

**EXHIBIT F**

**EPD/ BREACH PROTOCOL<sup>1</sup>**

I. EPD/FPD Claims.

A. Methodology.

EPD and FPD Claims are Claims based on a provision in a loan purchase agreement that obligated a Debtor to repurchase a loan if the borrower defaulted on his or her first loan payment after the loan was sold (a First Payment Default or “FPD”) or defaulted on a payment due within a period of time (usually 30 or 60 days) after the loan was sold (an Early Payment Default or “EPD”). Loan purchase agreements varied as to whether the EPD/FPD provision was set forth as a standalone provision of the loan sale agreement or was styled as a representation or warranty. A Claim based on either is treated as an EPD/FPD Claim for purposes of the protocol.

Each Creditor that establishes a valid EPD or FPD under the applicable loan purchase agreement will receive a distribution in the Plan premised upon damages assessed based upon the borrower payment history and the unpaid principal balance (“UPB”) for the loan, in both cases measured as of August 31, 2007, according to the following grid:<sup>2</sup>

- Current: 0% of UPB
- 31 – 60 days delinquent: 15% of UPB
- 61 – 90 days delinquent: 20% of UPB

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<sup>1</sup> Capitalized terms not defined herein shall have the meaning given to them in the Joint Chapter 11 Plan of Liquidation of the Debtors and the Official Committee of Unsecured Creditors Dated as of February 1, 2008.

<sup>2</sup> The applicable category that would lead to the highest calculation takes precedence. For example, if as of 8/31/07 a loan was 61 days delinquent and the borrower was in bankruptcy, the applicable percentage is 35% of UPB.

- 91 or more days delinquent: 30% of UPB
- Borrower in bankruptcy: 35% of UPB
- In foreclosure<sup>3</sup>: 40% of UPB
- Real estate owned (“REO”): 45% of UPB

If the Creditor sold the loan prior to August 31, 2007 and does not have the loan status as of August 31, 2007, the damage assessment will be measured as of the date of sale. If a loan has been foreclosed, the measurement will consider the property to be REO and the measurement will be based on the UPB at the time of foreclosure.

If subsequent to the sale of the loan by a Debtor and prior to August 31, 2007, the borrower and the owner of a loan agreed to modify the payment (principal or interest) terms of the loan, then the loan will be treated under the next most severe category in the grid. For example, if a Creditor and borrower agreed in April 2007 to relax the borrower’s payment obligations under a loan, and on August 31, 2007 the borrower was current on the modified schedule, this loan will be treated as though the borrower was 31 – 60 days delinquent. Similarly, if on August 31, 2007 that same borrower was 40 days delinquent under the modified payment schedule, the loan will be treated as though the borrower was 61 – 90 days delinquent.

In order to establish the validity of the EPD/FPD Claim and to apply the grid, each EPD/FPD claimant must provide to the Debtors information set forth in questionnaire for loans on which it asserts an EPD/FPD claim. This information includes:

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<sup>3</sup> In foreclosure means that the period set in a notice of intent to foreclosure during which the borrower has the ability to bring the loan current has expired.

- The payment history for each loan for which an EPD or FPD is asserted in electronic format, including identification of the payment status as of August 31, 2007.
- Identification of the loan purchase agreement pursuant to which the loan was sold by a Debtor, including a copy of the relevant EPD/FPD payment provisions (note: the length of time for EPD and FPD claims varied among the master loan purchase agreements).

II. BREACH CLAIMS.

A. Methodology.

The damages resulting from breach Claims will be calculated based upon the simplifying assumptions that: (i) 1.5% of the loans in any pool will at some point be subject to a breach that would have caused the selling Debtor to have repurchased the loan, (ii) the “seasoning” of loans will be taken into account so that this 1.5% incidence is spread over the life of the pool based on the Debtors’ historic data concerning the timing of when breach claims are asserted, and (iii) damages resulting from breaches will be set at 30% of the UPB of the loan as of August 31, 2007. The following table sets forth the calculation methodology:

Year	Quarter	% Incidence	Damages
2007	1 Qtr	1.500%	0.450%
2006	4 Qtr	1.200%	0.360%
2006	3 Qtr	1.120%	0.336%
2006	2 Qtr	0.850%	0.255%
2006	1 Qtr	0.680%	0.204%
2005	4 Qtr	0.530%	0.159%
2005	3 Qtr	0.360%	0.108%

2005	2 Qtr	0.180%	0.054%
2005	1 Qtr	0.140%	0.042%
2004	4 Qtr	0.100%	0.030%
2004	3 Qtr	0.085%	0.026%
2004	2 Qtr	0.065%	0.020%
2004	1 Qtr	0.060%	0.018%
2003	4 Qtr	0.053%	0.016%
2003	3 Qtr	0.045%	0.014%
2003	2 Qtr	0.035%	0.011%
2003	1 Qtr	0.025%	0.008%
2002	4 Qtr	0.022%	0.007%
2002	3 Qtr	0.018%	0.005%
2002	2 Qtr	0.015%	0.005%
2002	1 Qtr	0.012%	0.004%
2001 and Earlier		0.006%	0.002%

Damages, for purposes of distributions under the Plan, will be measured by applying the percentage factor in the final column of this table against the August 31, 2007 UPB of the loans purchased from a Debtor; provided, however, that in no case will the damage calculation for any pool be less than \$5,000.

**B. Interaction with EPD/FPD Claims.**

EPD/FPD claims will take precedence over breach claims. Thus, to the extent that a creditor establishes a valid EPD or FPD claim for a loan, that loan's UPB as of August 31, 2007 will be subtracted from the pool of loans for which breaches are computed.

This methodology is designed to avoid the need to resolve disputes over individual breach claims that are presently being asserted and to establish a methodology for assessing unliquidated claims based upon breaches that come to the fore when borrowers default in the future. Accordingly, this statistical approach will be used both with respect to individual

breach claims presently being asserted by creditors and to assess unliquidated breaches to be discovered in the future; both types of breaches are subsumed within the statistical analysis set forth above.

III. Information.

In order to receive a distribution under the Plan, each Holder of an EPD/Breach Claim must supply information to the Debtors that enables the Debtors to calculate the damages that result from this protocol and to ensure that multiple creditors are not asserting overlapping claims. That information will be set forth in a questionnaire that the Debtors will submit to each Creditor that has asserted an EPD/Breach Claim.