GLOBAL STRUCTURED FINANCE RECAP: A SUMMARY OF 2007 REVIEW AND 2008 OUTLOOKS ACROSS ASSET CLASSES WITH METHODOLOGICAL UPDATES

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Moody's Investors Service annually publishes Special Reports that provide an analysis of how major asset classes performed in the past year, including a summary of rating actions taken during the period. These Special Reports also publish Moody's outlook for these assets in the year ahead.

This Special Report summarizes the more detailed year-in-review reports already published by Moody's for various asset-backed securities. In addition, this report provides an update on the status of any rating methodology reviews Moody's may have undertaken for these assets.

Overall, Moody's industry and ratings outlook remains negative for those asset classes immediately impacted by the US subprime crisis, such as US RMBS, US CMBS and CDOs backed by mortgage securities. This negative outlook reflects an expectation of continued home price depreciation combined with rising delinquencies and foreclosures, as well as softening in commercial real estate prices. Moody's industry and ratings outlook for these asset classes outside the U.S. is stable to negative, based on an expectation of slower GDP growth and continued weakening in home price inflation.

Moody's industry and ratings outlook is stable to negative for asset classes less affected by the subprime contagion, such as CLOs and securities backed by credit card receivables, auto receivables and student loans. This outlook reflects Moody's expectation of a general economic slowdown both in the U.S. and abroad, which is expected to result in increased corporate defaults, particularly among speculative-grade borrowers.

On the methodology front, Moody's approach to rating mortgage-backed securitizations in the U.S. underwent significant revision during 2007 and the first quarter of 2008 in response to changed market conditions. Moody's also made substantial revisions to its rating methodology for asset-backed CDOs and related products and is still in the process of evaluating the need for further changes. While the rating methodology for corporate CDOs and CLOs are also being refined, major revisions are not expected.

Moody's has substantially completed its rating methodology review for asset classes that have not been immediately impacted by the subprime-related turmoil in the credit markets and has made some adjustments. However, most of these methodology updates have not resulted in rating changes.

As always, Moody's continues to review its rating methodologies on an ongoing basis, and will update its rating approach for individual asset classes as circumstances warrant.

For a more in-depth look at the asset classes discussed in this report, please refer to the year-in-review Special Reports listed for each sector.

Moody's Investors Service

June 17, 2008

ASSET CLASS	2007 ASSET PERFORMANCE	2007 RATING ACTIONS SUMMARY	2008 INDUSTRY OUTLOOK AND RATIONALE	2008 RATINGS OUTLOOK AND RATIONALE	METHODOLOGY REVIEW STATUS
US Credit Card-Backed Securities[1]	• Delinquency and charge-off rates rose from 2006 levels • Bankruptcy filings continued to rise • Average payment rate only slightly below 2006 level • Portfolio excess spread remained robust by historical standards • Portfolio yield improved throughout 2007 due to risk-based re-pricing and increase in late fees	• No downgrades • Upgraded by one notch 71 classes issued out of American Express Credit Account Master Trust, Chase Credit Card Master Trust and First USA Credit Card Master Trust • Upgrades due to improved collateral performance and incorporation of updates to Moody's rating methodology for credit card transactions • Some downgrades of seller/servicers for credit card trusts, but no impact on related credit card ABS programs	• Industry outlook for credit card sector is negative • Charge-off rates expected to increase due to normalization of bankruptcy filings and broad economic downturn	• No immediate rating implications for credit card asset-backed securities • Credit card sector does not appear to be following the downturn in the sub-prime mortgage sector at this time because of fundamental differences in credit underwriting standards, risk management, issuer credit strength, and macroeconomic drivers • Downgrades of seller/servicers for credit card trusts have so far not affected the ratings on related ABS programs; however, further weakening of the credit strength of these seller/servicers could put downward rating pressure on some related ABS ratings, especially the subordinate classes	• Methodology review completed in 2007; minimal rating revisions as a result
US Vehicle-Backed Securities[2]	• Prime auto loan securitizations showed signs of weakening, but still within Moody's expectations • Subprime auto loans continued to weaken, but most transactions still perform within Moody's expectations	• Upgraded 65 tranches from 44 prime auto ABS deals issued by 20 sponsors • No downgrades of prime auto loan ABS tranches	• Industry outlook is negative • Weakening trend in used car prices; • Tighter credit will exacerbate projected lower vehicle sales • Losses in subprime auto sector may be accelerated as obligors proceed more quickly to contractual chargeoff rather than bankruptcy filing	• Ratings expected to be generally stable; however, ratings instability of financial guarantors could impact ratings of non-prime auto ABS • Increasing losses and delinquencies for prime auto ABS expected to fall within historical ranges • Structural features support ratings stability	• Methodology review completed in 2007; minimal rating revisions as a result

1. Moody's Approach To Rating Credit Card Receivables-Backed Securities, April 2007
   2007 Review and 2008 Outlook: US Credit Card-Backed Securities, January 2008
   2007 Year in Review: ABS and RMBS Surveillance, February 2008
   Updates to Moody's US Structured Finance Rating Methodologies, April 2008

2. 2007 Review and 2008 Outlook: Subprime and Near-Prime Auto Credits, January 2008
   Moody's Approach to Rating U.S. Auto Loan-Backed Securities, June 2007
   2007 Review and 2008 Outlook: Vehicle-Backed Securities, January 2008
   2007 Year in Review: ABS and RMBS Surveillance, February 2008
   Updates to Moody's US Structured Finance Rating Methodologies, April 2008

ASSET CLASS	2007 ASSET PERFORMANCE	2007 RATING ACTIONS SUMMARY	2008 INDUSTRY OUTLOOK AND RATIONALE	2008 RATINGS OUTLOOK AND RATIONALE	METHODOLOGY REVIEW STATUS
US FFELP Student Loans[3]	• Intrinsic credit quality of the FFELP asset is strong, given the 97% government guarantee • However, increased funding costs have reduced the available credit enhancement in several deals	• No downgrades in 2007 • Upgraded 21 FFELP tranches	• Industry outlook negative • Increased funding costs and the reduction in special allowance payments that took effect in October 2007 will reduce excess spread available to build parity • Several lenders have exited the market as a result	• Potential negative rating implications for under-collateralized trusts that have significant exposure to the auction rate market • Persistent dislocation in the auction rate market and resulting higher bond interest rates may negatively affect bond ratings	• Methodology review completed in 2006 and implemented in 2007 • Some further revisions implemented in 2007 and 2008 to cash flow assumptions to address dislocation in the auction rate and variable rate bond sectors • Further adjustments may be warranted in response to future legislative or market pricing changes
US Private Student Loans[4]	• Defaults on certain portfolios are trending higher than original expectations	• Upgraded 12 classes in six Sallie Mae private loan securitizations • Downgraded one subordinated tranche of KeyCorp private student loan securitization • Downgraded two classes of subordinated private student loan-backed notes issued by L2L • Eighteen tranches of First Marblehead deals put on review for downgrade	• Industry outlook negative • Negative outlook based on the weaker-than-expected performance of several loan portfolios	• Potential negative rating implications particularly for undercollateralized trusts and loans that are serviced by entities lacking strong consumer credit collection focus	• Methodology under review, minimal rating changes expected

3. 2007 Review and 2008 Outlook: Student Loan-Backed Securities, February 2008
2007 Year in Review: ABS and RMBS Surveillance, February 2008
Updates to Moody's US Structured Finance Rating Methodologies, April 2008

4. 2007 Review and 2008 Outlook: Student Loan-Backed Securities, February 2008
2007 Year in Review: ABS and RMBS Surveillance, February 2008
Updates to Moody's US Structured Finance Rating Methodologies, April 2008

ASSET CLASS	2007 ASSET PERFORMANCE	2007 RATING ACTIONS SUMMARY	2008 INDUSTRY OUTLOOK AND RATIONALE	2008 RATINGS OUTLOOK AND RATIONALE	METHODOLOGY REVIEW STATUS
US Residential Mortgage-Backed Securities (RMBS) - Subprime[5]	• Sharply higher loan delinquency, foreclosure and REO rates in 2006 and 2007 vintage Subprime RMBS loan pools • The proportion of seriously delinquent (>60 days delinquent) loans at 9 months of seasoning for the 2007 vintage was at year-end 2007 approximately 58% higher than the 2006 vintage and about 353% higher than the average of the 2000 through 2005 vintages • Average cumulative losses for 2006 pools are projected to be 14% to 18%. Average cumulative losses for the 2007 vintage are likely to be higher • Although delinquencies and defaults (and consequently, projected losses) are high, cumulative losses in 2006 and 2007 vintage pools at year-end 2007 were generally still low	• An unprecedented number of downgrade actions were taken during 2007 as housing fundamentals eroded and pool performance deteriorated • Moody's downgraded a total of 6,543 Subprime RMBS ratings in 2007 • Downgrades in 2007 were concentrated in the 2006 vintage (2,907 first-lien, 1,328 closed-end second-lien) and the 2007 vintage (915 first-lien, 98 closed-end second-lien) • Moody's upgraded 233 Subprime RMBS ratings during 2007, but only 3 associated with the 2007 vintage and none associated with the 2006 vintage	• Moody's industry outlook for the Subprime residential mortgage sector is negative • Performance is strongly correlated with home price movements and broad economic factors including interest rates and unemployment • Many metropolitan areas in the US are experiencing sharp home price declines in the face of generally weaker economic conditions • Moody's Economy.com (MEDC) and many other market commentators now project a double-digit percentage national peak-to-trough home price decline • Lower mortgage rates resulting from Fed rate reductions will likely reduce payment shock for most adjustable-rate mortgage (ARM) borrowers whose interest rates reset in 2008 and will likely mitigate potential losses	• Ratings on Subprime RMBS are expected to remain under downward pressure throughout 2008	• Rating methodology changes were implemented throughout 2007 • Changes were made to further address weaker loan characteristics. Those changes resulted in higher loss projections for loan pools with those features • Riskier loan features include higher loan-to-value (LTV) and combined loan-to-value (CLTV) ratios, stated income documentation for wage earners, borrowers with limited or no home ownership history, and interest-only loans, among others • Moody's also made greater credit distinctions among different loan pools based on the practices and performance of the pools' loan originators • Moody's proposed enhanced industry practices, including independent third-party reviews of loan pool information, expanded representations and warranties, standardized post-closing independent third-party forensic reviews and more detailed loan level information

5. 2007 Review and 2008 Outlook: Home Equity ABS (Subprime first-liens, CES and HELOC), February 2008
US Subprime-Overview of Recent Refinements to Moody's Methodology, July 2007, August 2007
Rating US Option ARM RMBS - Moody's Updated Rating Approach, September 2007
2007 Year in Review: ABS and RMBS Surveillance, February 2008
Updates to Moody's US Structured Finance Rating Methodologies, April 2008

ASSET CLASS	2007 ASSET PERFORMANCE	2007 RATING ACTIONS SUMMARY	2008 INDUSTRY OUTLOOK AND RATIONALE	2008 RATINGS OUTLOOK AND RATIONALE	METHODOLOGY REVIEW STATUS
US Residential Mortgage-Backed Securities (RMBS) - Alternative (Alt-A)[6]	• Sharply higher loan delinquency, foreclosure and REO rates for 2006 and 2007 vintage Alt-A RMBS loan pools • There is wide variation in the performance of Alt-A pools for these vintages — pools that contain loans with subprime-like characteristics are performing much worse than those with loans that are more prime in nature • The proportion of seriously delinquent (>60 days delinquent) loans at 9 months of seasoning for the 2007 vintage was at year-end 2007 more than double that of the 2006 vintage and about three times higher than that of the historically weak 2001 vintage • Although delinquencies and defaults (and consequently, projected losses) are high, cumulative losses in 2006 and 2007 vintage pools at year-end 2007 were generally still low	• An unprecedented number of downgrade actions were taken during 2007 as housing fundamentals eroded and pool performance deteriorated • Moody's downgraded a total of 1,498 Alt-A RMBS ratings in 2007 • Downgrades in 2007 were concentrated in the 2006 vintage (1,183) and the 2005 vintage (264) • There were 11 Alt-A RMBS upgrades in 2007 — 2 associated with the 2006 vintage and 9 associated with the 2004 vintage • Moody's also downgraded 29 and upgraded 1 Alt-A home equity line of credit (HELOC) RMBS ratings in 2007	• Moody's industry outlook for the Alt-A residential mortgage sector is negative • Performance is strongly correlated with home price movements and broad economic factors including interest rates and unemployment • Many metropolitan areas in the US are experiencing sharp home price declines in the face of generally weaker economic conditions • Moody's Economy.com (MEDC) and many other market commentators now project a double-digit percentage national peak-to-trough home price decline • Lower mortgage rates resulting from Fed rate reductions will likely reduce payment shock for some adjustable-rate mortgage (ARM) borrowers whose interest rates reset in 2008 and will likely mitigate potential losses	• Ratings on recent vintage Alt-A RMBS are expected to remain under downward pressure throughout 2008 • Alt-A RMBS backed by weaker loan collateral with subprime-like characteristics are particularly prone to rating downgrade	• Rating methodology changes were implemented throughout 2007 • Changes were made to further address weaker loan characteristics. Those changes resulted in higher loss projections for loan pools with those features • Riskier loan features include higher loan-to-value (LTV) and combined loan-to-value (CLTV) ratios, stated income documentation for wage earners, borrowers with limited or no home ownership history, interest-only loans, and loans with subprime-like characteristics, among others • Moody's also made greater credit distinctions among different loan pools based on the practices and performance of the loan pools' originators • A revised Option ARM methodology was also introduced in 2007 • Moody's proposed enhanced industry practices, including independent third-party reviews of loan pool information, expanded representations and warranties, standardized post-closing independent third-party forensic reviews and more detailed loan level information

6. 2007 Review and 2008 Outlook: Alternative-A RMBS, February 2008
US Alt-A RMBS- Moody's Updates Its Methodology: August 2007
2007 Year in Review: ABS and RMBS Surveillance, February 2008
Updates to Moody's US Structured Finance Rating Methodologies, April 2008

ASSET CLASS	2007 ASSET PERFORMANCE	2007 RATING ACTIONS SUMMARY	2008 INDUSTRY OUTLOOK AND RATIONALE	2008 RATINGS OUTLOOK AND RATIONALE	METHODOLOGY REVIEW STATUS
US Residential Mortgage-Backed Securities (RMBS) - Jumbo[7]	• Sharply higher loan delinquency, foreclosure and REO rates for 2006 and 2007 vintage Jumbo RMBS loan pools • The proportion of seriously delinquent (>60 days delinquent) loans at 9 months of seasoning for the 2007 Jumbo vintage was at year-end 2007 more than double that of the 2006 vintage and about 4.5 times that of other recent vintages • Although trending sharply higher, serious delinquency rates are low in absolute terms at less than 1% on average at year-end 2007 • Cumulative loan losses in Jumbo pools have historically been and remained very low at year-end 2007	• Moody's downgraded a small number of Jumbo RMBS ratings during 2007 — 4 downgrade actions of 2002 vintage Jumbo RMBS • Moody's upgraded 178 Jumbo RMBS ratings during 2007 — all associated with the 2003 through 2005 vintages • In early 2008, Moody's placed 23 tranches of 11 2006 and 2007 vintage Jumbo securitizations on review for possible downgrade. These 11 transactions constitute approximately 5% of the total number of 2006 and 2007 Moody's-rated Jumbo RMBS transactions	• Moody's industry outlook for the Jumbo residential mortgage sector is negative • Performance is strongly correlated with home price movements and broad economic factors including interest rates and unemployment • Many metropolitan areas in the US are experiencing sharp home price declines in the face of generally weaker economic conditions • Moody's Economy.com (MEDC) and many other market commentators now project a double-digit percentage national peak-to-trough home price decline • While subject to the vagaries of the housing market, the Jumbo sector is characterized by relatively strong originator underwriting and creditworthy borrowers that are better able than Alt-A and Subprime borrowers to withstand economic and housing downturns • Lower mortgage rates resulting from Fed rate reductions will likely reduce payment shock for some adjustable-rate mortgage (ARM) borrowers whose interest rates reset in 2008 and will likely mitigate potential losses	• Ratings on recent vintage Jumbo RMBS are expected to remain under downward pressure throughout 2008	• Rating methodology changes were implemented throughout 2007 • Changes were made to further address weaker loan characteristics. Those changes resulted in higher loss projections for loan pools with those features • Riskier loan features include higher loan-to-value (LTV) and combined loan-to-value (CLTV) ratios, stated income documentation for wage earners, borrowers with limited or no home ownership history, interest-only loans, and loans with subprime-like characteristics, among others • Moody's proposed enhanced industry practices, including independent third-party reviews of loan pool information, expanded representations and warranties, standardized post-closing independent third-party forensic reviews and more detailed loan level information

7. 2007 Review and 2008 Outlook: Private-Label Jumbo RMBS, February 7, 2008
2007 Year in Review: ABS and RMBS Surveillance, February 2008
Updates to Moody's US Structured Finance Rating Methodologies, April 2008

ASSET CLASS	2007 ASSET PERFORMANCE	2007 RATING ACTIONS SUMMARY	2008 INDUSTRY OUTLOOK AND RATIONALE	2008 RATINGS OUTLOOK AND RATIONALE	METHODOLOGY REVIEW STATUS
US Residential Mortgage-Backed Securities (RMBS) - Closed-End Second Liens (CES)[8]	• Sharply higher loan delinquencies and losses for the 2006 and 2007 closed-end second-lien mortgage (CES) RMBS vintages compared with prior vintages • Transactions backed by prime CES have performed markedly better than those backed by non-prime CES • Loss recognition is accelerated as loans are typically charged-off when they become 180 days delinquent • Cumulative losses for the 2006 vintage at 18 months of seasoning were 12.3%, which was 9.3 times the 1.3% in cumulative losses for the 2004 vintage at the same point of seasoning	• An unprecedented number of downgrade actions were taken during 2007 as housing fundamentals eroded and pool performance deteriorated • Moody's downgraded a total of 1,656 CES RMBS ratings in 2007 • Downgrades in 2007 were concentrated in the 2005, 2006 and 2007 vintages	• Moody's industry outlook for the CES residential mortgage sector is negative • Performance is strongly correlated with home price movements and broad economic factors including interest rates and unemployment • Many metropolitan areas in the US are experiencing sharp home price declines in the face of generally weaker economic conditions • Moody's Economy.com (MEDC) and many other market commentators now project a double-digit percentage national peak-to-trough home price decline	• Ratings on CES RMBS are expected to remain under downward pressure throughout 2008 • Ratings on non-prime CES RMBS are expected to be particularly susceptible to negative rating actions	• In view of the weak housing environment and the weakening of credit quality of loans originated during 2006, Moody's revised its rating analysis of transactions backed by CES in April 2007 and increased its estimates of losses and performance volatility. As the housing market continued to deteriorate, Moody's made further changes to these estimates which resulted in significant increases in credit protection for newly issued Moody's-rated CES RMBS deals. In the last quarter of 2007, Moody's rated only 2 CES transactions. In addition, Moody's declined to rate those non-prime CES transactions presented to it since the third quarter of 2007 due to the high performance volatility
US Commercial Mortgage-Backed Securities[9]	• Generally solid real estate fundamentals across property types and geographies • Deminimus defaults and losses • Some stress apparent in non-traditional asset classes, notably condo conversions and casinos	• Overall upgrade to downgrade ratio of 11:1 • Investment-grade upgrade to downgrade ratio of 43.8:1 • Below investment-grade upgrade to downgrade ratio of 1.2:1	• Prices of commercial real estate expected to soften in the next year or two • Prices are expected to fall by a total of 15%-20% from the peak (based on Moody's/REAL CPPI) • Delinquency in commercial real estate loans in CMBS deals is expected to increase in the next year or two from the current level of approximately 50 bp to approximately 1.5%-2.0%, a level that would still be below long-term averages	• Ratings expected to be generally stable through 2008 • Lower-rated speculative grade bonds have more downside risk than upside potential • Moody's ratings incorporate stabilized values that are on average 30-40% lower than appraisal values • Small balance commercial deals and non-traditional asset types may experience greater stress	• Methodology under review, minimal rating changes expected

8. 2007 Review and 2008 Outlook: Home Equity ABS (Subprime first-liens, CES and HELOC), February 7, 2008
US Subprime-Overview of Recent Refinements to Moody's Methodology: July 2007, August 2007
Updates to Moody's US Structured Finance Rating Methodologies, April 2008

9. 2007 Review and 2008 Outlook: US CREF Surveillance, February 2008
Updates to Moody's US Structured Finance Rating Methodologies, April 2008

ASSET CLASS	2007 ASSET PERFORMANCE	2007 RATING ACTIONS SUMMARY	2008 INDUSTRY OUTLOOK AND RATIONALE	2008 RATINGS OUTLOOK AND RATIONALE	METHODOLOGY REVIEW STATUS
US Commercial Real Estate CDOs[10]	• Generally solid real estate fundamentals across property types and geographies • Deminimus defaults and losses	• No downgrades • 32 upgrades out of 152 deals reviewed	• Prices of commercial real estate expected to soften in the next year or two • Prices are expected to fall by a total of 15%-20% from the peak (based on Moody's/REAL CPPI) • Delinquency in commercial real estate loans in CMBS deals is expected to increase in the next year or two from the current level of approximately 50 bp to approximately 1.5%-2.0%, a level that would still be below long-term averages	• Ratings expected to be generally stable through 2008 • High WARF re-remics and CUSIP CRE CDOs will be among the first deals to feel the effects of credit issues that arise	• Methodology under review, minimal rating changes expected
US CDOs[11]	• An unprecedented number of downgrade actions were taken on subprime RMBS during 2007 • Downgrades in 2007 were concentrated in the 2006 vintage • Average magnitude of subprime RMBS downgrades was more than six notches • Overall corporate credit quality showed signs of deterioration in late 2007 • Corporate Upgrade-to-downgrade ratio dropped to 0.55 in the 4th quarter of 2007 from slightly above 1.0 in the prior three quarters	• A record 1,396 tranches from 462 structured finance CDO deals totaling roughly US$76 billion were downgraded in 2007 • 67 tranches from 32 US CDOs outside of structured finance CDOs were also downgraded. About half of these non-SF CDO downgrades were market-value CDOs backed by mortgage-related assets • Most downgrades were concentrated in 2006/2007 vintage CDOs • 66 US CDO tranches from 33 deals were also upgraded. Most of these upgrades were old vintage cash flow CBOs and CLOs	• SF CDO outlook negative; large amount of downgrades on SF CDOs will continue in 2008 as the subprime mortgage crisis continues; synthetic corporate CDOs outlook is stable/negative with a substantial amount of downgrades expected; mortgage-related market value CDOs and market spread related CDO products show negative outlook and their downgrades expected to continue	• Housing market conditions continue to worsen and mortgage delinquency and default rates are expected to remain high • Corporate credit quality deteriorating; a greater share of corporate credits on review for downgrade than for upgrade; speculative-grade default rates are expected to rise to historical average levels	• SF CDO model parameters substantially revised and the entire methodology is under review • Various components of the corporate CDO rating methodology are under review • Corporate CDO rating changes due to methodology changes are expected to be small
U.S. Cash-flow CLOs[12]	• USD arbitrage cash-flow CLOs remained highly stable	• 3 tranches from 2000 vintage arbitrage cash-flow CLOs were downgraded • Two of the three were initially rated Ba3 • One fell one subcategory to B1 and the second fell 3 subcategories to B3; the third downgrade dropped from Baa2 to Baa3	• CLO outlook is stable/negative; an increase in corporate defaults may pressure ratings on CLO liabilities	• CLO outlook is stable/negative with limited ratings implications • A persistent negative ratings drift in the underlying collateral may pressure ratings on CLO liabilities; however, we do not expect significant, widespread downgrades of CLO liabilities	• Methodology under review, minimal rating changes expected

10. 2007 Review and 2008 Outlook: US CREF Surveillance, February 25, 2008
11. 2008 U.S. CDO Outlook and 2007 Review: Issuance Down in 2007 Triggered by Subprime Mortgages Meltdown; Lower Overall Issuance Expected in 2008, March 2008
Updates to Moody's US Structured Finance Rating Methodologies, April 2008
12. U.S. Cash-Flow CLO 2007 Sector Review and 2008 Outlook, March 2008

ASSET CLASS	2007 ASSET PERFORMANCE	2007 RATING ACTIONS SUMMARY	2008 INDUSTRY OUTLOOK AND RATIONALE	2008 RATINGS OUTLOOK AND RATIONALE	METHODOLOGY REVIEW STATUS
U.S. Cash-flow SME CLOs[13]	• SME loans stable • Annual credit estimate reviews show 73% confirmed, 12% downgraded, 15% upgraded	• 13 tranches from 6 deals upgrades • 2 tranches from 1 deal on watch for upgrades • No downgrades	• SME CLO outlook stable/negative, based on expected increase in U.S. speculative grade loan defaults	• SME CLO outlook of stable/negative has limited ratings implications • No expectations for collateral defaults and downgrades sufficient to causes ratings downgrades	• Methodology changes will follow any changes to CLO methodology
U.S. TRUPS CDOs[14]	• US Bank/Insurance Trups have been stable • REIT Trups have been negative, especially the mortgage REITs and Homebuilders	• 11 REIT Trup CDOs have some or all of their tranches on review for possible downgrade	• Industry outlook for Bank/Insurance Trups is stable to negative • Industry outlook for REIT Trups is negative • Main concern for REIT Trups are the mortgage REITs and Homebuilders which continue to show further credit deterioration	• Rating outlook for Bank/Insurance Trups is stable due to structural features of these CDOs • Rating outlook for REIT Trups is negative	• Methodology for Bank/Insurance Trups is under review • No new issuance of REIT Trup CDOs expected

13. U.S. SME CLO 2007 Sector Review and 2008 Outlook, March 2008
14. THE U.S. TRUST PREFERRED CDO SECTOR REVIEW AND 2008 OUTLOOK, March 2008