovery), and click Go. Users can also toggle Bond Insurance and/or model projected cash flows from the Bank of America-Countrywide settlement on/off as desired. To export the valuation results, along with detailed outputs, select the Excel icon at the right of the screen.

Single Security Analysis		CWA06-42 1A5		Load	Search	Feedback	?
CWA06-42 1A5 6.000% (SupSen Sen...		Cusip: 02148YAE4	Factor: 0.90096467 (01/01/2012)	Collateral: Fixed Whole_Loan 5.789%			
Deal Summary	Calculator	Market Rates	Vectors	Preferences			
Price/Yield/OAS	Cash Flow						
Price/Yield/OAS		Rate Env	NY 3PM Close	as of	02/15/2012	Specify inputs & hit Enter or click Go	
Security and Collateral Information							
BCLTM Coverage: Able to map loans to Intex groups. Security run using group-level vectors.							
Show: <input type="checkbox"/> All <input checked="" type="checkbox"/> Security <input type="checkbox"/> Basic Coll. <input type="checkbox"/> Indices							
Security Information							
Coupon (%)	6.000	Original Balance (\$)	10,000,000				
Cusip	02148YAE4	Factor	0.90096467				
Bond Class	1A5	Factor date	01/01/2012				
Maturity Date	01/25/2047	Next Payment	03/25/2012				
Orig. Support (%)	7.06	Delay (days)	24				
Credit Support (%)	NA						
Inputs							
Quote	ZV Yield	6	Analysis	ZV	BE Losses Off	Settle Date	02/22/2012
Prepayment	BaseCaseLive	100.00 %	Default	BaseCaseLive	100.00 %	Delinquency	BaseCaseLive 100.00 %
Bond Insurance	Off	mm/dd/yyyy	Severity	BaseCaseLive	100.0 %		
BoA-CW Settlement	Off	mm/dd/yyyy					
Scenario details available via BCLive keyword "hpa".							
Preferences	None						
Analysis Results							
BCLTM Coverage							
Price	Accrued	ZV Sprd	ZV Yield	ZV A/L	Sprd Dur	Tranche Loss (%)	Prin. Window
65-10+	0.350	420.3	6.000	11.096	5.13	55.01	Mar 12 - Jul 30
1st WriteDown Date							
03/25/2012							
Collateral Projections (%Curr)							
Collateral Default (%)		Collateral Losses (%)		Collateral Severity (%)			
57.24		36.85		64.37			
Timing Curves							
Period	CPR	CRR	CDR	Severity	CumDefault (%)	Cum_Loss (%)	Tranche Writedown (%)
Months 1-6	10.97	2.99	8.21	70.08	4.41	3.17	3.14
Months 7-12	11.38	3.12	8.50	70.65	8.66	6.23	6.23
Year 2	13.45	2.88	10.86	74.51	18.32	13.51	13.69
Year 3	16.85	3.29	13.99	74.71	28.78	21.36	21.52
Year 4	15.37	3.80	11.99	69.77	36.14	26.53	26.55
Year 5	13.08	4.26	9.18	61.96	40.82	29.46	29.42
*CPR, CRR, CDR, and severity are simple averages. Cum Default and Cum Loss are % of starting collateral balance at end of period. Tranche Writedown is % of starting tranche balance at end of period.							

Source: Barclays Live

- Use the Vectors and/or Preferences Tab to customize the model. In this example, we have increased modification rates and the amount of balance forgiven on modified loans, and have saved the preference with the name HighMod.

Deal Summary | Calculator | Market Rates | Vectors | **Preferences**

Preferences Summary

Name	Description	Modified↓	Default	Delete
HighMod		02/16/12 08:31 PM	false	<input type="checkbox"/>

Preferences Details

Name: Description: Default: ☐

Model Overrides ? Category:

Name	Overrides Type	Value	Vector
DCUR to Prepay	Override (%)	<input type="text"/>	<input type="checkbox"/> Vector
DCUR to 30D	Override (%)	<input type="text"/>	<input type="checkbox"/> Vector
DCUR to MOD	Multiplier	<input type="text" value="2"/>	<input type="checkbox"/> Vector
OTS 30D			
30D to 60+	Override (%)	<input type="text"/>	<input type="checkbox"/> Vector
30D to CUR	Override (%)	<input type="text"/>	<input type="checkbox"/> Vector
30D to MOD	Multiplier	<input type="text" value="2"/>	<input type="checkbox"/> Vector
OTS 60+			
60+ to FCL	Override (%)	<input type="text"/>	<input type="checkbox"/> Vector
60+ to CUR	Override (%)	<input type="text"/>	<input type="checkbox"/> Vector
60+ to MOD	Multiplier	<input type="text" value="2"/>	<input type="checkbox"/> Vector
60+ to LIQ	Override (%)	<input type="text"/>	<input type="checkbox"/> Vector
Severity out of 60+	Override (%)	<input type="text"/>	<input type="checkbox"/> Vector
FCL			
FCL to REO	Override (%)	<input type="text"/>	<input type="checkbox"/> Vector
FCL to CUR	Override (%)	<input type="text"/>	<input type="checkbox"/> Vector
FCL to MOD	Multiplier	<input type="text" value="2"/>	<input type="checkbox"/> Vector
FCL to LIQ	Override (%)	<input type="text"/>	<input type="checkbox"/> Vector
Severity out of FCL	Override (%)	<input type="text"/>	<input type="checkbox"/> Vector
REO			
REO to LIQ	Override (%)	<input type="text"/>	<input type="checkbox"/> Vector
Severity out of REO	Override (%)	<input type="text"/>	<input type="checkbox"/> Vector
Modification Terms			
WAC Reduction on Mods	Override (%)	<input type="text"/>	<input type="checkbox"/> Vector
Balance Forgiveness on Mods	Multiplier	<input type="text" value="3"/>	<input type="checkbox"/> Vector
P&I Advances			
P&I Adv Rate	Override (%)	<input type="text"/>	<input type="checkbox"/> Vector

Barclays Capital Model
Non-Agency Model Version:
BLTM Live Config File:

Source: Barclays Live

- The saved preference can then be used in place of the base model.

Single Security Analysis		CWA06-42 1A5		Load	Search	Feedback	?	
CWA06-42 1A5 6.000% (SupSen Sen...		Cusip: 02148YAE4		Factor: 0.90096467 (01/01/2012)		Collateral: Fixed Whole_Loan 5.789%		
Deal Summary	Calculator	Market Rates	Vectors	Preferences				
Price/Yield/OAS	Cash Flow							
Price/Yield/OAS	Rate Env	NY 3PM Close	as of	02/15/2012	Specify inputs & hit Enter or click			Go
Security and Collateral Information								
BCLTM Coverage: Able to map loans to Intex groups. Security run using group-level vectors.								
Show: <input type="checkbox"/> All <input checked="" type="checkbox"/> Security <input type="checkbox"/> Basic Coll. <input type="checkbox"/> Indices								
Security Information								
Coupon (%)	6.000	Original Balance (\$)	10,000,000					
Cusip	02148YAE4	Factor	0.90096467					
Bond Class	1A5	Factor date	01/01/2012					
Maturity Date	01/25/2047	Next Payment	03/25/2012					
Orig. Support (%)	7.06	Delay (days)	24					
Credit Support (%)	NA							
Inputs								
Quote	ZV Yield	6	Analysis	ZV	BE Losses Off	Settle Date	02/22/2012	
Prepayment	BaseCaseLive	100.00	%	Default	BaseCaseLive	100.00	%	
Bond Insurance	Off	mm/dd/yyyy	Severity	BaseCaseLive	100.0	%		
BoA-CW Settlement	Off	mm/dd/yyyy	Scenario details available via BCLive keyword "hpa".					
<input checked="" type="checkbox"/> Preferences HighMod								
Analysis Results								
BCLTM Coverage								
Price	Accrued	ZV Sprd	ZV Yield	ZV A/L	Sprd Dur	Tranche Loss (%)	Prin. Window	
64-28	0.350	413.7	6.000	13.094	5.50	59.26	Mar 12 - Nov 29	
1st WriteDown Date								
03/25/2012								
Collateral Projections (%Curr)								
Collateral Default (%)		Collateral Losses (%)		Collateral Severity (%)				
54.32		35.58		65.49				
Timing Curves								
Period	CPR	CRR	CDR	Severity	CumDefault (%)	Cum_Loss (%)	Tranche Writedown (%)	
Months 1-6	10.61	2.99	7.83	70.87	5.46	4.31	4.21	
Months 7-12	10.56	3.08	7.70	72.22	10.14	7.99	7.86	
Year 2	12.08	2.87	9.46	76.13	19.40	15.33	15.30	
Year 3	14.49	3.22	11.62	75.13	28.49	22.29	22.12	
Year 4	13.12	3.82	9.64	68.97	34.75	26.72	26.37	
Year 5	11.28	4.29	7.28	60.70	38.79	29.25	28.79	
*CPR, CRR, CDR, and severity are simple averages. Cum Default and Cum Loss are % of starting collateral balance at end of period. Tranche Writedown is % of starting tranche balance at end of period.								

Source: Barclays Live

Analyst Certification(s)

We, Steven Bergantino and Chun Li, hereby certify (1) that the views expressed in this research report accurately reflect our personal views about any or all of the subject securities or issuers referred to in this research report and (2) no part of our compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

Important Disclosures

Barclays Research is a part of the Corporate and Investment Banking division of Barclays Bank PLC and its affiliates (collectively and each individually, "Barclays"). For current important disclosures regarding companies that are the subject of this research report, please send a written request to: Barclays Research Compliance, 745 Seventh Avenue, 17th Floor, New York, NY 10019 or refer to <http://publicresearch.barcap.com> or call 212-526-1072.

Barclays Capital Inc. and/or one of its affiliates does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that Barclays may have a conflict of interest that could affect the objectivity of this report. Barclays Capital Inc. and/or one of its affiliates regularly trades, generally deals as principal and generally provides liquidity (as market maker or otherwise) in the debt securities that are the subject of this research report (and related derivatives thereof). Barclays trading desks may have either a long and / or short position in such securities and / or derivative instruments, which may pose a conflict with the interests of investing customers. Where permitted and subject to appropriate information barrier restrictions, Barclays fixed income research analyst(s) regularly interact with its trading desk personnel to determine current prices of fixed income securities. Barclays fixed income research analyst(s) receive compensation based on various factors including, but not limited to, the quality of their work, the overall performance of the firm (including the profitability of the investment banking department), the profitability and revenues of the Fixed Income, Currencies & Commodities Division ("FICC") and the outstanding principal amount and trading value of, the profitability of, and the potential interest of the firms investing clients in research with respect to, the asset class covered by the analyst. To the extent that any historical pricing information was obtained from Barclays trading desks, the firm makes no representation that it is accurate or complete. All levels, prices and spreads are historical and do not represent current market levels, prices or spreads, some or all of which may have changed since the publication of this document. The Corporate and Investment Banking division of Barclays produces a variety of research products including, but not limited to, fundamental analysis, equity-linked analysis, quantitative analysis, and trade ideas. Recommendations contained in one type of research product may differ from recommendations contained in other types of research products, whether as a result of differing time horizons, methodologies, or otherwise. In order to access Barclays Statement regarding Research Dissemination Policies and Procedures, please refer to <https://live.barcap.com/publiccp/RSR/nyfipubs/disclaimer/disclaimer-research-dissemination.html>.

Disclaimer

This publication has been prepared by the Corporate and Investment Banking division of Barclays Bank PLC and/or one or more of its affiliates (collectively and each individually, "Barclays"). It has been issued by one or more Barclays legal entities within its Corporate and Investment Banking division as provided below. It is provided to our clients for information purposes only, and Barclays makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this publication. Barclays will not treat unauthorized recipients of this report as its clients. Prices shown are indicative and Barclays is not offering to buy or sell or soliciting offers to buy or sell any financial instrument.

Without limiting any of the foregoing and to the extent permitted by law, in no event shall Barclays, nor any affiliate, nor any of their respective officers, directors, partners, or employees have any liability for (a) any special, punitive, indirect, or consequential damages; or (b) any lost profits, lost revenue, loss of anticipated savings or loss of opportunity or other financial loss, even if notified of the possibility of such damages, arising from any use of this publication or its contents.

Other than disclosures relating to Barclays, the information contained in this publication has been obtained from sources that Barclays Research believes to be reliable, but Barclays does not represent or warrant that it is accurate or complete. Barclays is not responsible for, and makes no warranties whatsoever as to, the content of any third-party web site accessed via a hyperlink in this publication and such information is not incorporated by reference.

The views in this publication are those of the author(s) and are subject to change, and Barclays has no obligation to update its opinions or the information in this publication. The analyst recommendations in this publication reflect solely and exclusively those of the author(s), and such opinions were prepared independently of any other interests, including those of Barclays and/or its affiliates. This publication does not constitute personal investment advice or take into account the individual financial circumstances or objectives of the clients who receive it. The securities discussed herein may not be suitable for all investors. Barclays recommends that investors independently evaluate each issuer, security or instrument discussed herein and consult any independent advisors they believe necessary. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results.

This communication is being made available in the UK and Europe primarily to persons who are investment professionals as that term is defined in Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion Order) 2005. It is directed at, and therefore should only be relied upon by, persons who have professional experience in matters relating to investments. The investments to which it relates are available only to such persons and will be entered into only with such persons. Barclays Bank PLC is authorised and regulated by the Financial Services Authority ("FSA") and a member of the London Stock Exchange.

The Corporate and Investment Banking division of Barclays undertakes U.S. securities business in the name of its wholly owned subsidiary Barclays Capital Inc., a FINRA and SIPC member. Barclays Capital Inc., a U.S. registered broker/dealer, is distributing this material in the United States and, in connection therewith accepts responsibility for its contents. Any U.S. person wishing to effect a transaction in any security discussed herein should do so only by contacting a representative of Barclays Capital Inc. in the U.S. at 745 Seventh Avenue, New York, New York 10019.

Non-U.S. persons should contact and execute transactions through a Barclays Bank PLC branch or affiliate in their home jurisdiction unless local regulations permit otherwise.

Barclays Bank PLC, Paris Branch (registered in France under Paris RCS number 381 066 281) is regulated by the Autorité des marchés financiers and the Autorité de contrôle prudentiel. Registered office 34/36 Avenue de Friedland 75008 Paris.

This material is distributed in Canada by Barclays Capital Canada Inc., a registered investment dealer and member of IIROC (www.iiroc.ca).

Subject to the conditions of this publication as set out above, Absa Capital, the Investment Banking Division of Absa Bank Limited, an authorised financial services provider (Registration No.: 1986/004794/06), is distributing this material in South Africa. Absa Bank Limited is regulated by the South African Reserve Bank. This publication is not, nor is it intended to be, advice as defined and/or contemplated in the (South African) Financial Advisory and Intermediary Services Act, 37 of 2002, or any other financial, investment, trading, tax, legal, accounting, retirement, actuarial or other professional advice or service whatsoever. Any South African person or entity wishing to effect a transaction in any security discussed herein should do so only by contacting a

representative of Absa Capital in South Africa, 15 Alice Lane, Sandton, Johannesburg, Gauteng 2196. Absa Capital is an affiliate of Barclays.

In Japan, foreign exchange research reports are prepared and distributed by Barclays Bank PLC Tokyo Branch. Other research reports are distributed to institutional investors in Japan by Barclays Capital Japan Limited. Barclays Capital Japan Limited is a joint-stock company incorporated in Japan with registered office of 6-10-1 Roppongi, Minato-ku, Tokyo 106-6131, Japan. It is a subsidiary of Barclays Bank PLC and a registered financial instruments firm regulated by the Financial Services Agency of Japan. Registered Number: Kanto Zaimukyokuchō (kinsho) No. 143.

Barclays Bank PLC, Hong Kong Branch is distributing this material in Hong Kong as an authorised institution regulated by the Hong Kong Monetary Authority. Registered Office: 41/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

This material is issued in Taiwan by Barclays Capital Securities Taiwan Limited. This material on securities not traded in Taiwan is not to be construed as 'recommendation' in Taiwan. Barclays Capital Securities Taiwan Limited does not accept orders from clients to trade in such securities. This material may not be distributed to the public media or used by the public media without prior written consent of Barclays.

This material is distributed in South Korea by Barclays Capital Securities Limited, Seoul Branch.

All equity research material is distributed in India by Barclays Securities (India) Private Limited (SEBI Registration No: INB/INF 231292732 (NSE), INB/INF 011292738 (BSE), Registered Office: 208 | Ceejay House | Dr. Annie Besant Road | Shivsagar Estate | Worli | Mumbai - 400 018 | India, Phone: + 91 22 67196363). Other research reports are distributed in India by Barclays Bank PLC, India Branch.

Barclays Bank PLC Frankfurt Branch distributes this material in Germany under the supervision of Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin).

This material is distributed in Malaysia by Barclays Capital Markets Malaysia Sdn Bhd.

This material is distributed in Brazil by Banco Barclays S.A.

This material is distributed in Mexico by Barclays Bank Mexico, S.A.

Barclays Bank PLC in the Dubai International Financial Centre (Registered No. 0060) is regulated by the Dubai Financial Services Authority (DFSA). Principal place of business in the Dubai International Financial Centre: The Gate Village, Building 4, Level 4, PO Box 506504, Dubai, United Arab Emirates. Barclays Bank PLC-DIFC Branch, may only undertake the financial services activities that fall within the scope of its existing DFSA licence. Related financial products or services are only available to Professional Clients, as defined by the Dubai Financial Services Authority.

Barclays Bank PLC in the UAE is regulated by the Central Bank of the UAE and is licensed to conduct business activities as a branch of a commercial bank incorporated outside the UAE in Dubai (Licence No.: 13/1844/2008, Registered Office: Building No. 6, Burj Dubai Business Hub, Sheikh Zayed Road, Dubai City) and Abu Dhabi (Licence No.: 13/952/2008, Registered Office: Al Jazira Towers, Hamdan Street, PO Box 2734, Abu Dhabi).

Barclays Bank PLC in the Qatar Financial Centre (Registered No. 00018) is authorised by the Qatar Financial Centre Regulatory Authority (QFCRA). Barclays Bank PLC-QFC Branch may only undertake the regulated activities that fall within the scope of its existing QFCRA licence. Principal place of business in Qatar: Qatar Financial Centre, Office 1002, 10th Floor, QFC Tower, Diplomatic Area, West Bay, PO Box 15891, Doha, Qatar. Related financial products or services are only available to Business Customers as defined by the Qatar Financial Centre Regulatory Authority.

This material is distributed in the UAE (including the Dubai International Financial Centre) and Qatar by Barclays Bank PLC.

This material is distributed in Saudi Arabia by Barclays Saudi Arabia ('BSA'). It is not the intention of the publication to be used or deemed as recommendation, option or advice for any action (s) that may take place in future. Barclays Saudi Arabia is a Closed Joint Stock Company, (CMA License No. 09141-37). Registered office Al Faisaliah Tower, Level 18, Riyadh 11311, Kingdom of Saudi Arabia. Authorised and regulated by the Capital Market Authority, Commercial Registration Number: 1010283024.

This material is distributed in Russia by OOO Barclays Capital, affiliated company of Barclays Bank PLC, registered and regulated in Russia by the FSFM. Broker License #177-11850-100000; Dealer License #177-11855-010000. Registered address in Russia: 125047 Moscow, 1st Tverskaya-Yamskaya str. 21.

This material is distributed in Singapore by the Singapore branch of Barclays Bank PLC, a bank licensed in Singapore by the Monetary Authority of Singapore. For matters in connection with this report, recipients in Singapore may contact the Singapore branch of Barclays Bank PLC, whose registered address is One Raffles Quay Level 28, South Tower, Singapore 048583.

Barclays Bank PLC, Australia Branch (ARBN 062 449 585, AFSL 246617) is distributing this material in Australia. It is directed at 'wholesale clients' as defined by Australian Corporations Act 2001.

IRS Circular 230 Prepared Materials Disclaimer: Barclays does not provide tax advice and nothing contained herein should be construed to be tax advice. Please be advised that any discussion of U.S. tax matters contained herein (including any attachments) (i) is not intended or written to be used, and cannot be used, by you for the purpose of avoiding U.S. tax-related penalties; and (ii) was written to support the promotion or marketing of the transactions or other matters addressed herein. Accordingly, you should seek advice based on your particular circumstances from an independent tax advisor.

© Copyright Barclays Bank PLC (2012). All rights reserved. No part of this publication may be reproduced in any manner without the prior written permission of Barclays. Barclays Bank PLC is registered in England No. 1026167. Registered office 1 Churchill Place, London, E14 5HP. Additional information regarding this publication will be furnished upon request.

