[redacted]

May 21, 1999

VIA FACSIMILE AND U.S. MAIL **FAX NO. (202) 326-2624**

Mike Vern
Federal Trade Investigator
Premerger Notification Office
Bureau of Competition
Room 303
Federal Trade Commission
Washington, D.C. 20530

Subject: Confirmation of Non-Reportable Transaction

Dear Mr. Vern:

In our telephone conversation last week, we discussed the following proposed transaction: (1) the acquiring person will purchase 100 percent of the stock of the acquired person and (2) substantially all of the acquired person's assets consist primarily of a beneficial interest in a trust, the corpus of which consists entirely of a pool of residential mortgage loans. Based on this description, you stated that the informal view of the Federal Trade Commission ("FTC") is that this transaction is non-reportable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 (the "Act").

The proposed transaction (the "Transaction") is more fully described below. Since our telephone conversation, I have learned that the Transaction has been modified in form for tax purposes.

1. The acquired person is subject to a voluntary reorganization and the Transaction will be part of a plan of reorganization approved by a federal bankruptcy court.

2. The acquired person's primary business was originating residential mortgage loans (the "Loans"). After originating the Loans, the acquired person assigned the Loans to one of thirteen trusts (collectively, the "Trusts"). The acquired person retained mortgage servicing rights with respect to the Loans and a beneficial interest in the Trusts described below. The Trusts issued and publicly offered securities (the "Senior Securities") representing ownership interests or secured by the Loans. The acquired person's beneficial interests in the Trusts

MORTGAGE SERVICING RIGHTS WHICH ARE NOT COUPLED TO MORTGAGES (MORTGAGE LOANS) TO BE ACQUIRED ARE NOT EXEMPT.

[redacted]

represent the residual rights to receive the cash flow from the Trusts after the payments required under the Senior Securities have been made and the Trusts' expenses have been paid.

3. Less than $15 million worth of the assets of the acquired person consists of assets other than mortgage servicing rights and its beneficial interests in the Trusts described above.

4. The acquiring person will organize two controlled subsidiaries: Company A and Company B.

NOT MORTGAGE SERVICING RIGHTS

5. Company A will purchase certain assets of the acquired person and the acquired person will transfer certain other assets (not wanted by Company B) to a newly formed trust organized for the benefit of the acquired person's creditors. Following these transfers, Company B will purchase 100 percent of the stock of the acquired person.

Please confirm the FTC's informal position that the Transaction is non-reportable under the Act by signing this letter where indicated below and faxing a copy of the letter to me.

Thank you for your assistance in this matter. Please call me at [redacted] you have any questions or need any further information.

Very truly yours,

[redacted]

Federal Trade Commission

By: ______________________
Mike Vern
Federal Trade Investigator

IF THE MORTGAGE SERVICING RIGHTS AND THE OTHER NON-EX ASSETS EXCEED $15 mm, THIS ACQUISITION IS NOT EXEMPT UNDER Sec. 4.

cc: [redacted]

THE RIGHT TO RECEIVE FUTURE CASH FLOW FROM AN INTEREST IN A TRUST WHOSE ONLY ASSETS ARE MORTGAGE LOANS IS EXEMPT UNDER 802.4/7A(c)(2).

TOTAL P.03