

**Exhibit 3**  
**To Affidavit of Robert J. Madden**

**PROSPECTUS SUPPLEMENT**  
(To Prospectus dated October 25, 2005)

**\$989,999,224**  
(Approximate)

**CWALT, INC.**  
Depositor



**Countrywide®**

**HOME LOANS**

Seller

**Countrywide Home Loans Servicing LP**  
Master Servicer

**Alternative Loan Trust 2005-86CB**  
Issuer

**Mortgage Pass-Through Certificates, Series 2005-86CB**  
Distributions payable monthly, beginning January 25, 2006

The following classes of certificates are being offered pursuant to this prospectus supplement and the accompanying prospectus:

	Initial Class Certificate Balance	Pass-Through Rate		Initial Class Certificate Balance	Pass-Through Rate
Class A-1	\$ 18,475,000	5.50%	Class A-11	\$ 32,320,000	5.50%
Class A-2	\$ 52,215,000	5.50%	Class A-12	\$ 5,000,000	5.50%
Class A-3	\$ 15,310,000	5.50%	Class A-13	\$ 6,230,000	5.50%
Class A-4	\$ 100,850,000	5.50%	Class X	N/A	Variable
Class A-5	\$ 50,000,000	5.50%	Class PO	\$ 1,765,124	N/A
Class A-6	\$ 100,000,000	5.50%	Class A-R	\$ 100	5.50%
Class A-7	\$ 32,990,000	5.50%	Class M	\$ 19,500,000	5.50%
Class A-8	\$ 369,900,000	5.50%	Class B-1	\$ 8,000,000	5.50%
Class A-9	\$ 65,944,000	5.50%	Class B-2	\$ 5,000,000	5.50%
Class A-10	\$ 106,500,000	5.50%			

**Consider carefully the risk factors beginning on page S-7 in this prospectus supplement and on page 5 in the prospectus.**

The Class PO Certificates are principal only certificates and the Class X Certificates are interest only notional amount certificates. The pass-through rate for the Class X Certificates is calculated as described under "Description of the Certificates — Interest" in this prospectus supplement.

The assets of the trust will consist primarily of a pool of 30-year conventional fixed-rate mortgage loans secured by first liens on one- to four-family residential properties.

**These securities have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this prospectus supplement or the prospectus. Any representation to the contrary is a criminal offense.**

Morgan Stanley & Co. Incorporated will offer the Class A Certificates and Countrywide Securities Corporation will offer the Class M, Class B-1 and Class B-2 Certificates to the public at varying prices to be determined at the time of sale. The proceeds to the depositor from the sale of these classes of certificates are expected to be approximately \$962,655,499, plus accrued interest, before deducting expenses. The Class PO and Class X Certificates will not be purchased by Morgan Stanley & Co. Incorporated or Countrywide Securities Corporation. They will be transferred to Countrywide Home Loans, Inc. on or about December 28, 2005 as partial consideration for the sale of the mortgage loans to the depositor. See "Method of Distribution."

**Morgan Stanley**  
December 27, 2005

**Countrywide Securities Corporation**

cut-off date, principal prepayments by borrowers received by the master servicer from the first day through the fifteenth day of a calendar month will be distributed to certificateholders on the Distribution Date in the same month in which the prepayments are received and, accordingly, no shortfall in the amount of interest to be distributed to certificateholders with respect to the prepaid mortgage loans results. Conversely, principal prepayments by borrowers received by the master servicer from the sixteenth day (or, in the case of the first Distribution Date, from December 1, 2005) through the last day of a calendar month will be distributed to certificateholders on the Distribution Date in the month following the month of receipt and, accordingly, a shortfall in the amount of interest to be distributed to certificateholders with respect to the prepaid mortgage loans would result. Pursuant to the pooling and servicing agreement, the master servicing fee for any month will be reduced, but not by more than an amount equal to the product of one-twelfth of 0.125% and the aggregate stated principal balance of the mortgage loans (“Compensating Interest”), by an amount sufficient to pass through to certificateholders the full amount of interest to which they would be entitled for each prepaid mortgage loan on the related Distribution Date.

If shortfalls in interest as a result of prepayments in any Prepayment Period exceed the Compensating Interest for the related Distribution Date, the amount of interest distributed to certificateholders will be reduced by the amount of the excess. See “Description of the Certificates — Interest” in this prospectus supplement.

### **Advances**

Subject to the following limitations, the master servicer will be required to advance before each Distribution Date, from its own funds or funds in the Certificate Account that do not constitute Available Funds for that Distribution Date, an amount equal to the aggregate of payments of principal and interest on the mortgage loans (net of the master servicing fee) which were due on the related Due Date and which were delinquent on the related Determination Date, together with an amount equivalent to interest on each mortgage loan as to which the related mortgaged property has been acquired by the trust fund through foreclosure or deed-in-lieu of foreclosure. The “Determination Date” is the 22<sup>nd</sup> day of each month or, if that day is not a business day, the preceding business day; provided that the Determination Date in each month will be at least two business days before the related Distribution Date.

Advances are intended to maintain a regular flow of scheduled interest and principal payments on the certificates rather than to guarantee or insure against losses. The master servicer is obligated to make advances with respect to delinquent payments of principal or interest on each mortgage loan to the extent that the advances are, in its reasonable judgment, recoverable from future payments and collections or insurance payments or proceeds of liquidation of the related mortgage loan. If the master servicer determines on any Determination Date to make an advance, the advance will be included with the distribution to certificateholders on the related Distribution Date. Any failure by the master servicer to make a deposit in the Certificate Account as required under the pooling and servicing agreement, including any failure to make an advance, will constitute an event of default under the pooling and servicing agreement if the failure remains unremedied for five days after written notice of the event of default. If the master servicer is terminated as a result of the occurrence of an event of default, the trustee or the successor master servicer will be obligated to make any advance, in accordance with the terms of the pooling and servicing agreement.

### **Certain Modifications and Refinancings**

The master servicer may modify any mortgage loan provided that the master servicer purchases the mortgage loan from the trust fund immediately following the modification. A mortgage loan may not be modified unless the modification includes a change in the interest rate on the related mortgage loan to approximately a prevailing market rate. Any purchase of a mortgage loan subject to a modification will be for a price equal to 100% of the Stated Principal Balance of that mortgage loan, plus accrued and unpaid interest on the mortgage loan up to the next Due Date at the applicable net mortgage rate, net of any unreimbursed advances of principal and interest on the mortgage loan made by the master servicer. The master servicer will deposit the purchase price in the Certificate Account within one business day of the purchase of that mortgage loan. Purchases of mortgage loans may occur when prevailing interest rates are below the interest rates on the mortgage loans and mortgagors request modifications as an alternative to refinancings. The master servicer will indemnify the trust fund against liability for any prohibited transactions taxes and related interest, additions or penalties incurred by any REMIC as a result of any modification or purchase.