

**Exhibit 3**  
**to Affidavit of Kathy D. Patrick**  
**in Support of the Institutional Investors' Statement**  
**in Support of the Settlement**

*Via Hand Delivery*

February 4, 2013

The Honorable Barbara R. Kapnick  
Supreme Court of the State of New York  
60 Centre Street  
New York, New York 10007

**Re: *In re the Application of The Bank of New York Mellon, et al.*  
(Index No. 651786/2011, Kapnick, J.)**

Dear Justice Kapnick:

Monarch Alternative Capital LP (“Monarch”) is an investment advisor for funds (the “Funds”) that hold certificates in original face amount in excess of \$630,000,000 and current face amount in excess of \$515,000,000 in twenty of the RMBS trusts (the “Trusts”) at issue in the above referenced Article 77 proceeding (the “Proceeding”). A schedule of the relevant Trusts is attached hereto (“Schedule A”).

As set forth below, Monarch submits this letter in support of the proposed settlement (the “Settlement”) and urges the Court to approve it expeditiously.

In August 2011, certain of the Funds petitioned to intervene in the Proceeding, and Judge Pauley granted their petition. Less than four months later, in December 2011, those Funds withdrew from the Proceeding in an application also granted by Judge Pauley (the “Withdrawal Application”).

The Withdrawal Application was cited by the Steering Committee (the “Committee”) in the Committee’s Consolidated Reply Memorandum of Law in Support of Orders to Show Cause, filed on February 1, 2013 (the “Memorandum”). The Memorandum contends that “evidence exists that investors believe the Intervenor-Respondents’ efforts militate against the need to incur expense and effort only to raise redundant or duplicative issues.” Memorandum, at 17. The Memorandum then quotes a portion of the Withdrawal Application in which counsel for the Funds stated that:

“The Monarch Entities intervened in this litigation to preserve their rights to seek the disclosure necessary to make an informed decision about the merits of the proposed settlement . . . . A number of other entities have also intervened in this case, many of whom, similar to the Monarch Entities, are also certificateholders

in the trusts covered by the proposed settlement. Many of those parties will raise arguments about the proposed settlement that are similar to the arguments that the Monarch Entities would raise, and judicial economy and efficiency would be served by eliminating redundant or duplicative filings.”

The Memorandum implies that the Committee speaks for certain investors, like Monarch and the Funds, who oppose the Settlement but are unwilling to expend their resources to do so in Court. The Committee quoted from the Withdrawal Application – filed more than a year ago – *without* contacting any Monarch representative (or Monarch’s counsel) to determine whether Monarch opposes the Settlement. Monarch submits this letter to set the record straight.

Simply put, Monarch does *not* oppose the Settlement. To the contrary, Monarch supports it. Monarch believes the Settlement will provide significant immediate benefits to the beneficiaries of the Trusts and should be approved expeditiously. Certificateholders should not be held hostage to a legal battle that threatens to delay (and potentially destroy) the entire Settlement based on the actions of what appears to be a small minority of objecting holders.

We urge the Court to approve the Settlement promptly for the benefit of all of the Trusts’ Certificateholders.

Respectfully submitted,



Adam R. Sklar  
Managing Principal

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## Schedule A

CWALT 2005-27  
CWALT 2005-56  
CWALT 2006-OA16  
CWALT 2006-OA17  
CWALT 2006-OA3  
CWL 2005-16  
CWL 2005-17  
CWL 2006-10  
CWL 2006-11  
CWL 2006-12  
CWL 2006-13  
CWL 2006-20  
CWL 2006-21  
CWL 2006-22  
CWL 2006-25  
CWL 2007-5  
CWL 2007-6  
CWL 2007-9  
CWL 2007-BC1  
CWL 2007-SEA1