

EXHIBIT D-3

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Countrywide Financial Corp.

Valuation Analysis Prepared at the Request of Counsel

CAPSTONE VALUATION SERVICES, LLC

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I. Summary and Conclusions

Capstone Valuation Services, LLC (“Capstone”) was retained by The Bank of New York Mellon (“BNYM” or the “Trustee”), the trustee to Countrywide Financial Sponsored Trusts (the “Trusts”). We have been asked to opine on the maximum economic value that BNYM could recover from Countrywide Financial Corporation (“the Company”, “Countrywide” or “CFC”) on behalf of the Trusts assuming a hypothetical judgment (the “Judgment”) against the Company for certain claims (the “Claims”). We have been asked to prepare our opinion as of March 31, 2011 (the “Valuation Date”).

In performing the procedures and analysis contained in this report, we have accepted certain assumptions regarding legal findings for which we express no opinion as they are outside the scope of our engagement. We prepared our analysis with access to the information contained in Exhibit A, as well as information gathered from our discussions with certain senior members of CFC management without independent verification. Our opinion is valid only as of the Valuation Date.

In estimating the economic value available to satisfy the Judgment, we have estimated the value of CFC’s assets in conformance with the *fair market value* (“FMV”) standard. FMV is defined in IRS Revenue Ruling 59-60 as the price at which the property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts. Based on the analysis performed by Capstone, as described below, it is our opinion that value of the assets of CFC would enable a maximum recovery of no more than \$4.8 billion as of the Valuation Date, excluding any liquidation costs required to convert all loans, leases, and other assets to cash.

II. Countrywide's Description and History

Countrywide Financial Corporation is a holding company which was engaged in mortgage lending and other real estate finance-related businesses, including mortgage banking, mortgage warehouse lending, dealing in securities and insurance underwriting through its subsidiaries since 1969.

On July 1, 2008, Countrywide merged into a wholly-owned subsidiary of Bank of America Corporation ("BAC").¹ Under the terms of the agreement, the shareholders of Countrywide received .1822 of a share of BAC stock in exchange for each share of Countrywide. The January 11, 2008 announced deal value of \$4.15 billion² dropped to \$2.52 billion by July 1, 2008 due to a decline in the market value of BAC's common equity between announcement and closing. Immediately following the closing, BAC purchased two pools of mortgage loans for approximately \$9.4 billion in cash and promissory notes. These transactions closed on July 1, 2008 and July 3, 2008 in the amounts of \$6.9 billion and \$2.5 billion respectively.

On July 2, 2008, Countrywide Home Loans, Inc. ("CHL"), a subsidiary of CFC, sold its membership interests in Countrywide GP, LLC and Countrywide LP, LLC in exchange for a \$19.7 billion promissory note to NB Holdings, a subsidiary of BAC. CFC also sold a pool of residential mortgages to BAC for slightly less than \$10 billion. In addition, there was a transaction in which certain commercial mortgage loans were also sold to BAC for an amount of less than \$250 million.

On November 7, 2008 BAC acquired CFC's equity in Effinity Financial Corporation, its subsidiaries, as well as dozens of other direct and indirect subsidiaries of CFC for promissory notes of \$3.6 billion and assumption of \$16.6 billion of Countrywide public debt which was subsequently retired. In addition, CHL sold to BAC a pool of residential mortgage loans, real property, technology platform, servicing rights and other items for a \$1.76 billion promissory note after certain purchase price adjustments.

¹ Bank of America Corporation Form 8-K filed 7/1/2008.

² Capital IQ.

III. Key Assumptions and Premise of Recovery

We have been asked to opine on the maximum economic value that BNYM could recover from CFC on behalf of the Trusts assuming a hypothetical Judgment against the Company for the Claims. We have based our analysis on the following assumptions regarding legal findings for which we express no opinion:

- There is no basis on which a court could pierce the corporate veil of CFC relating to its acquisition (the "Acquisition") by and subsequent transactions (the "Subsequent Transactions") with BAC.
- CFC and its subsidiaries were solvent and received reasonably equivalent value for any transfers made or obligations incurred at the time of the Acquisition and Subsequent Transactions.

In order to reach our conclusion, Capstone has analyzed the amount which the Trustee could expect to recover from CFC given a hypothetical Judgment and the subsequent orderly liquidation of CFC's assets. Capstone has not analyzed the probability of a positive outcome for the Trustee in litigating the Claims or attempted to quantify the amount of any potential Judgment. We have assumed that as a result of any Judgment, the Trustee would recover value from CFC as a general unsecured creditor. To quantify the potential recovery, we have assumed that there would be an orderly liquidation of CFC's assets following the hypothetical Judgment and that the Judgment would be sufficient to cause the Trustee to become 99.9% of the total unsecured creditors of CFC.

The calculations contained in this report have been prepared to estimate the Trustee's recovery as an unsecured creditor in the hypothetical orderly liquidation based on the current FMV of CFC's assets.

To quantify the maximum economic value available to the Trustee, the value of CFC's assets has not been reduced for readily foreseeable expenses and losses that would be incurred through the hypothetical orderly liquidation of CFC. Such adjustments include, but are not limited to, legal fees incurred by CFC in defending itself from these claims, run rate expenses for managing its obligations related to discontinued operations,

and losses from loans which are forced to be repurchased under other repurchase agreements. The net effect of excluding these expenses and losses most likely overstates the value of CFC's assets at the hypothetical orderly liquidation and, as such, quantifies the maximum potential recovery for the Trustee.

IV. Approaches to Value

Traditionally a valuation is performed by considering three established valuation approaches: (i) market approach, (ii) income approach, and (iii) asset approach.

Market Approach

Guideline Company Method

The Guideline Company method utilizes market multiples derived from the market price of stocks of similar publicly-traded companies. The multiples are reviewed and analyzed for possible adjustment, and then applied to the operating results of the subject company to determine an indication of value for the subject company.

Comparable Transaction Method

The Comparable Transaction method, also known as the merger and acquisition method, estimates the value of the subject company based on multiples paid for a controlling interest in similar businesses, both public and private. Market sales are an indicator of the market value since it is assumed that market transactions are conducted between willing buyers and willing sellers at an arm's length transaction. These multiples are reviewed and analyzed for possible adjustment, and then applied to the operating results of the subject company to determine an indicated value of the subject company.

Income Approach

The Income Approach provides an indication of net present value based upon the anticipated future income streams associated with the target business or grouping of assets, considering the remaining life of the business or assets, the average annual rate of return anticipated, and market rates of return. The projected income streams are

discounted along with a terminal value at an appropriate risk rate to express an opinion of the present value of the future benefits of ownership.

Asset Approach

The Asset Approach is a general way of determining a value indication of a business, business ownership interest, or security using one or more methods based on the value of the assets net of liabilities.

Selection of Valuation Approach

Applying the Market Approach to CFC as a consolidated entity does not provide meaningful indications of value because CFC has negative earnings and minimal operating revenues. As of the Valuation Date CFC does not originate, securitize, or service real estate loans, and therefore is not a comparable investment to any of the publicly traded financial services firms that would be used to develop market multiples. Capstone is not aware of any plans for CFC to restart these operations in any capacity or to participate in any activities beyond the contractual obligations related to discontinued operations. Similarly, applying the Income Approach to CFC is not possible due to a lack of cash flow projections. Because CFC has no operations that by themselves are economically viable on a go-forward basis, the value of CFC's assets is best reflected in the FMV of the financial and real assets it owns. Therefore, Capstone utilized the Adjusted Balance Sheet method for determining the total value of CFC's assets.

V. Valuation of CFC's Assets – Adjusted Balance Sheet Method

The Adjusted Balance Sheet method adjusts the book value of all assets (including off-balance-sheet, intangible and contingent items) to their FMV. For purposes of this analysis we have assumed that the value of CFC's assets as stated on the March 31, 2011 balance sheet are reasonable approximations of their FMV as of the Valuation Date. As of the Valuation Date, CFC lacked any operations except for managing its obligations under certain servicing agreements which remained at CFC and certain repurchase agreements for assets sold prior to the Acquisition. CFC management has indicated that

there are no intangible assets (including contractual rights, trademarks and trade names, technical knowhow, technology, patents, copyrights, assembled workforce, or customer lists) with any value material to this analysis as of the Valuation Date.

CFC March 31, 2011 Balance Sheet

CFC's balance sheet as of March 31, 2011 consisted of the following line items:³

Assets

1. Cash and Cash Equivalents
2. Securities
 - Securities are classified as available for sale and are marked at fair value.
3. Loans and Leases
 - This account consists of repurchased loans, loans owned by consolidated home equity loan securitization trusts, and certain other loans. Repurchased loans are classified as loans held for investment and are carried at cost (the fair value at repurchase) less any allowance included in the allowance for loans and leases. CFC consolidated certain home equity loan securitization trusts, in which it had a controlling financial interest as a Variable Interest Entity ("VIE"). Loans in the VIE are marked at historical cost adjusted for FFIEC charge-offs. In Bank of America Home Loan Servicing ("BAC HLS") role as the servicer, BAC HLS has the authority to manage the loans held in the trusts. In addition, the Company may have a financial interest that could potentially be significant to the trusts through retaining interests in senior or subordinate securities or the trusts' residual interest, providing a guarantee to the trusts, or funding to the trusts during a rapid amortization event. For these reasons, the Corporation is the primary beneficiary of and consolidates these trusts for accounting purposes.
4. Allowance for Loans and Leases
5. Premises and Equipment, net

³ Support for line item detail for all assets and liabilities are sourced from Countrywide Financial Corporation Selected Consolidated Financial Information (Unaudited) March 31, 2011.

6. Loans Held-for-Sale (“LHFS”)

- The Company holds LHFS at fair value in accordance with ASC 820 Fair Value Measurements and Disclosures (formerly SFAS 157). Portions of the LHFS portfolio secure certain liabilities also held on the balance sheet.

7. Loans Eligible for Repurchase

- Government insured loans that were sold by CHL but meet certain delinquency thresholds are eligible for repurchase by either the originator or servicer of the loans. ASC 860, Transfers and Servicing, requires that loans that meet this criteria be reflected on the balance sheet of the seller of the loans when the seller of the loans, or its affiliates, has the right but not the obligation to repurchase the loan. If the servicer exercises its option to repurchase the delinquent loans, the current servicer, BAC HLS, will execute the repurchase and reflect the loans on its books.

8. Mortgage Servicing Rights

- Mortgage servicing rights represent owned servicing rights on a number of HELOC securitizations. The owners of the securities have taken overt action to prohibit CHL from selling the related servicing rights. CHL has mortgage serving rights valued at a loss of \$26 million in consumer home equity as of March 31, 2011. BAC HLS subservices these loans on behalf of CHL.

9. Intercompany Receivables

- The intercompany receivables primarily reflect capital infusions which have not yet been settled in cash.

10. Other Assets

Liabilities

1. Long Term Debt – VIE

- CFC consolidated certain home equity loan securitization trusts, in which it had a controlling financial interest as a VIE. The outstanding debt of the securitization trusts exceeds the asset value due to FFIEC charge-offs taken against the HELOCs.

2. Debt- FAS 140

- CHL elected to account for certain debt classified under SFAS 140, which are asset-backed secured financings, under the fair value option. Election of the fair value option allows CFC to reduce the accounting volatility that would otherwise result by accounting for the asset-backed secured financings at historical cost and the corresponding mortgage LHFS securing these financings at fair value.

3. Short Term Borrowings

- This account offsets the loans eligible for CHS's repurchase asset account. This liability is equivalent to the asset balance and represents the cost that the company would incur if it did repurchase the loans.

4. Representations and Warranties

- During 2010, BAC agreed to assume the full cost of certain representation and warranty liability associated with certain government sponsored entity portfolios originated by CFC. As of March 31, 2011, substantially all of this provision is associated with the exposure to monoline insurers.

5. Taxes Payable

- As of March 31, 2011, CFC showed a negative account balance for Taxes Payable. We understand that CFC is generating tax losses, which will result in a reduction of BAC's future tax liability. BAC is contractually obligated to reimburse CFC for BAC's tax savings as a result of CFC's losses.

6. Intercompany Payables

7. Accrued Expenses and Other Liabilities

- Consists mainly of legal, insurance and other reserves.

Adjustments to March 31, 2011 Balance Sheet

Based on the above, we made the following adjustments to CFC's March 31, 2011 balance sheet, as displayed on Exhibit B:

- Based on discussions with CFC management, we deconsolidated the assets and liabilities of the HELOC VIE and increased book value of equity by \$430 million.

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These assets are not owned by CFC but are consolidated due to possible liabilities related to their performance.

- Under ASC 860, CFC is required to show certain loans eligible for repurchase on its balance sheet along with an offsetting liability. CFC does not own these assets, nor is the offsetting liability outstanding. As such, we have adjusted the balance sheet to remove the impact of this item under ASC 860.
- Explanation 4 to CFC March 31, 2011 balance sheet indicates FAS 140 debt of \$726 million is marked at fair value, and has a principal balance of \$1.3 billion. Capstone has adjusted the Debt to its principal balance and reduced retained earnings by \$574 million. Capstone has also assumed that the whole amount of \$1.3 billion is secured by the assets of CFC and its subsidiaries.

Adjusted Balance Sheet Indication of Value and Amount Available for Recovery

The most economically advantageous recovery for unsecured creditors would be through an orderly liquidation of CFC's assets due to the lack of any foreseeable revenues in future years to offset expenses and expected losses. Based on the adjusted book value of CFC's assets plus taxes payable, the FMV of CFC's assets are \$6.1 billion excluding any liquidation costs required to convert all loans, leases, and other assets to cash. From that total value, we have deducted the principal balance of the Pre-petition secured claims in the amount of \$1.3 billion. The residual value of CFC's assets would be \$4.8 billion as shown in Exhibit C. This analysis assumes that secured creditors would be repaid in full by the Company.

VI. Ability to Recover Economic Value

Based on the assumptions contained in this report, it is our opinion that BNYM, acting on behalf of the Trusts as Trustee, would recover no more than \$4.8 billion through litigating the Claims and collecting any hypothetical Judgment from CFC as of the Valuation Date. This amount reflects the maximum recovery, as it does not take into consideration any litigation costs or other losses accruing to CFC between March 31,

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2011 and the date of any future hypothetical recovery. It is likely that the value of CFC's assets decline following the Valuation Date based on the cash burn of the Company in the fiscal year 2010 and the first quarter of 2011.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Bruce B. Bingham", with a long horizontal flourish extending to the right.

Bruce B. Bingham, FASA

Executive Director, Capstone Valuation Services, LLC

6 June 2011

**Countrywide Financial Corporation
Documents Considered**

Bank of America 8-K Filed January 11, 2008
Bank of America 8-K Filed April 21, 2008
Bank of America 8-K Filed May 29, 2008
Bank of America 8-K Filed July 1, 2008
Bank of America 8-K Filed July 8, 2008
Bank of America 8-K Filed July 21, 2008
Bank of America 8-K Filed October 6, 2008
Bank of America 8-K Filed November 10, 2008
Bank of America 8-K Filed November 12, 2008
Bank of America 8-K Filed March 3, 2009
Countrywide Financial Corporation 2004 10-K
Countrywide Financial Corporation 2005 10-K
Countrywide Financial Corporation 2006 10-K
Countrywide Financial Corporation 2007 10-K
Countrywide Financial Corporation 10-Q as of June 30, 2008
Countrywide Financial Corporation selected consolidated financial information (unaudited) as of December 31, 2010
Countrywide Financial Corporation selected consolidated financial information (unaudited) as of March 31, 2011
Countrywide Home Loan selected consolidated financial information (unaudited) as of December 31, 2010
Countrywide Home Loan selected financial information (unaudited) as of March 31, 2011
Countrywide Financial Corporation Organization Chart as of March 2008
BAC/CFC Organization Chart as of July 2008
BAC/CFC Organization Chart as of October 2008
BAC/CFC Organization Chart as of January 2011
Master Mortgage Loan Purchase and Subservicing Agreement between CHL and NB Holdings Corporation dated July 1, 2008
Purchase and Sale Agreement between CHL & NB Holdings Corporation dated July 2, 2008
Asset Purchase Agreement (APA) between BAC & CHL dated November 7, 2008
Stock Purchase Agreement (SPA) between BAC & CFC dated November 7, 2008
Amendment #1 to the APA between BAC and CHL dated January 5, 2009
Amendment #1 to the SPA between BAC and CFC dated January 5, 2009
Supplemental Agreement #1 to APA dated March 6, 2009
Supplemental Agreement #1 to SPA dated March 6, 2009
CHL Resolution dated July 1, 2008
CFC Resolution dated October 3, 2008
CHL Resolution dated October 14, 2008
CHL Resolution Approval - Asset Purchase Agreement dated October 14, 2008
Bank of America 10-Q dated September 30, 2008

Countrywide Financial Corporation
Consolidated Balance Sheet

<i>(\$ in millions)</i>	3/31/2011	Adjustments	Adjusted 3/31/2011
Assets			
Cash and Cash Equivalents	\$ 782	\$ -	\$ 782
Securities	305	-	305
Loans and Leases	4,535	(3,370) (a)	1,165
Allowance for Loans and Leases	(339)	308 (a)	(31)
Loans and Leases, net of Allowance	4,196	(3,062)	1,134
Premises and Equipment, net	10	-	10
Loans Held-for-Sale	803	-	803
Loans Eligible for Repurchase	2,871	(2,871) (b)	-
Mortgage Servicing Rights	(26)	-	(26)
Intercompany Receivables	1,516	-	1,516
Other Assets	216	-	216
Total Assets	\$ 10,673	\$ (5,933)	\$ 4,740
Liabilities			
Short Term Borrowings	\$ 2,871	\$ (2,871) (b)	\$ -
Debt -FAS 140	726	574 (c)	1,300
Representations and Warranties	2,887	-	2,887
Long Term Debt -VIE	3,492	(3,492) (a)	-
Taxes Payable	(1,359)	- (d)	(1,359)
Intercompany Payables	347	-	347
Accrued Expenses and Other Liabilities	2,045	-	2,045
Total Liabilities	\$ 11,009	\$ (5,789)	\$ 5,220
Shareholders' Equity			
Capital	\$ 6,241	\$ -	\$ 6,241
Other Comprehensive Income (Loss)	\$ 20	-	20
Retained Earnings (Deficit)	(6,597)	(144) (e)	(6,741)
Total Shareholders' Equity	\$ (336)	\$ (144)	\$ (480)
Total Liabilities and Shareholders Equity	\$ 10,673	\$ (5,933)	\$ 4,740

(a) Based on discussions with CFC management, Capstone has deconsolidated the assets and liabilities of the HELOC VIE and increased retained earnings by \$430.

(b) Under ASC 860, CFC is required to show certain loans eligible for repurchase on its balance sheet along with an offsetting liability. CFC does not own these assets, nor is the offsetting liability outstanding. As such, we have adjusted the balance sheet to remove the impact of ASC 860.

(c) Explanation 4 to CFC March 31, 2011 balance sheet indicates FAS 140 debt of \$726 million is marked at fair value, and has a principal balance of \$1.3 billion. Capstone has adjusted the debt to its principal balance and reduced retained earnings by \$574 million.

(d) Negative account balance reflects reimbursement by BAC for future tax savings and is treated as an asset for purposes of this analysis.

(e) Adjustment of \$144 million reflects the combined effect on book value of equity of footnotes (a) and (c).

Countrywide Financial Corporation
Hypothetical Trustee Recovery from Litigating Claims

(\$ in millions)

FMV of Countrywide Assets at Valuation Date (rounded)	\$ 6,100 (a)
Secured Claims	1,300 (b)
FMV of Assets for Unsecured Creditors	<u>4,800</u>
Trustee Participation as % of Unsecured Class	<u>99.9% (c)</u>
Maximum Recovery to Trustee (rounded)	\$ 4,800 (d)

(a) FMV of CFC assets as of the Valuation Date assumed equal to adjusted book value as shown on March 31, 2011 balance sheet plus taxes payable.

(b) Principal balance of FAS 140 debt assumed to be a secured claim.

(c) Assumes Judgment is sufficient to cause the trustee to participate as 99.9% of unsecured creditors class.

(d) Assumes Judgment recovery is immediate and does not reflect any litigation costs or other losses accruing to CFC in the interim. CFC paid \$720 million in personnel, professional fees, insurance, and other expenses in 2010. Also, this recovery does not reflect the present value of any sums received in the future.

EXHIBIT D-4



RRMS ADVISORS

Tactical Mortgage Strategists

10 East 40th Street New York, NY 10016

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Brian Lin
Managing Director
RRMS Advisors
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June 28, 2011

The Bank of New York Mellon
One Wall Street, 11th Floor
New York, NY 10286

Subject: Opinion Concerning Contemplated Settlement Agreement - Mortgage Loan Servicing and Loan Administration

Gentlemen:

Attached please find my opinion regarding the mortgage loan servicing and loan administration components of the contemplated settlement agreement for 530 Trusts rendered at the request of your counsel, Mayer Brown.

Should you have any question, please feel free to contact me at (212) 843-9413.

Yours truly,

A handwritten signature in black ink, appearing to read "Brian Lin".

Brian Lin
Managing Director



Servicing Opinion
Prepared for: The Bank of New York Mellon
June 28, 2011

Summary of Opinion

I, in conjunction with selected RRMS Advisors personnel under my supervision (collectively, RRMS), have performed a review of the mortgage loan servicing and loan administration components of the settlement agreement (Settlement Agreement or Agreement) between The Bank of New York Mellon (BNYM), in its capacity as Trustee or Indenture Trustee for the mortgage securitization Trusts identified in the agreement (Covered Trusts), and Bank of America Corporation, BAC Home Loan Servicing, LP (collectively, BofA), Countrywide Financial Corporation and Countrywide Home Loan, Inc. (collectively, Countrywide). Based upon the analysis performed and the documentation provided, I find the approaches as outlined for both first and second lien mortgage assets to be reasonable and in accordance with or exceeding customary and usual standards of practice for prudent mortgage loan servicing and administration. Further, it is my opinion that this settlement can be viewed as an industry precedent setting, pro-active approach in regard to establishing a framework to enhance recovery efforts for underperforming loan pools.

This review and opinion is specifically related to servicing and loan administration components for:

- Transfer to subservicing or sale of mortgage servicing rights (MSRs) of non-performing assets from BofA to qualifying subservicers;
- Servicing of performing and non-performing assets by BofA;
- Loss mitigation requirements and considerations;
- Reporting and attestation of compliance; and
- Administration and cure of document deficiencies.

Summarized below is the background relating to the engagement, along with a summary of the methodologies and approaches undertaken in performing this review and support for the conclusions reached relating to each of the components listed above.

Background

BNYM currently acts as Trustee or Indenture Trustee of the Covered Trusts. In this capacity, BNYM has engaged me to render an independent professional opinion relating to the agreed-upon mortgage servicing and loan administration protocols outlined in the Settlement Agreement. The Agreement covers five hundred and thirty (530) Trusts, of which five hundred and thirteen (513) are governed by Pooling and Servicing Agreements (PSAs) and seventeen (17) are governed by Indentures and Sale and Servicing Agreements (SSAs). The aforementioned trusts are comprised of residential mortgage loans that are being serviced by BofA as the Master Servicer. Individual asset composition predominately includes:

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Sub-Prime, Alt "A", Prime and Pay Option Arm residential mortgage loans, with originations occurring between the years 2004 through 2008.

High default rates and large loss severities have occurred pertaining to the underlying collateral. Breaches of loan servicing obligations and failure to cure documentation defects have been alleged against BofA. These and other alleged breaches are the subject of the Settlement Agreement. In the Agreement, the parties have decided to institute a transparent mortgage servicing and loan administration model. This model utilizes qualifying subservicers to optimize loan servicing performance and defines criteria and guidelines for the transfer of mortgage loan assets to selected qualifying subservicer and/or sale of MSR. In addition, loss mitigation requirements and considerations are set forth in the Agreement as well as administration guidelines relating to document deficiencies and cure processes. In addition, the Settlement Agreement mandates monthly reporting and annual attestation reports with respect to the servicing and loan administration improvements.

My review and assessment of the Settlement Agreement encompassed the servicing and loan administration provisions of the agreement. It is my understanding that these provisions have been designed by the parties to ensure compliance with the servicing and loan administration terms of the underlying PSAs and SSAs.

Set out below is my opinion with respect to these provisions.

Transfer to Subservicing or Sale of MSRs of Non-Performing Assets from BofA to Qualifying Subservicers

A great amount of focus and attention is included in the Settlement Agreement relating to the transfer of non-performing or high risk residential mortgage loans from BofA to selected qualifying subservicers whose incentive compensation is dependent on servicing competency and quality. In my opinion, this arrangement is in line with and supports the goal of improving individual asset performance in order to positively impact overall pool performance.

Key components of the Settlement Agreement relating to the transfer of non-performing assets to qualifying subservicers include, among other things, the following:

- A detailed selection process for "qualifying mortgage subservicers";
- The Trustee has the ability to veto any proposed subservicer (selected by the institutional investor and BofA) after consultation with an expert of its choice, on the basis of specific grounds summarized in the Settlement Agreement;

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- Protocols and timelines have been established for contracting with qualifying subservicers and for mapping of underlying data;
- Stated and agreed upon quarterly loan servicing transfers are specifically detailed;
- Assignment of only one qualifying subservicer per Covered Trust;
- Each subservicer shall have no more 30,000 outstanding mortgage loans from the Covered Trusts;
- Sale of MSR's on high risk loans is subject to certain limitations, including among other things, that they can only be sold to qualifying subservicers that are subject to the same pool performance incentives and activity based incentives compensation methods that is implemented for subservicing. In addition, BofA is obligated to provide or guarantee principal and interest advances to subservicers lacking the economic means to make such payments;
- Purchaser of MSR's are prohibited to sub-service or re-sell their respective rights to any third party entity; and
- Subserving are prohibited (under subservicing and sale of MSR's scenarios) from sub-contracting servicing, sub-servicing, selling servicing rights or transferring those rights for any high risk loans to another party.

In addition, the Settlement Agreement contains specific criteria to be considered when determining whether or not assets should be transferred to qualifying subservicers. This is prudent in that it reduces the potential for delinquency spikes related to unnecessary transfers of assets. The establishment of delinquency triggers provides structure relating to asset transfers. In addition, the assessment of loss mitigation efforts underway (i.e., in-process loan modifications and foreclosures greater than ninety days) is also prudent in that in-process efforts designed to improve asset performance are less subject to potential failures due to issues related to lack of servicing and processing continuity.

Based on my review and consistent with the summary above, I conclude that the portions of the Settlement Agreement dealing with the transfer (or sale of MSR's) of non-performing assets from BofA to qualifying subservicers are reasonable and can be viewed as an industry precedent setting model.

Servicing of Performing and Non-Performing Assets by BofA

To incentivize BofA to service mortgage loans prudently at industry standard levels, benchmarks have been factored into the Settlement Agreement, along with penalties for failure to adhere to those improvements. These mortgage servicing improvements are to take effect the later of five months after the signing date of the Settlement Agreement or the date of final court approval of the Settlement

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Agreement. Specifically, BofA's servicing performance shall be measured and evaluated, on a monthly basis, against defined industry benchmark metrics relating to:

- Loss mitigation referral timelines to foreclosure (first lien mortgage loans);
- Liquidation or foreclosures per FHFA guidelines (first lien mortgage loans);
- Delinquency status of borrower at the time reporting of charge-off to Trustee (second lien mortgage loans); and
- Comparative Trustee pool statistics with monthly reporting vs. industry standards.

With respect to any month in which BofA fails to meet the agreed-upon industry benchmark, the Settlement Agreement provides for deficient performance payments payable by BofA. These payments relate specifically to servicing timeline failures associated with certain loss mitigation activities.

Based on my review and consistent with the summary above, I have concluded that the portions of the Settlement Agreement dealing with the servicing of assets by BofA are reasonable and meet industry standards.

Loss Mitigation Requirements and Considerations

I have reviewed the loss mitigation requirements and considerations for the mortgage loans in the Covered Trusts as stated in the Settlement Agreement. The Settlement Agreement is intended to create a framework for utilization of all reasonable avenues of recovery for the full principal of the mortgage balance other than through foreclosure or liquidation actions. I note the following provisions with respect to the mortgage loss mitigation servicing activities by BofA and/or each of the qualifying subservicers:

- Borrower's eligibility shall be evaluated simultaneously for all applicable loan modifications in accordance with the principles set forth in each of these programs and the applicable servicing entity must render a decision within sixty days of receiving all requested documentation from the borrower;
- Modifications and/or loss mitigation strategies shall consider the following factors: (i) NPV based recoveries, (ii) return of delinquent mortgage loans to permanent performing status, (iii) assessment of borrower's ability to make payments, (iv) alternative recovery strategies to minimize foreclosure or liquidation, (v) adherence to all applicable governing agreements and law, and (vi) consideration of other judgment factors that a prudent mortgage servicer would utilize;
- No principal modification shall reduce the principal amount due on any mortgage loan below the current market value using third party valuation sources; and

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Tactical Mortgage Strategists

Servicing Opinion

Prepared for: The Bank of New York Mellon

June 28, 2011

- BofA may implement modification or loss mitigation strategies taking into consideration factors set forth above, and/or act in accordance with the policies that BofA utilizes for its own held for investment portfolio shall be deemed in compliance with the Settlement Agreement.

I find that this section of the Settlement Agreement dealing with loss mitigation and considerations as outlined is reasonable and meet industry standards.

Reporting and Attestation of Compliance

Upon final court approval of the Settlement Agreement, BofA is required to perform the following:

- Report to the Trustee on a monthly basis, for each Covered Trust, concerning its compliance with the servicing improvement required by the Settlement Agreement; and
- Pay for an annual attestation report by an audit firm, selected by the Master Servicer in accordance with a selection process and that allows the Trustee to veto BofA's selection for the Covered Trusts as a group no later than February 15th of each year.

The Trustee will use reasonable commercial efforts to make the above reports available via its website within five business days of its receipt of such report. In addition, the Trustee will distribute the attestation report to all Investors as part of its monthly statement issued in April of each year.

I find this section of the Settlement Agreement dealing with reporting and attestation of compliance as outlined above is reasonable and it meets or exceeds industry standards.

Administration and Cure of Documentation Deficiencies

The Settlement Agreement provides for agreed-upon procedures to cure certain document deficiencies. Such procedures include, among other things, the following:

- Not later than six weeks after the signing date of the Settlement Agreement, BofA (as Master Servicer) will compile an "Initial Exceptions Report Schedule";
- Each month following the month in which BofA submits the "Initial Exceptions Report Schedule", BofA will provide to the Trustee a monthly exception report listing separately all loans which remain uncured and those that have been cured;
- BNYM has fifteen business days following receipt of the monthly exception report to determine whether BofA's decision to list loans as cured is supported by reasonable evidence. If it is determined that reasonable evidence has not been provided, BNYM is required to direct BofA to revise its exception report accordingly; and

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- The Trustee will use reasonable best efforts to make the monthly exception reports available on its website within five business days of its receipt of such report.

BofA may elect, at its sole discretion, to resolve any document exception that is identified in the monthly exception reports. Failure to do so will subject BofA to reimburse the trust 100% of the mortgage loan's realized loss as defined in the applicable governing agreement.

Based on my review and consistent with the summary above, I conclude that the portions of the Settlement Agreement dealing with administration and cure of document deficiencies are reasonable and industry precedent setting.

* * * *

As summarized at the beginning of this opinion, based upon the documentation provided and the work performed by RRMS related to the mortgage loan servicing and administration portion of the Settlement Agreement, I find the approaches as outlined for both first and second lien mortgage assets to be reasonable and in accordance with or exceeding customary and usual standards of practice for prudent mortgage loan servicing and administration. It is my opinion that this settlement can be viewed as an industry precedent setting, pro-active approach in regard to establishing a framework to enhance recovery efforts for underperforming loan pools.

Yours truly,

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Managing Director

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EXHIBIT D-5



Brian Lin
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June 7, 2011

The Bank of New York Mellon
One Wall Street, 11th Floor
New York, NY 10286

Subject: Opinion Concerning Contemplated Settlement Amount for 530 Trusts

Gentlemen:

Attached please find my independent opinion regarding the contemplated settlement amount for 530 Trusts rendered at the request of your counsel, Mayer Brown.

Should you have any question, please feel free to contact me at (212) 843-9413.

Yours truly,

Brian Lin
Managing Director



Settlement Amount Opinion
Prepared for: The Bank of New York Mellon
June 7, 2011

Engagement

The Bank of New York Mellon (BNYM) currently acts as Trustee on behalf of the named Trusts and respective investors. In this capacity, BNYM has engaged me to render an independent professional opinion relating to the settlement amount of 530 Trusts (Settlement Portfolio). The underlying collateral are comprised predominately of Alt "A", Subprime, Prime and Pay-Option Arm with a diminutive amount of HELOC and Second Lien residential mortgage loans.

Gibbs & Bruns Spreadsheet

Opinion Summary

I, in conjunction with selected RRMS Advisors personnel under my supervision, have performed a review of the "All Consortium Deals" summarized in the spreadsheet provided by the Investor Group represented by Gibbs & Bruns (Investor Group). Based on the review performed and discussions with representatives from the Investor Group, the presentation appears reasonable with respect to the overall methodology utilized in calculating the settlement amount.

The pros and cons of their calculations are as follows:

Pros:

- Obtaining collateral information from a publicly available third party source.
- Stratification of aggregate population according to performance status.
- Logical calculations in order to determine projected losses.
- Logical calculations and utilization of "Breach Rate" and "Success Rate" haircuts.

Cons:

- Questionable default and loss severity assumptions.
- Aggressive "Breach Rate" and "Success Rate" assumptions.

Assumptions:

- Collateral information is as of the February 2011 remittance reports, and has been obtained from Intex.

Detailed Opinion

Using certain assumptions obtained from Intex, Bank of America (BoFA) mortgage research, along with a forensic underwriting review performed by an independent third party, the Investor Group has estimated BoFA's exposure amount under various scenarios.

The first step in the methodology was to stratify the Settlement Portfolio on the basis of collateral type and performance status. Up to date balances were obtained from Intex with respect to non-delinquent loans as well as loans greater than 60 days delinquent (which also included the population of loans in bankruptcy, foreclosure and REO). The population of previously modified current loans was also

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obtained from LoanPerformance, courtesy of MetLife. Please note that without verification, I have accepted the balances presented within each stratification bucket as being correct, and have drawn a conclusion accordingly. In addition, categorizing the pool on this basis proved logical since it allowed for the application of various default and loss assumptions to the different performance status buckets of the portfolio.

At the core of the analysis was the utilization of default and loss severity assumptions. Loss severity, the percentage of lost principal when a loan is foreclosed or sold, was directly obtained from Intex by utilizing data for the three most recent months (averaging 66% for the entire Settlement Portfolio). While based on historical information, this data point can be considered limited since it presents a very short-term time period sample. There is no guarantee that this degree of loss severity will be consistent going forward and based on longer-term trends observed in research reports and other publications, severity rates have in actuality been lower. As for default rates, this particular data was in part taken from Amherst and BofA mortgage research reports. For the population examined in these reports, it was projected that the default rate for loans over 60 days delinquent was approximately 90%. Using this data, a default rate of 50% was derived for the remaining population of the portfolio which represented the current non-modified loans (including loans 30 days delinquent). Furthermore, a 90% default rate assumption was made for previously modified current loans. Although I categorize these calculations as logical, I did not verify any assumptions used to calculate the projected loan default and loss severity figures of the underlying collateral in the research reports.

Default and loss severity rates were then applied to each performance status bucket of the Settlement Portfolio, resulting in a calculation of aggregate actual/projected losses. The actual/estimated loss figure was derived as follows: The sum of (a) actual realized losses (\$25B – obtained from Intex), (b) projected losses on loans 60+ days delinquent as well as on previously modified current loans (\$50.4B), and (c) projected losses on non-modified current loans (including loans 30 days delinquent) (\$32.4B) totals \$107.8B. While the assumptions used to project losses can be debated, the mathematical formulas utilized to obtain the results are clear-cut and unquestionable.

After actual and estimated losses were calculated, certain haircuts were applied. The first, “Breach Rate”, is the percentage of representation & warranties breached for defected loans in the portfolio; not every loan experiencing a loss was covered by the representations & warranties given to private label securities. As a result, this haircut represents the percentage of loans found defective which were submitted to BofA for repurchase. There is a possibility that BofA may offer resistance relating to some of these loans, resulting in a buyback rejection; thus the “Success Rate” represents the percentage of loans submitted to BofA which would actually be repurchased. The product of (a) the actual/estimated losses of the Settlement Portfolio, (b) the “Breach Rate”, and (c) the “Success Rate”, represents the expected settlement amount. In my opinion, the calculation and utilization of these particular haircuts is logical since BofA’s willingness and legal obligation to repurchase certain loans represents the largest hurdle from Investor Group’s perspective.

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The “Breach Rate” and “Success Rate” were obtained by a third party who completed a forensic underwriting project of a non-agency whole loan portfolio. This review consisted of approximately 250,000 loans of similar product types, and of the same origination period as the Settlement Portfolio. It was observed that there was an instance of a breach in approximately 60% of the loans examined and the actual repurchase rate of these loans by the originator ranged between 50% and 75%. I was not able to verify these figures since I was not given access to any documents or specifics pertaining to this underwriting review. However, based on the limited amount of publicly available information and my industry knowledge, it is my opinion that these percentages are too high.

Utilizing a range of “Breach Rates” and “Success Rates”, expected settlement amounts were calculated for each performance status bucket of the Settlement Portfolio. Using BofA’s haircut assumptions provided by Investor Group, the settlement amount totals \$15.5B. Using assumptions from the Investor Group’s analysis which are relatively more severe, the totals range from \$27.0B to \$52.6B.

In conclusion, although I classify certain assumptions as disputable to some degree, the overall methodology utilized is reasonable for the purposes of Investor Group’s presentation.

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April 11, 2011 BofA Presentation

Opinion Summary

I, in conjunction with selected RRMS Advisors personnel under my supervision, have performed a review of the "Presentation to Gibbs & Bruns" dated April 11, 2011 provided by BofA. Based on the review performed and discussions with representatives from BofA, the presentation appears reasonable with respect to the overall methodology utilized in calculating the settlement amount.

The pros and cons of their calculations are as follows:

Pros:

- Utilized a reference mortgage pool representing actual repurchase experience.
- Reasonable approach in calculating "Defect Rates" for the Settlement Portfolio.

Cons:

- Comparison basis between conforming and non-conforming portfolios.
- Inconsistent methodology in calculating certain percentages for the subprime portion of the Settlement Portfolio.
- Lack of historical data to confirm BofA's "Defect Rates" and "Lesser Representation" haircut assumptions.

Assumptions:

- All collateral information is as of March 31, 2011.

Detailed Opinion

Using certain assumptions based on the collateral performance of a GSE portfolio originated between 2004 and 2008, BofA has estimated their exposure as being approximately \$4.0B with respect to the current negotiations with the Investor Group. In comparing the severely delinquent and defaulted populations of the GSE and the Settlement Portfolio (which include loans 180+ days delinquent), four separate haircuts were applied to their analysis in order to support the proposed settlement amount. I believe it would have been easier to compare two analogous portfolios rather than to utilize a comparison between conforming and non-conforming portfolios. However, due to the lack of available information, I am of the view that utilization of a GSE portfolio based on actual repurchase experience is a proper alternative with appropriate adjustments.

Please note that without verification, I have accepted the balances for each stratification bucket as being correct.

The first haircut in their analysis is the "Defect Rate", which represents the percentage of GSE buyback requests experienced by BofA. This information was available for the entire GSE portfolio, was categorized for each product type and further stratified by the number of payments the borrower has

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made. The “Defect Rates” for each bucket were applied to the corresponding portion of the Settlement Portfolio, and were re-weighted according to the balance of the Investor Group loans found within each bucket. Given that the subprime portion of the GSE portfolio was insignificant, these particular “Defect Rates” were not simply assigned to the subprime portion of the Settlement Portfolio, but rather were determined as described below.

In order to calculate the “Defect Rates” of the subprime portion of the Settlement Portfolio, the balances of the two aggregate portfolios were similarly stratified according to documentation type and the number of payments made by the borrower. For each of these buckets, the “Defect Rates” of the GSE portfolio were calculated based on actual loan performance. As before, these rates were then assigned to the corresponding bucket of the aggregate Settlement Portfolio, and weighted average “Defect Rates” were calculated which were assigned to the subprime portion of the Settlement Portfolio. With “Defect Rates” available for each product type, these percentages were obtained according to the number of payments made by borrowers and for the aggregate Settlement Portfolio. I find this approach for determining the “Defect Rates” of the Settlement Portfolio to be a reasonable and logical first step in their methodology.

Taking the “Defect Rates” for each bucket according to the number of payments made by the borrower, a factor was then applied to each figure to account for expected claims for the forward unsettled portion with Fannie Mae. Relatively more loans will be bought back currently found in the bucket representing borrowers making more than 36 payments compared to those who have made between zero and 12 payments; thus the rationale for applying a higher factor to the former. In my opinion, the application of a factor to the calculated “Defect Rates” is reasonable, although I cannot validate the accuracy of each individual factor due to a lack of publicly available information.

The next haircut was based on “Lesser Representation”, since the GSE portfolio received stronger reps & warranties because borrower misrepresentation would not be a basis for a claim within the Settlement Portfolio. Once again, stratifying the balances of the GSE portfolio according to product type and the number of payments made by the borrower, a figure for each bucket was calculated which represented the percentage of GSE loans repurchased due to borrower misrepresentation. In also stratifying the Settlement Portfolio in a similar fashion, the “Lesser Representation” haircuts for each bucket were applied to the corresponding portion of the Settlement Portfolio, and were re-weighted according to the balance of the Investor Group loans found within each bucket. As before, since the subprime portion of the GSE portfolio is insignificant, the Alt-A “Lesser Representation” haircuts were simply applied to the subprime portion of the Settlement Portfolio. I find this approach for determining the “Lesser Representation” haircut of the Settlement Portfolio to be reasonable. Please note that I find an inconsistency in their methodology pertaining to the manner in which figures were derived for the subprime portion of the GSE portfolio. Initially, while a complex analysis was undertaken in order to assign “Defect Rates” to the subprime portfolio, the Alt-A “Lesser Representation” haircuts were just assumed for the subprime portion of the Settlement Portfolio without any further calculations. The

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inconsistent methodology is still acceptable given the similarity of the two product types for these two attributes.

The “Lesser Representation” haircut is decreased since there could be instances within the Settlement Portfolio where other defects exist for a loan in addition to borrower misrepresentation. Based on BofA’s experience, approximately half of private label loans with borrower misrepresentations still need to be repurchased because of these additional defects. This explains the 50% adjustment for each of the “Lesser Representation” haircuts. Based on my industry experience, the application of a factor is reasonable since repurchased loans will possibly have multiple simultaneous breaches. However, I cannot validate the accuracy of applying a factor of exactly 50%.

The third haircut is “Causation”, which is based on whether there were material and adverse underwriting defects for the loans. In the case where only 0 - 12 payments were made by the borrower, it can be implied 100% of the time that faulty underwriting contributed to the loan default. These percentages were reduced as more payments were made on the loans, the logic being that the default for these loans was due to some factor other than the underwriting process (i.e., a borrower job loss). Different haircuts were applied to the various product types due to their distinctive payment requirements. A larger causation factor was applied to an option ARM making the same number of total payments as was applied to a fully amortizing loan, since the required payments are much lower. Thus, if the two loan types default after the same number of payments, there is a higher probability of underwriting irregularities with the option ARM. The percentages for Interest-Only loans simply take the average of the corresponding fully amortizing and option ARM percentages. Given that the amount of publicly available information is limited, the accuracy of each of these haircuts is difficult to quantify. In part for these reasons, I did not take these haircuts into consideration for my calculation.

The final haircut is “Presentation”, which attempts to quantify whether senior certificate holders would commit to the expenses and time requirement to take action based on the projected amount of losses they would experience. Thus, with BofA’s expectations being that the less senior classes will be written down, there is a reduced likelihood that legal action will proceed. Therefore, in the cases with no expected senior losses, BofA assumes no liability exposure whatsoever. In my opinion, the utilization of this haircut may not be necessary, since the Investor Group has already undertaken action(s) to recover damages.

The four haircuts which have been described were utilized in order to estimate a total settlement amount. The settlement amount results in approximately \$4.0B by multiplying each of the haircuts by the projected and actual losses of the Settlement Portfolio.

In conclusion, although certain haircuts are difficult to validate and may require a proper expert to address the legal interpretation of their merits, the overall methodology utilized is reasonable for the purpose of BofA’s presentation.

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Recommendation

In calculating a reasonable settlement figure, I utilized a mix of the methodologies found in the Investor Group and BofA presentations. As per my analysis below, the settlement range of approximately \$8.8 to \$11 billion is reasonable without applying any legal haircuts.

Methodology and Calculations

Given that information was obtained from publicly available third-party sources, my analysis began with the Intex / LoanPerformance collateral balances (as provided by Investor Group) of the portfolio which was stratified according to delinquency status. This consisted of (1) a \$72.5 billion balance for loans greater than 60 days delinquent (which also included the population in bankruptcy, foreclosure and REO); (2) a \$12.8 billion balance for previously modified current loans and (3) a \$98.6 billion balance for non-modified current loans (including loans 30 days delinquent). In addition, aggregate realized losses of \$25 billion were also taken into account.

Based on publicly available information pertaining to historical mortgage loan performance, I determined reasonable default and loss severity percentages which would be applied to each delinquency bucket of the portfolio. The corresponding plateaus are dependent upon product type and loan size, but when weighted according to the actual collateral composition of the portfolio, loss severity is approximately 60%. In addition, based on information provided by BofA, the historical loss severity for the loans within the Settlement Portfolio is approximately 45%. Thus, these were the ranges utilized in my assumptions.

With respect to the default of previously modified current loans, performance has improved dramatically since the first round of loan modifications in early 2009 due to more aggressive methods taken by both servicers and the government. From recent trends in applicable research reports, defaults for these loans have ranged between 20% and 60%, depending on when the modification took place. In taking an average of the two figures as well as considering the stronger recent performance, I feel that a default rate for previously modified current loans ranging from 35% to 40% is reasonable.

High default rates seem to be leveling off based on historical data and research reports with regard to non-modified current loans (including loans 30 days delinquent). As before with loss severities, these particular plateaus vary depending on product type and year of origination, but when weighted according to the actual collateral composition of the portfolio, the default rate ranges between 11% and 16%. These percentages have been utilized for this portion of the portfolio.

A default rate of 90% was utilized for loans greater than 60 days delinquent, which was supported by an industry research report. It is rational to assume that once a loan becomes severely delinquent, it is uncommon for such loan to achieve performing status once again.

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The last variables used in my analysis were the “Breach” and “Success” rates which represent the amount of loans effectively submitted to BofA for repurchase. Given the lack of meaningful public information regarding this data, I feel it would be reasonable to utilize BofA’s percentages for both rates since they are based on the performance of a mortgage pool representing actual repurchase experience. Specifically, a “Breach” rate of 36% and a “Success” rate of 40% were utilized.

Please note that these were the only haircuts utilized in my analysis. The three other haircuts used in the BofA presentation were not included in my analysis due the lack of available data and furthermore, would require a proper expert to address any particular legal interpretation issues.

In conclusion, utilizing the stratified collateral balances of the portfolio and my re-calculated variables, a settlement figure somewhere between \$8.8 and \$11 billion is reasonable. In my opinion, given the degree of assumptions used in my analysis, a small variance to the range indicated above is still reasonable. Please see the tables below for my assumptions and settlement range.

Low Range

Description	Balance ⁽¹⁾	Default Rate	Severity Rate	Losses	Breach Rate	Success Rate	Settlement
Liquidated Loans				\$25.0	36.0%	40.0%	\$3.6
60+ Delinquent Loans	\$72.5	90.0%	45.0%	\$29.4	36.0%	40.0%	\$4.2
Mod. Current Loans	\$12.8	35.0%	45.0%	\$2.0	36.0%	40.0%	\$0.3
Non-Mod Current Loans / D30	\$98.6	11.0%	45.0%	\$4.9	36.0%	40.0%	\$0.7
							\$8.8

High Range

Description	Balance ⁽¹⁾	Default Rate	Severity Rate	Losses	Breach Rate	Success Rate	Settlement
Liquidated Loans				\$25.0	36.0%	40.0%	\$3.6
60+ Delinquent Loans	\$72.5	90.0%	60.0%	\$39.2	36.0%	40.0%	\$5.6
Mod. Current Loans	\$12.8	40.0%	60.0%	\$3.1	36.0%	40.0%	\$0.4
Non-Mod Current Loans / D30	\$98.6	16.0%	60.0%	\$9.5	36.0%	40.0%	\$1.4
							\$11.0

Note 1: The settlement range of approximately \$8.8 - \$11 billion was based on the balance of 543 Trusts provided by the Investor Group. It is reasonable to assume the settlement range would be lower, given that 530 Trusts are now being considered for the contemplated settlement portfolio.

Yours truly,

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EXHIBIT E