Accredited Mortgage Loan REIT Trust
Form FWP
January 25, 2007

FREE WRITING PROSPECTUS

Accredited Home Lenders, Inc. and Accredited Mortgage Loan REIT Trust have filed a registration statement (including a base prospectus) with the SEC for the offering to which this free writing prospectus relates. Before you invest, you should read the base prospectus in that registration statement and other documents the depositor has filed with the SEC for more complete information about the issuing entity and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, the sponsor, the depositor, any underwriter or any dealer participating in the offering will arrange to send you the base prospectus if you request it by calling toll-free 1-866-718-1649.

This free writing prospectus is not required to contain all information that is required to be included in the base prospectus.

The information in this free writing prospectus is preliminary and is subject to completion or change.

The information in this free writing prospectus, if conveyed prior to the time of your commitment to purchase, supersedes information contained in any prior similar free writing prospectus relating to these securities.

This free writing prospectus is not an offer to sell or a solicitation of an offer to buy these securities in any state where such offer, solicitation or sale is not permitted.

The asset-backed notes referred to in this free writing prospectus are being offered when, as and if issued. In particular, you are advised that asset-backed notes, and the mortgage loans backing them, are subject to modification or revision (including, among other things, the possibility that one or more classes of securities may be split, combined or eliminated), at any time prior to issuance or availability of a final prospectus. As a result, you may commit to purchase notes that have characteristics that may change, and you are advised that all or a portion of the notes may not be issued that have the characteristics described in this free writing prospectus. Our obligation to sell notes to you is conditioned on the securities having the characteristics described in this free writing prospectus. If that condition is not satisfied, we will notify you, and neither the issuing entity nor any underwriter will have any obligation to you to deliver all or any portion of the securities which you have committed to purchase.

This free writing prospectus is being delivered to you solely to provide you with information about the offering of the offered notes referred to in this free writing prospectus and to solicit an indication of your interest in purchasing such offered notes, when, as and if issued. Any such indication of interest will not constitute a contractual commitment by you to purchase any of the offered notes. You may withdraw your indication of interest at any time.

Filed Pursuant to Rule 433(a)

Registration Statement Nos. 333-129972 and

333-129972-01

Free Writing Prospectus dated January 23, 2007 (For Use with Base Prospectus dated April 18, 2006)

$[755,523,000]

(Approximate)*

Accredited Mortgage Loan Trust 2007-1

(Issuing Entity)

Asset-Backed Notes, Series 2007-1

Accredited Home Lenders, Inc.

(Sponsor and Servicer)

Accredited Mortgage Loan REIT Trust

(Depositor)

You should read the section entitled Risk Factors starting on page S-16 of this free writing prospectus and on page 1 of the accompanying prospectus and consider these factors before making a decision to invest in the notes.

The notes represent non-recourse obligations of the issuing entity only and are not interests in or obligations of the sponsor, the depositor, any of their affiliates, or any other person.

Neither the notes nor the mortgage loans will be insured or guaranteed by any governmental agency or instrumentality.

The trust estate

The trust estate consists of residential mortgage loans, first and second lien fixed- and adjustable-rate conforming and non-conforming mortgage loans.

The notes

The issuing entity will issue and offer four classes of senior notes and nine classes of subordinate notes.

Payments on the notes will be made monthly. The first expected payment date for the notes is February 26, 2007.

Credit enhancement and other support

The class A notes will be supported by the class M notes. Each class of class M notes will be supported by the classes of class M notes having a lower payment priority, with the most subordinate class being supported by overcollateralization.

Excess interest will be used to increase and maintain a required level of overcollateralization.

Prepayment penalties will be used to absorb losses and to achieve overcollateralization and then to maintain a required level of overcollateralization.

The issuing entity will enter into an interest rate swap agreement and an interest rate cap agreement with Credit Suisse International.

Class	**Original Note Principal Balance***	**Interest Rate**	**Expected Final Payment Date**	**Final Stated Maturity Date**	**Price to Public**	**Underwriting Discount**	**Proceeds to the Depositor(3)**
A-1	$ [311,472,000]	[(1)(2)]	December 2008	February 2037	%	%	%
A-2	$ [57,693,000]	[(1)(2)]	March 2009	February 2037	%	%	%
A-3	$ [205,650,000]	[(1)(2)]	January 2013	February 2037	%	%	%
A-4	$ [67,513,000]	[(1)(2)]	December 2013	February 2037	%	%	%
M-1	$ [26,211,000]	[(1)(2)]	January 2011	February 2037	%	%	%
M-2	$ [19,754,000]	[(1)(2)]	November 2013	February 2037	%	%	%
M-3	$ [12,152,000]	[(1)(2)]	December 2013	February 2037	%	%	%
M-4	$ [10,255,000]	[(1)(2)]	December 2013	February 2037	%	%	%
M-5	$ [10,255,000]	[(1)(2)]	December 2013	February 2037	%	%	%
M-6	$ [9,876,000]	[(1)(2)]	December 2013	February 2037	%	%	%
M-7	$ [8,736,000]	[(1)(2)]	December 2013	February 2037	%	%	%
M-8	$ [8,356,000]	[(1)(2)]	December 2013	February 2037	%	%	%
M-9	$ [7,600,000]	[(1)(2)]	December 2013	February 2037	%	%	%
Total	$ [755,523,000]						

(1) Subject to increase as described herein and subject to an available funds cap rate described herein and a 14.00% per annum hard cap.
(2) This rate is variable based on LIBOR. Further disclosure of how LIBOR is determined is included in the summary.
(3) Before deducting expenses payable by the sponsor estimated to be approximately $800,000.
* The initial principal balance of the notes will be subject to an upward or downward variance of no more than 5%.

Each of the underwriters will purchase a portion of the notes listed in the table above from the depositor and will offer the notes purchased by it only after such notes have been issued, delivered to and accepted by the underwriters. See Plan of Distribution in this free writing prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has

approved or disapproved of these securities or passed upon the accuracy or adequacy of

this free writing prospectus. Any representation to the contrary is a criminal offense.

LEHMAN BROTHERS

BANC OF AMERICA SECURITIES LLC BEAR, STEARNS & CO. INC. HSBC

The date of this Free Writing Prospectus is January 23, 2007.

Important notice about the information presented in this

free writing prospectus and the accompanying prospectus

We provide information to you about the notes in two separate documents that provide progressively more detail:

- the accompanying prospectus, which provides general information, some of which may not apply to your series or class of notes, and
- this free writing prospectus, which describes the specific terms of your series or class of notes.

If the accompanying prospectus contemplates multiple options, you should rely on the information in this free writing prospectus as to the applicable option.

We cannot sell the notes to you unless you have received both this free writing prospectus and the accompanying prospectus.

Dealers will deliver a prospectus supplement and prospectus when acting as underwriters of the notes and with respect to their unsold allotments or subscriptions. In addition, all dealers selling the notes will be required to deliver a prospectus supplement and prospectus for ninety days following the date of the prospectus supplement.

Annex I, Schedule 1 and Schedule 2 are incorporated into and are a part of this free writing prospectus as if fully set forth herein.

We include cross-references in this free writing prospectus and the accompanying prospectus to captions in these materials where you can find further information concerning a particular topic. The following table of contents provides the pages on which these captions are located.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), the underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of notes to the public in that Relevant Member State at any time:

(a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts; or

(c) in any other circumstances which do not require the publication by the issuing entity of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of notes to the public in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicates and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act (the FSMA)) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to the issuing entity; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

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Flow of Funds Diagram

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(1) Provided, however, that in the event that the net interest margin securities (if any) for which the trust certificates serve as collateral are not outstanding, then the priorities in the last two boxes above are reversed.

Summary

This section gives a brief summary of the information contained herein. The summary does not include all of the important information about the notes. We encourage you to review carefully the more detailed information in this free writing prospectus and in the attached prospectus.

Capitalized terms used in this free writing prospectus are defined under the caption Glossary.

Sponsor and Servicer	Accredited Home Lenders, Inc.
Depositor	Accredited Mortgage Loan REIT Trust.
Issuing Entity	Accredited Mortgage Loan Trust 2007-1.
Indenture Trustee	Deutsche Bank National Trust Company.
Owner Trustee	U.S. Bank Trust National Association.
Swap and Cap Provider	Credit Suisse International.
The Trust Estate	The notes represent obligations of the issuing entity and will be secured by conventional, first and second lien, fixed and adjustable rate, fully amortizing, interest only and balloon, residential mortgage loans having a total principal balance as of the closing date, of approximately $759,702,123.
The Mortgage Loans	The mortgage loans will be secured by first and second mortgages or deeds of trust on residential properties. The mortgage loans will be fixed and adjustable rate, fully amortizing, interest-only and balloon loans that may or may not conform to certain agency investment guidelines.

The mortgage loans consist of loans used to purchase a new home, to refinance an existing mortgage loan, to consolidate debt and/or to obtain cash proceeds by borrowing against the mortgagor s equity in the property. The issuing entity will purchase the mortgage loans on the closing date.

The mortgage loans have the following characteristics, each as of the cut-off date:

Number of Loans	Initial Pool Balance
4,340	$ 759,702,123

The mortgage loans have the following approximate characteristics as of the cut-off date:

Adjustable-rate mortgage loans (1): 53.48%

Fixed-rate mortgage loans (1): 46.52%

Interest only mortgage loans (1): 9.08%

Second lien mortgage loans (1): 2.95%

Balloon mortgage loans (1): 36.01%

Range of mortgage rates: 4.999% - 14.500%

Weighted average mortgage rate: 7.809%

Range of gross margins of the adjustable-rate mortgage loans: 2.199% - 8.259%

Weighted average gross margin of the adjustable-rate mortgage loans: 4.657%

Range of minimum mortgage rates of the adjustable-rate mortgage loans: 5.699% - 11.750%

Weighted average minimum mortgage rate of the adjustable-rate mortgage loans: 7.823%

Range of maximum mortgage rates of the adjustable-rate mortgage loans: 11.980% - 18.750%

Weighted average maximum mortgage rate of the adjustable-rate mortgage loans: 14.809%

Weighted average next adjustment date of the adjustable-rate mortgage loans: November 2009

Weighted average remaining term to stated maturity: 350

Range of principal balances: $13,050 - $954,556

Average principal balance: $175,047 Range of loan- to-value ratios (2): 12.22% - 100.00%

Weighted average loan-to-value ratio (2): 76.47%

Geographic concentrations in excess of 5%:

California (1)	15.19%
Florida (1)	14.79%
Texas (1)	6.89%
Illinois (1)	5.92%

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(1) Percentages determined by reference to the total principal balance of the mortgage loans as of the cut-off date.

(2) As used in this free writing prospectus, the loan-to-value ratio for any second lien mortgage loan will mean the combined original loan-to-value ratio.

Cut-off Date The close of business on January 1, 2007.

Closing Date On or about January 30, 2007.

Record Date

For any payment date, the last business day immediately preceding the related payment date so long as the notes are in book-entry form and for notes in definitive form, the last business day of the month immediately preceding the month in which the payment date occurs.

Classes of Notes

The issuing entity will issue the following classes of notes (also listed in the table on the front cover of this free writing prospectus), under an indenture, dated as of January 1, 2007, between the issuing entity and the indenture trustee.

Offered Notes:	Class A and Class M Notes
Class A Notes:	Class A-1, Class A-2, Class A-3 and Class A-4 Notes.
Class M Notes:	Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8 and Class M-9 Notes.

As used in this free writing prospectus, the preceding terms refer to the respective classes of notes.

Trust Certificates

The issuing entity will also issue a class of trust certificates representing the entire beneficial ownership interest in the issuing entity. The trust certificates are not offered by this free writing prospectus.

Expected Final Payment Date

The expected final scheduled payment date for each class of offered notes is the last date on which the initial Class Note Balance set forth on the cover page hereof for that class is expected to be reduced to zero. This expectation is based on the assumptions that the mortgage loans prepay at 100% of the Prepayment Assumption, that a 10% optional termination occurs, that no defaults in the payment by the mortgagors of the principal of and interest on the mortgage loans are experienced and that the levels of one-month LIBOR and six-month LIBOR remain constant at 5.32% and 5.37%, respectively. The expected final scheduled payment date for each class of offered notes is as follows:

Class A-1	December 2008
Class A-2	March 2009
Class A-3	January 2013
Class A-4	December 2013
Class M-1	January 2011
Class M-2	November 2013
Class M-3 through M-9	December 2013

See Prepayment and Yield Consequences Expected Final Scheduled Payment Date in this free writing prospectus.

Final Scheduled Payment Date	The last possible date on which the principal of the notes is payable in full is the payment date occurring in February 2037 and is referred to as the final scheduled payment date. The notes could be retired before the final scheduled payment date.
Registration of Notes	The notes will be issued only in book-entry form, in denominations of $25,000 initial principal balance and integral multiples of $1,000 in excess thereof, except that one note of each class may be issued in a different amount; provided, however, that the underwriters will only sell offered notes to initial investors in minimum total investment amounts of $100,000.
Denominations	The issuing entity will initially issue the notes in book-entry form. You may elect to hold your interest in the notes through The Depository Trust Company in the United States, or Clearstream Banking, société anonyme or the Euroclear Bank, S.A./N.V. in Europe, or indirectly through participants in these systems. You will not be entitled to receive a definitive note representing your interest except under limited circumstances. *See Description of the Notes and the Trust Certificates for a discussion of the minimum denominations and the incremental denominations of each class of notes and Description of the Notes and the Trust Certificates Book-Entry Notes in this free writing prospectus.*
Payment Date	The 25th day of each month, or if such day is not a business day, on the next business day, beginning in February 2007. The right of the holders of each class of the Class M Notes to receive payments is subordinate to the right of the holders of each class of the Class A Notes to receive payments, as well as to the rights of the holders of more senior classes of Class M Notes to receive payments.
Payments of Interest	On each payment date, the indenture trustee will distribute Available Funds in the following order of priority: to payment of certain limited indemnification liabilities to certain of the transaction parties and net swap payments and swap termination payments under the circumstances described in this free writing prospectus; from the Distributable Interest Amount, interest payments to each class of Class A Notes; and from the remaining Distributable Interest Amount, to make current interest payments to the Class M Notes, to each such class in ascending numerical order.

See Description of the Notes and Trust Certificates Payments of Interest in this free writing prospectus.

Interest Accrual Periods. The interest accrual period for the Offered Notes for each payment date is the period from and including the prior payment date (or, in the case of the first payment date, from and including the closing date) to but excluding the current payment date. Interest will accrue on the Offered Notes on the basis of a 360-day year and the actual number of days elapsed in the interest accrual period.

Payments of Principal

The amount of principal payable to the notes will be determined by (1) funds received on the mortgage loans and under the interest rate swap agreement and under the interest rate cap agreement (including excess interest as described herein) that are available to make principal payments on the notes and (2) formulas that allocate portions of principal payments received or advanced on the mortgage loans and under the interest rate swap agreement and under the interest rate cap agreement that are available to make principal payments to specified classes of notes. Funds received on the mortgage loans may consist of monthly scheduled payments, unscheduled payments resulting from prepayments by borrowers, liquidation of defaulted mortgage loans and repurchases of mortgage loans under the circumstances described in this free writing prospectus or prepayment penalties.

The manner of distributing principal among the classes of notes will differ, as described in this free writing prospectus, depending upon whether a payment date occurs before the step-down date, or on or after that date, and depending on whether a trigger event is in effect. The step-down date for each class of notes will be the earlier of the date on which the aggregate class note balances of the Class A Notes have been reduced to zero and the later to occur of the payment date occurring in February 2010, and the first payment date on which the credit enhancement percentage for the Class A Notes would be greater than or equal to approximately 35.30% (subject to a variance of plus or minus 1%).

On each payment date (A) prior to the step-down date or (B) on which a trigger event is in effect, the indenture trustee will distribute Available Funds (and to the extent Available Funds are insufficient, any prepayment penalties collected by the servicer during the related prepayment period) representing principal collections on the mortgage loans in the following order of priority:

to make principal payments to the Class A Notes, to each such class in ascending numerical order; and

to make principal payments to the Class M Notes, to each such class in ascending numerical order.

On each payment date (A) on or after the step-down date and (B) on which a trigger event is not in effect, the indenture trustee will distribute Available Funds (and to the extent Available Funds are insufficient, any prepayment penalties collected by the servicer during the related prepayment period) representing principal collections on the mortgage loans in the following order of priority:

to make principal payments to the Class A Notes, to each such class in ascending numerical order, in the amount required to achieve the level of credit enhancement described in this free writing prospectus; and

to make principal payments to the Class M Notes, to each such class in ascending numerical order, in the amount required to achieve the level of credit enhancement for each class described in this free writing prospectus.

However, on any payment date on which the overcollateralization amount has been reduced to zero, and the aggregate outstanding principal balance of the Class M Notes has been reduced to zero, then any payments of principal to be made on the Class A Notes shall be made to such holders on a pro rata basis, rather than sequentially as described above.

See Description of the Notes and the Trust Certificates Payments of Principal in this free writing prospectus.

See Prepayment and Yield Consequences in this free writing prospectus for a discussion of the factors that could affect when the principal of each class of notes will be paid in full.

For any payment date, any Available Funds for such payment date remaining after making all payments of interest and principal described above shall be paid as described in *Description of the Notes and the Trust Certificates Allocation of Net Monthly Excess Cashflow* in this free writing prospectus.

Limited Recourse

The only source of funds available to make interest and principal payments on the notes will be the assets of the issuing entity. The issuing entity will have no source of

funds other than collections and recoveries on the mortgage loans through insurance or otherwise and payments received under the interest rate swap agreement and the interest rate cap agreement. No other entity will be required or expected to make any payments on the notes.

See Risk Factors The issuing entity assets are the only source of payments on the notes in this free writing prospectus.

Optional Clean-up Call by the Depositor

The depositor may, at its option, terminate the issuing entity on any payment date following the payment date when the outstanding principal balance of the notes is equal to or less than 10% of the original principal balance of the notes, after giving effect to distributions on that payment date.

Events of Default

The following events are events of default under the indenture:

default for a specified period of time in the payment of any principal or interest on any note; or

the issuing entity is in breach or default of any one or more of the covenants under the indenture, and the breach or default continues beyond any applicable grace period; or

the issuing entity consents to the appointment of a custodian, receiver, trustee or liquidator, or other similar official, of itself, or of a substantial part of its property, or shall admit in writing its inability to pay its debts generally as they come due, or a court of competent jurisdiction shall determine that the issuing entity is generally not paying its debts as they come due, or the issuing entity shall make a general assignment for the benefit of creditors; or

certain events of bankruptcy relating to the issuing entity or the issuing entity s property.

See Description of the Notes and Trust Certificates Events of Default in this free writing prospectus.

Acceleration after Event of Default

Upon the occurrence of an event of default, the indenture trustee may, or shall at the direction of noteholders representing at least 51% of the aggregate principal balance of the notes, declare the aggregate outstanding principal balance of all the notes to be due and payable together with all accrued and unpaid interest thereon without presentment, demand, protest or other notice of any kind, all of which are waived by the issuing entity. Such declaration may be rescinded by noteholders representing at least 51% of the aggregate principal balance of the notes.

Amounts collected following the acceleration of the notes will not be distributed in accordance with the priorities set forth above under Payments of Interest and Payments of Principal but will instead be distributed in accordance with the priorities set forth under Description of the Notes and the Trust Certificates Events of Default in this free writing prospectus.

See Description of the Notes and Trust Certificates Events of Default in this free writing prospectus.

Credit Enhancement

Credit enhancement includes subordination, excess interest, overcollateralization and prepayment penalties.

See Risk Factors Credit enhancement is limited and may be inadequate to cover shortfalls and losses, and Description of the Notes and the Trust Certificates in this free writing prospectus for a more detailed description of the excess interest, overcollateralization, subordination and prepayment penalties.

Subordination of Payments. The right of the holders of the more junior classes of notes to receive payments is subordinated to the right of the holders of the more senior classes of notes to receive payments. Therefore, each subordinate class of notes is more likely to experience losses than any class that is senior to such subordinate class.

In general, the protection afforded the holders of more senior classes of notes by means of this subordination will be affected by the preferential right of the holders of the more senior classes to receive, prior to any payment being made on any payment date to the holders of the more junior classes of notes, the amount of interest and principal due on such more senior classes of notes and, if necessary, by the right of such more senior holders to receive future payments on the mortgage loans that would otherwise have been allocated to the holders of the more junior classes of notes.

See Risk Factors Credit Enhancement is limited and may be inadequate to cover shortfalls and losses in this free writing prospectus.

Excess Interest. The mortgage loans bear interest each month that, in the aggregate, is expected to exceed the amount needed to pay monthly interest on the related notes and certain fees and expenses of the issuing entity. The excess interest received from the mortgage loans each month will be available, after taking into account certain payments received by or paid out from the issuing entity under the interest rate swap agreement and received by the issuing

entity under the interest rate cap agreement as described in this free writing prospectus, to absorb realized losses on the mortgage loans and to achieve and maintain overcollateralization at required levels.

See Risk Factors Credit enhancement is limited and may be inadequate to cover shortfalls and losses in this free writing prospectus.

Overcollateralization. The overcollateralization amount is the excess of the sum of the aggregate scheduled principal balance of the mortgage loans over the aggregate principal balance of the notes. On the closing date, overcollateralization will be equal to approximately $4,179,123 (subject to a variance of plus or minus 5%), and excess interest, net swap receipts, cap receipts and prepayment penalties will be used to achieve and maintain the target overcollateralization amount.

Generally, because more interest is required to be paid by the mortgagors than is necessary to pay the interest accrued on the notes and the expenses of the issuing entity, there is expected to be excess interest. The issuing entity will apply some or all of this excess interest together with net swap receipts, cap receipts and prepayment penalties as principal payments on those classes of notes then entitled to receive payments of principal, until the overcollateralization target is initially met, resulting in an acceleration of amortization of such notes relative to the mortgage loans. This acceleration feature is intended to achieve the overcollateralization target. Once the required level of overcollateralization is met, the acceleration feature will cease, unless it becomes necessary again to restore the required level of overcollateralization. In addition, once the overcollateralization target is initially met, if the overcollateralization amount is reduced below the target overcollateralization amount as a result of losses on the mortgage loans, the issuing entity will apply some or all of this excess interest, net swap receipts, cap receipts and prepayment penalties as principal payments on those classes of notes then entitled to receive payments of principal, until the overcollateralization target is restored, resulting in an acceleration of amortization of such notes relative to the mortgage loans. This acceleration feature is intended to restore overcollateralization. Once the required level of overcollateralization is restored, the acceleration feature will cease, unless it becomes necessary again to restore the required level of overcollateralization. The actual level of overcollateralization may increase or decrease over time. This could result in a temporarily faster or slower amortization of the notes.

See Risk Factors Credit enhancement is limited and may

be inadequate to cover shortfalls and losses and Description of the Notes and the Trust Certificates Overcollateralization Provisions in this free writing prospectus.

Prepayment Penalties. Some of the mortgage loans contain prepayment penalty fee clauses pursuant to which prepayment penalty fees are chargeable on prepayments occurring during the first six months to five years after origination. Any prepayment penalties will be used, if necessary on any payment date, to absorb losses on the mortgage loans and to achieve or maintain overcollateralization.

See Risk Factors Credit enhancement is limited and may be inadequate to cover shortfalls and losses in this free writing prospectus.

Interest Rate Swap Agreement

As of the closing date, the issuing entity will have entered into an interest rate swap agreement with Credit Suisse International. The purpose of the interest rate swap agreement is to minimize the risk to noteholders of adverse changes in interest rates. Under the interest rate swap agreement, on each payment date the issuing entity will pay to the swap provider a fixed payment at a rate of 5.180% per annum (on the basis of a 30/360 day count fraction)(or in the case of the first payment date, the actual number of days elapsed between the closing date and the first payment date, determined on the basis of a 30/360 day count fraction), and the swap provider will pay to the issuing entity a floating payment at LIBOR (as determined pursuant to the interest rate swap agreement) (on the basis of an actual/360 day count fraction), in each case calculated on a scheduled notional amount and, in each case adjusted on a monthly basis. To the extent that the fixed payment exceeds the floating payment on any payment date, amounts otherwise available to noteholders will be applied to make a net payment to the swap provider, and to the extent that the floating payment exceeds the fixed payment on any payment date, the swap provider will owe a net payment to the issuing entity. Any net amounts received by or paid out from the issuing entity under the interest rate swap agreement will either increase or reduce the amount available to make payments on the notes, as described in this free writing prospectus. The interest rate swap agreement terminates after the payment date in January 2012.

See Description of the Notes and the Trust Certificates -- Interest Rate Swap Agreement in this free writing prospectus.

Interest Rate Cap Agreement

As of the closing date, the issuing entity will have entered into an interest rate cap agreement with Credit Suisse International. The purpose of the interest rate cap agreement is to minimize the risk to noteholders of adverse changes in interest rates. The cap counterparty will be obligated to make payments to the issuing entity in an amount equal to the product of (x) the excess, if any, of (i) one-month LIBOR as determined pursuant to the interest rate cap agreement, for the related calculation period (as defined in the interest rate cap agreement) over (ii) 5.320% per annum, (y) a scheduled notional amount for that payment date, and (z) a fraction, the numerator of which is equal to the actual number of days in the related calculation period and the denominator of which is 360. The interest rate cap agreement terminates after the payment date in January 2012.

See Description of the Notes and the Trust Certificates -- Interest Rate Cap Agreement in this free writing prospectus.

Allocation of Losses

All realized losses on the mortgage loans will be allocated on each payment date, sequentially as follows: first to the excess cash flow, second to prepayment penalties and third in reduction of the overcollateralization amount. Realized losses on the mortgage loans will not be allocated to reduce the note principal balance of any class of notes. However, investors in the notes should realize that under certain loss scenarios, there may not be enough principal and interest on the mortgage loans to distribute to the notes all principal and interest amounts to which such notes are then entitled. If realized losses are incurred with respect to the mortgage loans, to the extent that the aggregate principal balance of the notes exceeds the aggregate principal balance of the mortgage loans, the Class M Notes may never receive principal or interest in respect of such excess. The amount of interest accrued on the portion of the balance of the notes in excess of the balance of the mortgage loans will be deferred and such deferral will be allocated to the Class M Notes, sequentially in ascending numerical order. The amount of interest so deferred will be paid only after certain other payments are made from excess interest to restore overcollateralization, to pay available funds cap shortfalls and to pay principal deficiency amounts.

See Risk Factors Credit enhancement is limited and may be inadequate to cover shortfalls and losses Subordination and Description of the Notes and the Trust Certificates in this free writing prospectus.

Removal and Substitution of Mortgage Loans

Upon the earlier of discovery or receipt of notice by the depositor of a breach of any of the representations and warranties contained in the sale and servicing agreement

which materially and adversely affects the value of the related mortgage loan or the interests of the noteholders in the related mortgage loan, the depositor will have a period of sixty days to effect a cure. If the breach is not cured within the sixty-day period, the depositor will, and if the depositor fails to, then the sponsor will either (a) substitute for such mortgage loan a Qualified Substitute Mortgage Loan or (b) purchase such mortgage loan from the issuing entity. *See Description of the Notes and Trust Certificates Representations and Warranties of the Sponsor in this free writing prospectus.*

The indenture trustee shall review each mortgage loan file and if during the process of reviewing the mortgage files, finds any document constituting a part of a mortgage file which is not executed, has not been received, is unrelated to the mortgage loan, or does not conform to the requirements in the sale and servicing agreement, the indenture trustee will promptly so notify the servicer and the sponsor in writing with details thereof. If, within sixty days after the indenture trustee s notice of such defect, the depositor or the sponsor has not caused the defect to be remedied and the defect materially and adversely affects the value of the related mortgage loan or the interest of the noteholders in the related mortgage loan, the depositor or the sponsor will either (a) substitute such mortgage loan with a Qualified Substitute Mortgage Loan or (b) purchase such mortgage loan. *See Description of the Notes and Trust Certificates Delivery of Mortgage Loan Documents in this free writing prospectus*.

Trustee Fee

The trustee will receive a fee in an amount equal to 0.004% per annum. The trustee fee will be paid out of Available Funds on each payment date prior to any payments on the notes.

Servicing Fee

The servicer will receive a servicing fee on each payment date in an amount equal to interest at the servicing fee rate for a mortgage loan on the outstanding principal balance of that mortgage loan. The servicing fee rate with respect to each mortgage loan will be 0.500% per annum. The servicing fee will be paid out of Available Funds on each payment date prior to any payments on the notes.

Advancing

The servicer will be required to advance amounts representing delinquent payments of scheduled principal and interest, other than balloon payments, as well as expenses to preserve and to protect the value of collateral, in each case to the extent considered recoverable. Reimbursement of these advances is senior to payments to noteholders.

Step-Up Rates

If the depositor does not elect to exercise the clean-up call, the margins with respect to each class of Class A Notes will

increase to twice their initial margins, and the margins with respect to each class of Class M Notes will increase to 1.5 times their initial margins, in each case on the next payment date.

Calculation of LIBOR

The London interbank offered rate (LIBOR) with respect to any payment date will be determined by the indenture trustee (provided that, in the case of the interest rate swap agreement and the interest rate cap agreement, it will be determined by the swap provider and the cap provider, collectively referred to herein as the hedge provider) and will equal the posted rate for United States dollar deposits for one month that appears on Telerate Page 3750 as of 11:00 a.m., London time, on the second LIBOR Business Day prior to the immediately preceding payment date (or, in the case of the first payment date, the second LIBOR business day preceding the closing date). If no such posted rate appears, LIBOR will be determined on the basis of the offered quotation of the reference banks (which shall be four major banks that are engaged in transactions in the London interbank market) identified in the indenture for United States dollar deposits for one month to prime banks in the London interbank market as of 11:00 a.m., London time, on such date. See *Description of the Notes and the Trust Certificates-Calculation of LIBOR in this free writing prospectus.*

ERISA Consequences

Subject to the conditions and considerations described in this free writing prospectus and in the accompanying prospectus, the notes may be purchased by pension, profit-sharing and other employee benefit plans, as well as individual retirement accounts and Keogh plans, and by persons investing on behalf of or with plan assets of such plans.

Federal Income Tax Status

It is the opinion of Dewey Ballantine LLP, federal tax counsel to the issuing entity, that for federal income tax purposes:

the notes, other than notes held by the owner of the trust certificates, will be characterized as indebtedness, and

as long as the issuing entity is wholly-owned either directly by a REIT, or by another qualified REIT subsidiary, that maintains its REIT status, the issuing entity will be treated as a qualified REIT subsidiary and will not be characterized as an association (or publicly traded partnership) taxable as a corporation.

Each noteholder, by the acceptance of a note, will agree to treat the notes as indebtedness.

Legal Investment

The notes will not be mortgage related securities under the Secondary Mortgage Market Enhancement Act of 1984.

Ratings

In order to be issued, the notes must receive at least the following ratings from Standard & Poor s Rating Services, a division of the McGraw-Hill Companies, Inc. and Moody s Investors Service, Inc.:

Class	Ratings (S&P/Moody s)
A	AAA/Aaa
M-1	AA+/Aa1
M-2	AA+/Aa2
M-3	AA/Aa3
M-4	AA-/A1
M-5	A+/A2
M-6	A/A3
M-7	A-/Baa1
M-8	BBB+/Baa2
M-9	BBB/Baa3

These ratings subsequently may be lowered, qualified or withdrawn by the rating agencies. These ratings do not cover any payment of Available Funds Cap Carry-Forward Amounts.

Use of Proceeds

The net proceeds to be received from the sale of the notes will be applied primarily to repay financing for the mortgage loans and to pay an intermediation fee for an interest rate swap agreement and an interest rate cap agreement. The underwriters or affiliates of the underwriters have provided financing for certain of the mortgage loans.

Risk Factors

An investment in the notes involves significant risks. Before you decide to invest in the notes, we recommend that you carefully consider the following risk factors and the risk factors discussed under the heading Risk Factors beginning on page 1 of the prospectus.

The statistical information presented in this free writing prospectus is computed based on the Initial Pool Balance. All percentages are measured by the aggregate Cut-off Date Principal Balance of the applicable mortgage loans in relation to the Initial Pool Balance.

Certain features of the mortgage loans may result in losses or cash flow shortfalls

There are a number of features of the mortgage loans that create additional risk of loss, including the following:

The borrowers have less than perfect credit and may be more likely to default. The sponsor s underwriting standards are less restrictive than those of Fannie Mae or Freddie Mac with respect to a borrower s credit history and other factors. A derogatory credit history or a lack of credit history will not necessarily prevent the sponsor from making a loan but may reduce the size and the loan-to-value ratio of the loan the sponsor will make. As a result of these less restrictive standards, the issuing entity may experience higher rates of delinquencies and defaults than if the mortgage loans were underwritten in a more traditional manner.

Newly originated mortgage loans may be more likely to default which may cause losses. Defaults on mortgage loans tend to occur at higher rates during the early years of the mortgage loans. Substantially all of the mortgage loans will have been originated within 12 months prior to the sale to the issuing entity. As a result, the issuing entity may experience higher rates of default than if the mortgage loans had been outstanding for a longer period of time.

Balloon loans may have higher rates of default which may cause losses. Based on the Initial Pool Balance of the mortgage loans, approximately 36.01% of all of the mortgage loans are balloon loans, which are loans originated with a stated maturity scheduled to occur prior to the expiration of the corresponding amortization schedule. Upon the maturity of a balloon loan, the borrower will be required to make a balloon payment that will be significantly larger than the borrower s previous scheduled payments. The ability of such a borrower to repay a balloon loan at maturity frequently will depend on such borrower s ability to refinance the loan. The ability of a borrower to refinance such a loan will be affected by a number of factors, including the level of available mortgage rates at the time, the value of the related mortgaged property, the borrower s equity in the mortgaged property, the financial condition of the borrower, the tax laws and general economic conditions at the time. A high interest rate environment may make it more difficult for the borrower to accomplish a refinancing and may result in an increased rate of delinquencies, foreclosures and/or losses. If the borrower is unable to repay the unpaid principal amount of a balloon loan on its maturity date, the servicer will not be obligated to advance that amount. Instead, the servicer will be obligated to advance an amount equal to the assumed monthly payment that would have been due on the balloon loan based upon the original amortization schedule for that loan. If the borrower is unable to repay the loan balance by its maturity date or refinance the balloon loan, you will suffer a loss if the collateral for such loan is insufficient, or if other forms of credit enhancement are insufficient to cover such loss. Neither the servicer nor the sponsor will be obligated to refinance a balloon loan.

The rate of default of mortgage loans secured by second-liens may be greater than that of mortgage loans secured by first-liens on comparable properties. The mortgage pool includes mortgage loans secured by second-liens on the related mortgaged property. Approximately 2.95% of the mortgage loans were secured by a second lien on the related mortgaged property. The proceeds from any liquidation, insurance or condemnation proceedings will be available to satisfy the outstanding balance of such mortgage loans only to the extent that the claims of the related senior mortgages have been satisfied in full, including any related foreclosure costs. In circumstances when it has been determined to be uneconomical to foreclose on the mortgaged property, the servicer may write off the entire balance of such mortgage loan as a bad debt. The foregoing considerations will be particularly applicable to mortgage loans secured by second-liens that have high combined loan-to-value ratios because it is comparatively more likely that the servicer would determine foreclosure to be uneconomical in the case of such mortgage loans.

The concentration of mortgage loans in specific geographic areas may increase the risk of loss. Economic conditions in the states where borrowers reside may affect the delinquency, loss and foreclosure experience of the issuing entity with respect to the mortgage loans. Based on the Initial Pool Balance of the mortgage loans, approximately 15.19%, 14.79%, 6.89% and 5.92% of the mortgage loans are secured by properties in California, Florida, Texas and Illinois, respectively. These states may suffer economic problems or reductions in market values for residential properties that are not experienced in other states. Because of the concentration of mortgage loans in these states, those types of problems may have a greater effect on the notes than if borrowers and properties were more spread out in different geographic areas. For example, some of the mortgaged properties may be more susceptible to certain types of special hazards, such as earthquakes, hurricanes, floods, mudslides, wildfires and other natural disasters and major civil disturbances, than residential properties located in other parts of the country.

The concentration of mortgage loans in California and Florida may increase the risk of loss. Approximately 15.19% of the aggregate principal balance of the mortgage loans are secured by mortgaged properties located in California. Property in California may be more susceptible than homes located in other parts of the country to some types of uninsurable hazards, such as earthquakes, mudslides, floods, wildfires and eruptions, and civil disturbances such as riots. Since 2001, California has experienced intermittent energy shortages that have resulted in unpredictable rolling blackouts and higher energy costs. Such obligors could potentially become delinquent in making monthly payments or default if they were unable to make payments due to increased energy or fuel bills or unemployment. The issuing entity s ability to make payments on the notes could be adversely affected if the related obligors were unable to make timely payments. The depositor cannot predict whether, or to what extent or for how long, such events may occur.
Approximately 14.79% of the aggregate principal balance of the mortgage loans are secured by mortgaged properties located in Florida. Property in Florida may be more susceptible than homes located in other parts of the country to some types of uninsurable hazards, such as hurricanes and floods. In 2005, hurricanes Katrina and Wilma caused substantial devastation to parts of Florida. Additional hurricanes may strike the region. Such hazards may increase the rate of delinquencies and losses on the mortgage loans secured by mortgaged properties that are or may be affected by the hurricanes because they may have an impact on the ability

of borrowers to make payments on their mortgage loans, the ability of the servicer to make collections on mortgage loans and the level of forbearance afforded by the servicer to borrowers. Other economic effects include localized areas of nearly complete destruction of the economic infrastructure and cessation of economic activity, regional interruptions in travel and transportation, tourism and economic activity generally. Any adverse impact as a result of such events may be borne by the holders of the notes. In addition, there are also concentrations of mortgage loans in other states as described under *The Mortgage Loans* in this free writing prospectus. Consequently, losses and prepayments on the mortgage loans and the resultant payments on the notes may be affected significantly by changes in the housing markets and the regional economies in any of these areas and by the occurrence of natural disasters, such as earthquakes, hurricanes, tornadoes, tidal waves, mudslides, fires and floods in these areas.

Interest-only mortgage loans may have an increased risk of loss. Approximately 9.08% of all of the mortgage loans do not provide for any payments of principal during the first five years of their term. Following such interest-only period, the monthly payment with respect to each of these mortgage loans will be increased to, and include a portion allocable to principal, an amount sufficient to amortize the principal balance of the mortgage loan over the remaining term and to pay interest at the mortgage interest rate. These mortgage loans may involve a greater degree of risk because, if the related mortgagor defaults, the outstanding principal balance of that mortgage loan will be higher than for a mortgage loan that does not have an interest-only period.

Simultaneous second lien risk

With respect to approximately 14.29% of all of the first lien mortgage loans (by aggregate principal balance as of the cut-off date), at the time of origination of the first lien mortgage loan, the originator also originated a second lien mortgage loan which may or may not be included in the mortgage pool. The weighted average loan-to-value ratio of such mortgage loans is approximately 79.47%, and the weighted average combined loan-to-value ratio of such mortgage loans (including the second lien) is approximately 98.45%. With respect to a first lien mortgage loan where the mortgaged property is also encumbered by a second lien mortgage loan, foreclosure frequency may be increased since mortgagors have less equity in the mortgaged property. In addition, the servicer may declare a default on the second lien loan, even though the first lien is current which would constitute a default on the first lien loan. Investors should also note that any mortgagor may obtain secondary financing at any time subsequent to the date of origination of their mortgage loan from the originator or from any other lender.

The assignment of certain of the mortgages in the name of MERS may result in delays and additional costs in commencing, prosecuting and completing foreclosure proceedings

The assignment of certain of the mortgages in the name of Mortgage Electronic Registration Systems, Inc. (MERS) is a relatively new practice in the mortgage lending industry. The sponsor expects that the servicer or successor servicer will be able to commence foreclosure proceedings on the mortgaged properties, when necessary and appropriate; however, public recording officers and others may have limited, if any, experience with lenders seeking to foreclose mortgages, assignments of which are registered with MERS. Accordingly, delays and additional costs in commencing, prosecuting and completing foreclosure proceedings, defending litigation commenced by third parties and conducting foreclosure sales of the mortgaged properties could result. Those delays and additional costs could in turn delay the distribution of liquidation proceeds to the noteholders and increase the amount of realized losses on the mortgage loans.

Your yield to maturity may be reduced by prepayments and defaults

The pre-tax yield to maturity on your investment is uncertain and will depend on a number of factors, including the following:

Prepayments on fixed-rate mortgage loans. The mortgage loans allow the borrowers to prepay the loans in full or in part at any time. Approximately 46.52% of all of the mortgage loans are fixed-rate mortgage loans. Based on the Initial Pool Balance of the mortgage loans, approximately 74.90% of the fixed-rate mortgage loans have prepayment penalty fee clauses pursuant to which prepayment penalty fees are chargeable on prepayments occurring during the first six months to five years after origination. These fees may discourage borrowers from prepaying their mortgage loans during the prepayment penalty fee period and, accordingly, affect the rate of prepayment of such mortgage loans even in a declining interest rate environment. The servicer may waive a prepayment charge if a mortgage loan is in default or if a default is reasonably foreseeable.

The rate of prepayments on the mortgage loans is sensitive to prevailing interest rates. If prevailing interest rates fall significantly below the mortgage interest rates on the mortgage loans, the mortgage loans are likely to be subject to higher prepayment rates than if prevailing interest rates remain at or above the mortgage interest rates on the mortgage loans. Conversely, if prevailing interest rates rise significantly above the mortgage interest rates on the mortgage loans, the rate of prepayments is likely to decrease. The weighted average lives of the notes and, if purchased at other than par, the yields realized by owners of the notes, will be sensitive to rates of payment of principal on the mortgage loans. The yield on a note that is purchased at a premium from its outstanding principal balance may be adversely affected by higher than anticipated levels of prepayments on the mortgage loans. Conversely, the yield on a note that is purchased at a discount from its outstanding principal balance may be adversely affected by lower than anticipated levels of prepayments on the mortgage loans.

Prepayments on adjustable-rate mortgage loans. Approximately 53.48% of the mortgage loans are adjustable-rate mortgage loans which have fixed rates of interest for the first two years (2/28 loans), three years (3/27 loans) or five years (5/25 loans) after origination and then convert to adjustable rates. This type of adjustable-rate mortgage loan is commonly referred to as a hybrid mortgage loan. Based on the Initial Pool Balance of the mortgage loans, approximately 70.83% of the adjustable-rate mortgage loans have prepayment penalty fee clauses pursuant to which prepayment penalty fees are chargeable on prepayments occurring during the first six months to five years after origination. The prepayment experience on the adjustable-rate loans may differ from the prepayment experience on fixed-rate mortgage loans due to provisions which provide for conversion to an adjustable mortgage interest rate, periodic coupon reset caps and a maximum mortgage interest rate. In particular, hybrid mortgage loans may be subject to higher prepayment rates as they approach the date they are scheduled to convert to an adjustable-rate mortgage loan. As a hybrid mortgage loan approaches its initial adjustment date, the borrower may become more likely to refinance that loan to avoid an increase in the loan rate, even if fixed-rate mortgage loans are only available at rates that are slightly lower or higher than the mortgage interest rate before adjustment. All adjustable-rate mortgage loans currently originated by the Sponsor have an initial period of time in which the interest rate on the note is fixed (two years, three years or five years). For the first month after the expiration of the fixed interest rate period (month 25, for a 2/28 loan, for example), the borrower s interest rate is calculated using the Six Month LIBOR Index plus the margin specified in the borrower s note. With regard to substantially all of the adjustable-rate mortgage loans, for the initial six-month period after the change date, the

borrower s interest rate cannot be more than 1.500% greater than the fixed rate. With regard to substantially all of the adjustable-rate mortgage loans, for each subsequent rate change, the borrower s interest rate cannot be more than 1.500% greater than the previous interest rate. At any time, the borrower s interest rate cannot be more than 8.889% greater than the fixed rate which the borrower initially paid.

Defaults and delinquencies may cause shortfalls in cash available to make payments. There can be no assurance that the applicable credit enhancement will adequately cover any shortfalls in cash available to make payments on your notes as a result of delinquencies or defaults on the mortgage loans. If delinquencies or defaults occur on the mortgage loans, neither the servicer nor any other entity will advance scheduled monthly payments of interest on delinquent or defaulted mortgage loans if such advances are not likely to be recovered.

You may be unable to reinvest distributions in comparable investments. Asset-backed securities, like the notes, usually produce more returns of principal to investors when market interest rates fall below the mortgage interest rates on the mortgage loans and produce less returns of principal when market interest rates rise above the mortgage interest rates on the mortgage loans. If borrowers refinance their mortgage loans as a result of lower interest rates, you will receive an unanticipated payment of principal. As a result, you are likely to receive more money to reinvest at a time when other investments generally are producing a lower yield than that on the notes, and are likely to receive less money to reinvest when other investments generally are producing a higher yield than that on the notes. You will bear the risk that the timing and amount of distributions on your notes will prevent you from attaining your desired yield.

Limitations on interest rates will affect your yield to maturity. The notes may be subject to an available funds cap rate on some payment dates, if the interest rate otherwise applicable to such notes exceeds the Available Funds Cap. Additionally, the interest rate on the notes is subject to a hard cap of 14.00% per annum. The application of these caps would reduce the amount of interest you will receive. Any shortfall in interest on the notes due to the Available Funds Cap will be paid out of excess interest and amounts, if any, received, from the hedge provider to the extent available in accordance with the priority of payments described herein. However, if the full amount of such shortfall is not paid, such unpaid amounts will be carried forward to subsequent payment dates. Further, increases and decreases in interest rates on the mortgage loans may be limited for any interest rate adjustment date (i.e., an initial or a periodic adjustment cap). In addition, the mortgage interest rates may be subject to an overall maximum and minimum interest rate.

Mortgage loans with higher mortgage rates may affect the Available Funds Cap. If prepayments, defaults and liquidations occur more rapidly on the applicable mortgage loans with relatively higher mortgage rates than on the mortgage loans with relatively lower mortgage rates, it will have the effect of lowering the Available Funds Cap.

The use of an interest rate swap agreement creates risk to your yield if there are rapid prepayments on the mortgage loans or an early termination of the interest rate swap agreement occurs; there can be no assurance that any amounts will be received under the interest rate swap agreement

Any net payment payable to the swap provider under the terms of the interest rate swap agreement will reduce amounts available for distribution to noteholders, and may reduce the interest rates of the notes. If the rate of prepayments on the mortgage loans is faster than anticipated, the scheduled notional amount on which payments due under the interest rate swap agreement are calculated may

exceed the Pool Balance, thereby increasing the relative proportion of interest collections on the loans that must be applied to make net payments to the swap provider. The combination of a rapid rate of prepayment and low prevailing interest rates could adversely affect the yields on the notes.

In addition, swap termination payments (other than Defaulted Swap Termination Payments) arising under the interest rate swap agreement are payable to the swap provider on a senior basis and such payments may reduce amounts available for distribution to noteholders.

Any amounts received under the interest rate swap agreement will be applied as described in this free writing prospectus to pay interest shortfalls, achieve, restore and maintain overcollateralization and cover losses. However, no amounts will be payable to the issuing entity by the swap provider unless the floating payment owed by the swap provider on a payment date exceeds the fixed payment owed to the swap provider on such payment date. This generally will not occur except in a period where one-month LIBOR (as determined pursuant to the interest rate swap agreement) exceeds 5.180% per annum. We cannot assure you that any amounts will be received under the interest rate swap agreement, or that any such amounts that are received will be sufficient to restore or maintain required overcollateralization or to cover interest shortfalls and losses on the mortgage loans.

See Description of the Notes and the Trust Certificates Distributions of Interest Priority of Payment Distributions of Principal and Interest Rate Swap Agreement.

The credit rating of the swap and cap provider could affect rating of notes

Credit Suisse International has been assigned a senior unsecured debt rating of AA- (stable outlook) by Standard & Poor s Ratings Services, a division of The McGraw-Hill Companies, Inc., a senior debt rating of Aa3 (stable outlook) by Moody s Investors Service Inc. and a long-term rating of AA- (stable outlook) by Fitch Ratings.

The ratings on the notes are dependent in part upon the credit ratings of the swap and cap provider. If a credit rating of the swap and cap provider is qualified, reduced or withdrawn and a substitute swap and cap provider, or guarantor of Credit Suisse International s obligations under the interest rate swap agreement and the interest rate cap agreement, is not obtained or collateral is not posted in accordance with the terms of the interest rate swap agreement or the interest rate cap agreement, respectively, the ratings of the notes may be qualified, reduced or withdrawn. In such event, the value and marketability of the notes may be adversely affected.

See Description of the Notes and the Trust Certificates Interest Rate Swap Agreement and Description of the Notes and the Trust Certificates Interest Rate Cap Agreement.

The issuing entity assets are the only source of payments on the notes

All distributions on each class of notes will be made from payments by borrowers under the mortgage loans, net of payments made under the interest rate swap agreement and amounts received, if any, from the hedge provider. The issuing entity has no other assets to make distributions on the notes and any shortfalls in collections on the mortgage loans may result in your receiving less than what is owed to you. The mortgage loans are not insured or guaranteed by any person. The issuing entity is the only person that is obligated to make distributions on the notes. The notes are not insured by any governmental agency.

Credit enhancement is limited and may be inadequate to cover shortfalls and losses

The excess interest, overcollateralization, subordination and prepayment penalties described in this free writing prospectus are intended to enhance the likelihood that holders of more senior classes will receive regular payments of interest and principal, but are limited in nature and may be insufficient to cover all shortfalls and all losses on the mortgage loans.

Excess Interest and Overcollateralization. In order to achieve or maintain overcollateralization, it will be necessary that the mortgage loans generate more interest than is needed to pay interest on the notes as well as the fees and expenses of the issuing entity. We expect that the mortgage loans will generate more interest than is needed to pay those amounts, at least during certain periods, because the weighted average of the interest rates on the mortgage loans is expected to be higher than the weighted average of the Interest Rates on the notes. Any remaining interest generated by the mortgage loans will be used, if necessary on any payment date, to absorb losses on the mortgage loans, to achieve or maintain overcollateralization.

On the closing date, the aggregate scheduled principal balance of the mortgage loans will exceed the aggregate principal balance of the notes. Such excess is referred to herein as overcollateralization and will be available to absorb losses. We cannot assure you, however, that the mortgage loans will generate enough excess interest in all periods to achieve and maintain the overcollateralization level required by the rating agencies. The following factors will affect the amount of excess interest that the mortgage loans will generate:

Prepayments. Every time a mortgage loan is prepaid in whole or in part, total excess interest after the date of prepayment will be reduced because that mortgage loan will no longer be outstanding and generating interest or, in the case of a partial prepayment, will be generating less interest. The effect on your notes of this reduction will be influenced by the amount of prepaid loans and the characteristics of the prepaid loans. Prepayment of a disproportionately high number of high interest rate mortgage loans would have a greater negative effect on future excess interest.

Delinquencies, Defaults and Liquidations. If the rates of delinquencies (to the extent not covered by advances made by the servicer), defaults or losses on the mortgage loans turn out to be higher than expected, excess interest will be reduced by the amount necessary to compensate for any shortfalls in cash available to pay noteholders. Every time a mortgage loan is liquidated or charged off, excess interest is reduced because such mortgage loan will no longer be outstanding and generating interest.

Increases in LIBOR with respect to mortgage loans. Based on the Initial Pool Balance of the mortgage loans, approximately 53.48% have interest rates that adjust based on a six-month LIBOR index (generally subject to an initial fixed rate period of two, three or five years after origination) and not the one-month LIBOR index used to determine the interest rates on the Offered Notes. The remainder of the mortgage loans have fixed rates of interest. As a result of an increase in one-month LIBOR, the Interest Rate on such notes may increase relative to interest rates on the mortgage loans, requiring that more of the interest generated by the mortgage loans be applied to cover interest on such notes which will accordingly reduce the amount of excess interest available.

See Description of the Notes and the Trust Certificates Overcollateralization Provisions in this free writing prospectus.

Subordination. The rights of the holders of each class of the Class M Notes to receive payments will be subordinate to the rights of the holders of the Class A Notes to receive payments, as well as to the rights of the holders of more senior classes of Class M Notes to receive payments. This subordination is intended to enhance the likelihood of regular receipt by higher-ranking classes of notes of the full amount of the monthly payments allocable to them, and to afford protection against losses.

If realized losses are incurred with respect to the mortgage loans, to the extent that the aggregate principal balance of the notes exceeds the aggregate principal balance of the mortgage loans, the Class M

Notes may never receive principal or interest in respect of such excess. The amount of interest accrued on the portion of the balance of the notes in excess of the balance of the mortgage loans will be deferred and such deferral will be allocated to the Class M Notes in reverse order of seniority. The amount of interest so deferred will be paid only after certain other payments are made from excess interest to restore overcollateralization, to pay available funds cap shortfalls and to pay principal deficiency amounts. Investors should fully consider the risks associated with an investment in the Class M Notes, including the possibility that investors may not fully recover their initial investment as a result of realized losses.

The Class M Notes have the following levels of priority with respect to payments and effects of realized losses:

Class M-1

Class M-2

Class M-3

Class M-4

more senior

Class M-5

less senior

Class M-6

Class M-7

Class M-8

Class M-9

Prepayment Penalties. Some of the mortgage loans contain prepayment penalty fee clauses pursuant to which prepayment penalty fees are chargeable on prepayments occurring during the first six months to five years after origination. Any prepayment penalties will be used, if necessary on any payment date, to absorb losses on the mortgage loans and to achieve or maintain overcollateralization. The servicer may waive a prepayment charge if a mortgage loan is in default or if a default is reasonably foreseeable.

Bankruptcy of the servicer may adversely affect payments on the notes and servicing of the mortgage loans

In the event of a bankruptcy or insolvency of Accredited Home Lenders, Inc., as servicer, the bankruptcy trustee or receiver may have the power to prevent Deutsche Bank National Trust Company, as indenture trustee, or the noteholders (in the limited circumstances outlined in the sale and servicing agreement) from appointing a successor servicer. Regardless of whether a successor servicer is appointed, any termination of

Accredited Home Lenders, Inc., as servicer (whether due to bankruptcy or insolvency or otherwise), could adversely affect the servicing of the mortgage loans, including the delinquency experience of the mortgage loans.

The notes are not suitable investments for all investors

The notes are not suitable investments for any investor that requires a regular or predictable schedule of payments or payment on any specific date. The notes are complex investments that should be

considered only by investors who, either alone or with their financial, tax and legal advisors, have the expertise to analyze the prepayment, reinvestment, default and market risk, the tax consequences of an investment, and the interaction of these factors.

Terrorist attacks and military action could adversely affect the yield on the notes

The terrorist attacks in the United States on September 11, 2001 suggest that there is an increased likelihood of future terrorist activity in the United States. In addition, current political and military tensions in the Middle East have resulted in a significant deployment of United States military personnel in the region. Investors should consider the possible effect of past and possible future terrorist attacks and any resulting military response by the United States on the delinquency, default and prepayment experience of the mortgage loans. In accordance with the servicing standard set forth in the sale and servicing agreement, the servicer may defer, reduce or forgive payments and delay foreclosure proceedings in respect of mortgage loans to borrowers affected in some way by past and possible future events.

In addition, the current deployment of United States military personnel in the Middle East and the activation of a substantial number of United States military reservists and members of the National Guard may significantly increase the proportion of mortgage loans whose mortgage rates are reduced by the application of the Servicemembers Civil Relief Act, as amended (the Relief Act) or a state law providing for similar relief. See *Legal Aspects of Loans Relief Act* in the prospectus. Certain shortfalls in interest collection arising from the application of the Relief Act of any state law providing for similar relief will not be covered by the servicer or any subservicer.

Taxation of the issuing entity

It is anticipated that the issuing entity will be characterized as one or more taxable mortgage pools, or TMPs, for federal income tax purposes. In general, a TMP is treated as a separate corporation not includible with any other corporation in a consolidated income tax return, and is subject to corporate income taxation. However, it is anticipated that the issuing entity will be entirely owned by the depositor, that at all times that it owns the sole class of equity in the issuing entity, intends to qualify as a real estate investment trust, or REIT. So long as the issuing entity is owned by the depositor (or another REIT or qualified REIT subsidiary), and the depositor continues to qualify as a REIT, classification of the issuing entity as a TMP will not cause it to be subject to corporate income tax.

In the event that the issuing entity is not wholly owned by a REIT or a qualified REIT subsidiary, (for instance, as a consequence of the depositor losing its REIT status), the issuing entity would become subject to federal income taxation as a corporation and would not be permitted to be included in a consolidated income tax return of another corporate entity. No transfer of the owner trust certificates will be permitted to an entity that is not a REIT or a qualified REIT subsidiary.

In the event that federal income taxes are imposed on the issuing entity, the cash flow available to make payments on the offered notes would be reduced. In addition, the need for cash to pay such taxes could result in a liquidation of the issuing entity, with a consequential redemption of the offered notes at a time earlier than anticipated.

The sponsor may be adversely affected by litigation to which it is, or may become, a party

As more fully described under *The Sponsor Legal Proceedings*, the sponsor currently is and may in the future become a defendant in class action or other lawsuits which seek to recover substantial amounts from the sponsor. No assurances can be given that the sponsor will be able to successfully defend all or any of such lawsuits, and adverse results in one or more of such lawsuits could have a

material adverse effect on the sponsor s ability to perform as the servicer and to repurchase defective mortgage loans. In addition to the class actions disclosed in Accredited s public filings, Accredited is subject to the lawsuit described below.

In March 2006, Accredited was served with a class action complaint, *Cabrejas v. Accredited Home Lenders, Inc.*, brought in the Circuit Court for Prince George s County, Maryland. The complaint alleges that Accredited s origination of second lien loans in Maryland violated the Maryland Secondary Mortgage Loan Law (the SMLL) and Consumer Protection Act in that fees charged on such loans exceeded 10% of the respective loan amounts. The plaintiffs seek to recover, on behalf of themselves and similarly situated individuals, damages, disgorgement of fees, pre-judgment interest, declaratory and injunctive relief, attorneys fees, and any other relief the court may grant. On April 13, 2006, Accredited removed the action to the United States District Court, District of Maryland. On May 15, 2006, Accredited filed a motion to dismiss plaintiffs second cause of action alleging a violation of the Maryland Consumer Protection Act on the basis that full disclosure of the fees cannot be an unfair or deceptive trade practice, which motion was granted on December 4, 2006. On January 3, 2007, plaintiffs filed a Second Amended Complaint, alleging that Accredited s origination in Maryland of second lien loans with balloon payments was also a violation of the SMLL. On January 16, 2007, Accredited filed a motion to dismiss this new claim on the basis that the SMLL s prohibition of balloon payments was and is preempted by the federal Alternative Mortgage Transactions Parity Act. The court has not yet ruled on this motion. A motion to certify a class has not yet been filed, and there has been no ruling on the merits of either the plaintiff s remaining individual claims or the remaining claims of the putative class, and the ultimate outcome of this matter and the amount of liability, if any, which may result is not presently determinable. Accredited intends to continue to vigorously defend this matter and does not believe it will have a material adverse effect on its business.

In October 2006, by virtue of the merger of Accredited Home Lenders Holding Co. (LEND) and Aames Investment Corporation (AIC), and the related merger of certain subsidiaries of LEND and AIC, LEND and certain of its subsidiaries succeeded to the litigation interests of AIC and certain of its subsidiaries. Two of those matters, *Webb, et al., v. Aames Investment Corporation, et al.* (U.S. District Court, Central District of California) and *Cooper, et al., v. Aames Funding Corporation* (U.S. District Court, Eastern District of Wisconsin), are class action complaints which allege violations of the Fair Credit Reporting Act in connection with prescreened offers of credit and are similar in nature to the Phillips matter referenced above. The Cooper matter was transferred to the Central District of California and consolidated with the Webb matter by stipulation of counsel on September 29, 2006. A motion to certify a class has not yet been filed, and there has been no ruling on the merits of either the plaintiffs individual claims or the claims of the putative class. LEND and each affected subsidiary intends to continue to vigorously defend this matter. If, however, a class were to be certified and were to prevail on the merits, the potential liability could have a material adverse effect on Accredited. The ultimate outcome of this matter and the amount of liability, if any, which may result is not presently determinable.

In October 2006, as a result of the merger referenced above, Accredited succeeded to the position of Aames Funding Corporation (AFC) under a class action complaint, *Miller v. Aames Funding Corporation*, filed in the United States District Court, Eastern District of Texas. The complaint alleges that adjustable-rate home equity loans originated by AFC in Texas violate the Texas Constitution s requirement that such loans be scheduled to be repaid in substantially equal installments. The plaintiffs seek to recover, on behalf of themselves and similarly situated individuals, damages, declaratory and injunctive relief, attorneys fees, and any other relief the court may grant. On September 29, 2006, the court on its own motion stayed the action, pending the resolution of class certification issues in a similar action pending before the court. A motion to certify a class has not yet been filed, and there has been no ruling on the merits of either the plaintiff s individual claims or the claims of the putative class. Accredited intends to continue to vigorously defend this matter. If, however, a class were to be certified

and were to prevail on the merits, the potential liability could have a material adverse effect on Accredited. The ultimate outcome of this matter and the amount of liability, if any, which may result is not presently determinable.

In December 2006, a class action complaint, *Sierra v. Aames Home Loan*, was filed in Superior Court for Los Angeles County, California. As a result of the merger referenced above, Accredited has succeeded to the interest of Aames Home Loan (a trade name of AFC) in this lawsuit. The named plaintiff is a former commissioned loan officer of AFC, and the complaint alleges that AFC violated state law by requiring the plaintiff to work overtime without compensation. The plaintiff seeks to recover, on behalf of himself and other similarly situated employees, the allegedly unpaid overtime, general damages, multiple statutory penalties and interest, attorneys fees and costs of suit. Because the complaint has not yet been served, Accredited has not filed an answer. The ultimate outcome of this matter and the amount of liability, if any, which may result is not presently determinable. Accredited intends to vigorously defend this matter and does not believe it will have a material adverse effect on its business.

High loan-to-value ratios increase risk of loss

Mortgage loans with higher loan-to-value ratios may present a greater risk of loss than mortgage loans with lower loan-to-value ratios. Based on the Initial Pool Balance of the mortgage loans, approximately 28.58% of the mortgage loans had loan-to-value ratios in excess of 80% (references to loan-to-value ratios in this free writing prospectus are references to combined loan-to-value ratios with respect to second-lien mortgage loans). Additionally, the determination of the value of a mortgaged property used to calculate the loan-to-value ratio of a mortgage loan may differ from the appraised value of such mortgaged properties if current appraisals were to be obtained.

Violation of lending laws could result in losses on the notes

In addition to federal law, some states have enacted laws or regulations that prohibit inclusion of some provisions in mortgage loans that have interest rates or origination costs in excess of prescribed levels, and require that mortgagors be given certain disclosures prior to the consummation of the mortgage loans and restrict the ability of the servicer to foreclose in response to the mortgagor s default. The failure of the originator to comply with these laws could subject the issuing entity to significant monetary penalties, could result in the mortgagors rescinding the mortgage loans against the issuing entity and/or limit the servicer s ability to foreclose upon the related mortgaged property in the event of a mortgagor s default.

Under the anti-predatory lending laws of some states, the borrower is required to meet a net tangible benefits test in connection with the origination of the related mortgage loan. This test may be highly subjective and open to interpretation. As a result, a court may determine that a mortgage loan does not meet the test even if the originator reasonably believed that the test was satisfied. Any determination by a court that a mortgage loan does not meet the test will result in a violation of the state anti-predatory lending law, in which case the depositor or the sponsor will be required to purchase that mortgage loan from the trust estate in the manner described in this free writing prospectus.

The sponsor will represent that each mortgage loan at the time it was made was in compliance with applicable federal and state laws and regulations. In the event of a breach of such representation, the depositor or the sponsor will be obligated to cure such breach or repurchase or replace the affected mortgage loan in the manner described in this free writing prospectus. If the depositor and the sponsor are unable or otherwise fail to satisfy such obligations, the yield on the offered notes may be materially and adversely affected.

Transaction Overview

Formation of the Issuing Entity and Issuance of the Trust Certificates

The issuing entity will be formed pursuant to the terms of a trust agreement between the owner trustee and the sponsor and upon the filing of a certificate of trust with the Secretary of State of the State of Delaware. Under the trust agreement, the issuing entity will also issue a class of trust certificates evidencing the entire beneficial ownership interest in the issuing entity.

The trust estate will consist of:

- the mortgage loans together with the mortgage files relating thereto,
- all scheduled collections on the mortgage loans and proceeds thereof due after the Cut-off Date and all unscheduled collections on the mortgage loans and proceeds thereof received on or after the Cut-off Date,
- REO property acquired through the foreclosure or other realization upon defaulted mortgage loans, and collections on and proceeds of such REO property,
- assets that are deposited in the accounts,
- rights under all insurance policies required to be maintained pursuant to the sale and servicing agreement and any insurance proceeds thereof,
- proceeds upon the liquidation of any mortgage loans,
- the interest rate swap agreement,
- the interest rate cap agreement, and
- released mortgaged property proceeds.

Sale and Servicing of the Mortgage Loans

The mortgage loans have been originated or purchased by the sponsor pursuant to its underwriting guidelines, including the sponsor s exception policy, as described under *The Sponsor and the Servicer.* The sponsor contributed the mortgage loans to its wholly-owned subsidiary, the depositor. The sponsor will direct the depositor to sell the mortgage loans to the issuing entity pursuant to a sale and servicing agreement, dated as of January 1, 2007, among the depositor, the issuing entity, the indenture trustee, the sponsor, and the servicer. The servicer will service the mortgage loans pursuant to the terms of the sale and servicing agreement.

Issuance of the Notes

Pursuant to the terms of an indenture, dated as of January 1, 2007, between the issuing entity and the indenture trustee, the issuing entity will pledge the trust estate to the indenture trustee, for the benefit of the noteholders, and issue the notes.

The Mortgage Loans

General

Each of the mortgage loans will bear interest at a fixed or adjustable mortgage interest rate and be secured by a first or second lien on the related mortgaged property.

The mortgage loans were made for the purpose of purchasing a new home, refinancing an existing mortgage loan, consolidating debt and/or obtaining cash proceeds by borrowing against the borrower s equity in the mortgaged property. The mortgage loans are secured by first and second liens on single family residences, which may be detached, part of a one- to four-family dwelling, a condominium unit or a unit in a planned unit development. The mortgaged properties may be owner occupied or non-owner occupied investment properties. A substantial number of the mortgage loans were originated pursuant to the sponsor s exception policy. See *The Sponsor and the Servicer Underwriting* herein.

The sponsor currently sells a majority of the loans it originates to third parties through whole loan sales, with the remainder of the loans the sponsor originates being securitized from its own shelf registration. From time to time, the sponsor will designate certain loans for specific whole loan sales (loans having LTVs greater than 90% and second-lien loans, for example), as the sponsor believes that a higher value is received for these loans through whole loan sales. For loans not specifically designated for sale to third parties as described above, the sponsor uses a proprietary software program to determine best execution and allocates the remaining loans between whole loan bid packages and securitization.

The statistical information presented in this free writing prospectus is computed based on the Initial Pool Balance for the mortgage loans. All percentages are measured with respect to the aggregate Initial Pool Balance of all the mortgage loans.

The Initial Pool Balances for the mortgage loans was approximately $759,702,123.

As of the Cut-off Date, no mortgage loan had a remaining term to maturity greater than 30 years. None of the mortgage loans were more than one payment past due. Each of the mortgage loans was an actuarial loan. See *Delinquency and Loss Information for the Mortgage Loans* herein.

Approximately 97.05% of the mortgage loans were secured by a first lien on the related mortgaged property and approximately 2.95% of the mortgage loans were secured by a second lien on the related mortgaged property.

As of the Cut-off Date, approximately 9.08% of the mortgage loans were interest only loans. These loans provide for an initial payment period, which is typically five years, during which the mortgagor s monthly payment consists only of interest. When this initial period ends, the loan will begin to amortize and will amortize fully over its remaining term.

As of the Cut-off Date, the weighted average loan-to-value ratio was approximately 76.47% (references to loan-to-value ratios in this free writing prospectus are references to combined loan-to-value ratios with respect to second-lien mortgage loans), the weighted average interest rate of the mortgage loans was approximately 7.809% per annum and the weighted average remaining term to maturity was approximately 350 months, with a weighted average seasoning of approximately 1 month.

Approximately 72.72% of the mortgage loans impose a prepayment penalty for early full or partial prepayments during a period ranging from six months to five years from the date of origination. These prepayment penalties are generally calculated as a specified percentage of the original principal balance of the mortgage loans or of the outstanding principal balance of the mortgage loans, or a specified number of months of interest accrued at the related mortgage interest rate, or a specified percentage of the amount prepaid.

Approximately 0.87% of the mortgage loans were originated using an automated valuation model to provide an estimate of value for a specific property in lieu of a standard appraisal in accordance with Accredited s underwriting guidelines in effect at the time of origination. See *The Sponsor-Underwriting* in this free writing prospectus.

Each mortgage loan, at the time it was made, complied in all material respects with applicable local, state and federal laws, including, but not limited to, all applicable predatory and abusive lending laws. None of the mortgage loans are high cost loans under the Home Ownership Equity Protection Act of 1994 (or other applicable predatory and abusive lending laws), none of the mortgage loans financed a single-premium credit insurance policy and none of the mortgage loans were originated on or after October 1, 2002 and before March 7, 2003 and encumber property located in Georgia.

The loan-to-value ratios (references to loan-to-value ratios in this free writing prospectus are references to combined loan-to-value ratios with respect to second-lien mortgage loans) (LTVs) described in this free writing prospectus were calculated based upon the lesser of (1) the appraised values of the related mortgaged properties at the time of origination and (2) the purchase prices of related mortgaged properties in the case of any mortgaged property purchased with a mortgage loan (or purchased within the twelve months preceding origination of the mortgage loan.) No assurance can be given that such values have remained or will remain at the levels that existed on the dates of origination of the related mortgage loans. If property values decline such that the outstanding principal balances of the mortgage loans become equal to or greater than the value of the mortgaged properties, investors may experience a loss.

The Mortgage Loans

The following section describes the statistical characteristics of the mortgage loans (the mortgage loans). Unless otherwise noted, all statistical percentages in this section are approximate and are measured by the aggregate Cut-off Date Principal Balance of the applicable mortgage loans in relation to the Initial Pool Balance of the mortgage loans.

As of the Cut-off Date, the mortgage loans had the following characteristics:

the aggregate Initial Pool Balance was approximately $759,702,123,

there were 4,340 mortgage loans under which the related mortgaged properties are located in 49 states,

the minimum Cut-off Date Principal Balance was approximately $13,050, the maximum Cut-off Date Principal Balance was approximately $954,556 and the average Cut-off Date Principal Balance was approximately $175,047,

the mortgage interest rate ranged from 4.999% to 14.500% per annum, and the weighted average mortgage interest rate was approximately 7.809% per annum,

approximately 46.52% of the mortgage loans are fixed-rate mortgage loans, and approximately 53.48% of the mortgage loans are adjustable-rate mortgage loans,

the gross margin for the adjustable-rate mortgage loans in ranged from 2.199% to 8.259% per annum and the weighted average gross margin was approximately 4.657% per annum,

the maximum rate for the adjustable-rate mortgage loans ranged from 11.980% to 18.750% per annum and the weighted average maximum rate was approximately 14.809% per annum,

the minimum rate for the adjustable-rate mortgage loans ranged from 5.699% to 11.750% per annum and the weighted average minimum rate was approximately 7.823% per annum,

approximately 0.66% of the adjustable-rate mortgage loans had an initial periodic cap of 1.000% per annum, approximately 98.01% of the adjustable-rate mortgage loans had an initial periodic cap of 1.500% per annum, approximately 1.21% of the adjustable-rate mortgage loans had an initial periodic cap of 2.000% per annum, approximately 0.12% of the adjustable-rate mortgage loans had an initial periodic cap of 5.000% per annum,

approximately 0.73% of the adjustable-rate mortgage loans had a subsequent periodic cap of 1.000% per annum, approximately 98.01% of the adjustable-rate mortgage loans had a subsequent periodic cap of 1.500% per annum, approximately 1.14% of the adjustable-rate mortgage loans had a subsequent periodic cap of 2.000% per annum, approximately 0.12% of the adjustable-rate mortgage loans had a subsequent periodic cap of 5.000% per annum,

the original term to stated maturity ranged from 120 months to 360 months and the weighted average original term to stated maturity was approximately 351 months,

the remaining term to stated maturity ranged from 116 months to 360 months and the weighted average remaining term to stated maturity was approximately 350 months,

the age of the mortgage loans ranged from 0 months to 14 months and the weighted average age was approximately 1 month,

approximately 46.52% of the mortgage loans were fixed-rate loans, approximately 7.22% of the mortgage loans were 2 Year adjustable rate loans, approximately 41.82% of the mortgage loans were 3 Year adjustable rate loans, approximately 4.44% of the mortgage loans were 5 Year adjustable rate loans,

approximately 54.91% of the mortgage loans require monthly payments of principal that will fully amortize these mortgage loans by their respective maturity dates, approximately 9.08% of the mortgage loans have a five year interest only period, after which such loans will fully amortize over their remaining terms and approximately 36.01% of the mortgage loans are balloon loans,

LTVs (defined, here, as the loan-to-value ratio for first lien loans and combined loan-to-value ratio for second lien loans) ranged from approximately 12.22% to approximately 100.00% and the weighted average LTV was approximately 76.47%,

approximately 97.05% of the mortgage loans are secured by first liens on the related mortgaged properties and approximately 2.95% of the mortgage loans are secured by second liens on the related mortgaged properties,

approximately 15.19%, 14.79%, 6.89% and 5.92% of the mortgage loans are secured by mortgaged properties located in the states of California, Florida, Texas and Illinois, respectively, and

approximately 0.87% of the mortgage loans were originated using an insured automated valuation model.

The following tables set forth certain information with respect to the mortgage loans based on the aggregate Cut-off Date Principal Balance of the mortgage loans in relation to the Initial Pool Balance of the mortgage loans. Due to rounding, the percentages shown may not precisely total 100.00%.

Geographical Distribution of Mortgaged Properties

Aggregate Mortgage Loans

State	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
California	452	115,395,323	15.19	7.377	350	72.47	641
Florida	694	112,383,462	14.79	7.742	352	73.92	610
Texas	421	52,373,499	6.89	8.016	340	77.21	609
Illinois	263	44,968,887	5.92	8.107	348	80.33	637
Washington	169	33,072,800	4.35	7.550	350	77.55	630
Massachusetts	139	31,426,566	4.14	7.830	347	77.24	634
Maryland	146	29,993,655	3.95	8.047	353	76.48	600
New Jersey	133	29,528,362	3.89	7.805	350	72.55	620
Arizona	161	28,310,334	3.73	7.691	351	75.38	616
Virginia	143	27,013,021	3.56	7.798	355	74.35	614
Other	1,619	255,236,215	33.60	7.957	349	79.14	623
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Range of Cut-off Date Principal Balances ($)

Aggregate Mortgage Loans

Range of Cut-off Date Principal Balances ($)	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
25,000.00 & Below	26	558,073	0.07	10.596	185	97.72	669
25,000.01 - 50,000.00	183	7,286,886	0.96	10.530	209	89.25	661
50,000.01 - 75,000.00	345	22,391,877	2.95	9.400	296	77.04	623
75,000.01 - 100,000.00	540	47,640,645	6.27	8.602	328	76.28	610
100,000.01 - 125,000.00	537	60,249,924	7.93	8.176	343	75.56	608
125,000.01 - 150,000.00	570	78,741,074	10.36	7.931	349	75.51	608
150,000.01 - 175,000.00	458	74,568,054	9.82	7.736	351	76.34	613
175,000.01 - 200,000.00	421	79,000,278	10.40	7.673	355	76.62	618
200,000.01 - 225,000.00	265	56,317,826	7.41	7.645	357	75.95	617
225,000.01 - 250,000.00	203	48,011,988	6.32	7.601	356	75.32	617
250,000.01 - 275,000.00	157	41,038,718	5.40	7.542	358	75.52	620
275,000.01 - 300,000.00	146	42,107,661	5.54	7.684	358	76.67	624
300,000.01 - 325,000.00	89	27,873,122	3.67	7.377	357	76.07	639
325,000.01 - 350,000.00	83	28,101,398	3.70	7.516	357	74.33	621
350,000.01 - 375,000.00	53	19,234,258	2.53	7.549	359	77.81	630
375,000.01 - 400,000.00	51	19,810,442	2.61	7.504	358	77.81	634
400,000.01 - 425,000.00	45	18,694,719	2.46	7.291	359	78.12	629
425,000.01 - 450,000.00	32	14,061,288	1.85	7.501	358	78.17	630
450,000.01 - 475,000.00	24	11,059,939	1.46	7.462	354	78.51	641
475,000.01 - 500,000.00	38	18,652,450	2.46	7.477	358	76.96	630
500,000.01 - 750,000.00	72	42,499,155	5.59	7.355	358	78.49	683
750,000.01 - 1,000,000.00	2	1,802,349	0.24	7.676	355	67.23	640
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Range of LTV Ratios (%)(*)

Aggregate Mortgage Loans

Range of LTV Ratios (%)	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
10.01 - 15.00	1	54,972	0.01	9.275	359	12.22	524
15.01 - 20.00	10	932,459	0.12	7.834	319	17.33	615
20.01 - 25.00	11	842,871	0.11	7.708	344	22.52	624
25.01 - 30.00	24	2,697,322	0.36	7.756	350	27.99	635
30.01 - 35.00	26	2,703,111	0.36	7.288	347	32.81	622
35.01 - 40.00	56	7,665,655	1.01	7.384	352	37.65	633
40.01 - 45.00	60	8,157,298	1.07	7.245	348	42.66	633
45.01 - 50.00	90	15,595,498	2.05	7.252	341	47.75	633
50.01 - 55.00	111	17,921,351	2.36	7.389	350	52.55	618
55.01 - 60.00	138	24,595,147	3.24	7.268	351	58.06	627
60.01 - 65.00	178	32,574,645	4.29	7.418	357	63.11	611
65.01 - 70.00	327	58,965,185	7.76	7.489	351	68.37	610
70.01 - 75.00	445	84,578,791	11.13	7.774	356	73.73	603
75.01 - 80.00	1,403	285,257,235	37.55	7.636	356	79.48	634
80.01 - 85.00	476	87,568,541	11.53	7.921	355	84.00	605
85.01 - 90.00	618	106,353,340	14.00	8.200	355	89.13	617
90.01 - 95.00	34	1,743,442	0.23	10.783	185	94.77	662
95.01 - 100.00	332	21,495,260	2.83	10.886	192	99.95	680
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

* The loan-to-value ratio represents the loan-to-value ratio for first lien mortgage loans and the combined original loan-to-value ratio for second lien mortgage loans.

Range of Gross Interest Rates (%)

Aggregate Mortgage Loans

Range of Gross Interest Rates (%)	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
4.000 - 4.999	1	334,560	0.04	4.999	358	60.91	795
5.000 - 5.999	69	16,520,279	2.17	5.829	351	64.99	720
6.000 - 6.999	861	191,775,855	25.24	6.701	355	72.97	662
7.000 - 7.999	1,507	289,763,587	38.14	7.586	355	75.90	619
8.000 - 8.999	1,121	183,422,027	24.14	8.533	352	78.83	590
9.000 - 9.999	418	51,409,094	6.77	9.535	343	80.41	576
10.000 - 10.999	196	15,934,818	2.10	10.539	272	88.14	617
11.000 - 11.999	100	6,219,316	0.82	11.693	216	94.47	648
12.000 & Above	67	4,322,588	0.57	12.784	179	99.62	654
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Range of Gross Margins (%)

Aggregate Mortgage Loans

Range of Gross Margins (%)	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
Fixed Rate Loans	2,411	353,439,481	46.52	7.793	339	75.81	633
4.999 & Below	1,187	271,037,981	35.68	7.354	359	76.20	627
5.000 - 5.499	269	50,842,474	6.69	8.434	358	78.87	589
5.500 - 5.999	254	49,315,772	6.49	8.617	358	78.04	592
6.000 - 6.499	108	18,169,401	2.39	9.205	358	79.44	580
6.500 - 6.999	71	12,009,529	1.58	9.550	358	79.91	572
7.000 - 9.999	40	4,887,486	0.64	10.080	358	79.42	574
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Range of Maximum Mortgage Interest Rates (%)

Aggregate Mortgage Loans

Range of Maximum Mortgage Interest Rates (%)	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
Fixed Rate Loans	2,411	353,439,481	46.52	7.793	339	75.81	633
11.500 - 11.999	1	153,257	0.02	5.980	357	69.87	595
12.000 - 12.499	1	507,323	0.07	6.470	357	65.55	702
12.500 - 12.999	16	4,058,789	0.53	6.167	358	74.60	678
13.000 - 13.499	63	16,001,706	2.11	6.393	359	73.66	673
13.500 - 13.999	288	69,338,374	9.13	6.822	359	75.63	650
14.000 - 14.499	281	66,925,078	8.81	7.278	359	76.28	626
14.500 - 14.999	498	108,851,842	14.33	7.789	359	76.92	612
15.000 - 15.499	236	48,924,425	6.44	8.256	358	79.02	590
15.500 - 15.999	313	56,556,148	7.44	8.783	358	77.87	585
16.000 & Above	232	34,945,700	4.60	9.673	358	79.67	567
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Range of Minimum Mortgage Interest Rates (%)

Aggregate Mortgage Loans

Range of Minimum Mortgage Interest Rates (%)	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
Fixed Rate Loans	2,411	353,439,481	46.52	7.793	339	75.81	633
5.501 - 6.000	14	3,167,309	0.42	5.929	359	72.56	690
6.001 - 6.500	83	22,256,061	2.93	6.372	359	75.56	680
6.501 - 7.000	278	66,384,512	8.74	6.852	359	75.29	646
7.001 - 7.500	343	79,956,401	10.52	7.335	359	75.91	624
7.501 - 8.000	443	96,485,699	12.70	7.835	359	77.21	611
8.001 - 8.500	267	55,511,647	7.31	8.315	358	78.60	590
8.501 - 9.000	275	48,267,649	6.35	8.831	358	78.35	584
9.001 - 9.500	97	16,356,585	2.15	9.325	358	80.58	571
9.501 - 10.000	90	12,846,127	1.69	9.850	358	77.91	561
10.001 - 10.500	17	2,517,217	0.33	10.276	358	80.95	564
10.501 - 11.000	17	2,155,243	0.28	10.841	358	81.15	574
11.001 - 11.500	4	288,913	0.04	11.251	359	80.31	546
11.501 - 12.000	1	69,279	0.01	11.750	359	90.00	558
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Month and Year of Next Rate Change Date

Aggregate Mortgage Loans

Month and Year of Next Rate Change Date	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
Fixed Rate Loans	2,411	353,439,481	46.52	7.793	339	75.81	633
November 2007	1	112,429	0.01	7.750	346	80.00	644
June 2008	1	954,556	0.13	8.499	353	85.00	593
July 2008	1	201,000	0.03	7.400	354	61.43	626
August 2008	9	2,048,627	0.27	9.098	355	83.20	587
September 2008	19	4,649,580	0.61	8.341	356	83.32	612
October 2008	40	9,452,014	1.24	7.946	357	76.62	621
November 2008	52	11,508,095	1.51	8.286	358	80.89	589
December 2008	107	22,042,039	2.90	8.062	359	75.89	613
January 2009	17	3,858,800	0.51	7.783	360	74.92	638
July 2009	1	648,000	0.09	7.200	354	90.00	694
August 2009	6	1,005,043	0.13	8.093	355	80.98	658
September 2009	29	6,200,815	0.82	8.354	356	84.62	632
October 2009	98	21,773,642	2.87	8.100	357	79.22	624
November 2009	489	100,331,907	13.21	7.860	358	77.92	609
December 2009	774	162,558,606	21.40	7.711	359	76.03	615
January 2010	126	25,188,830	3.32	7.718	360	75.07	607
August 2011	1	177,280	0.02	7.125	355	80.80	714
September 2011	1	119,072	0.02	8.250	356	80.00	703
October 2011	10	2,059,381	0.27	8.091	357	79.25	609
November 2011	55	12,519,998	1.65	7.500	358	77.26	622
December 2011	75	15,333,127	2.02	7.542	359	74.07	615
January 2012	17	3,519,800	0.46	7.420	360	78.71	618
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Range of Original Terms to Maturity (in months)

Aggregate Mortgage Loans

Original Term to Maturity (in months)	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
120	14	1,447,588	0.19	7.461	119	61.37	631
180	434	29,894,535	3.94	10.118	179	90.63	665
240	85	9,234,306	1.22	7.938	239	73.48	637
300	1	164,366	0.02	7.050	297	54.06	638
360	3,806	718,961,329	94.64	7.712	359	75.96	621
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Range of Remaining Terms to Maturity (in months)

Aggregate Mortgage Loans

Range of Remaining Terms to Maturity (in months)	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
1 - 140	14	1,447,588	0.19	7.461	119	61.37	631
161 - 180	434	29,894,535	3.94	10.118	179	90.63	665
221 - 240	85	9,234,306	1.22	7.938	239	73.48	637
281 - 300	1	164,366	0.02	7.050	297	54.06	638
341 - 360	3,806	718,961,329	94.64	7.712	359	75.96	621
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Distribution by Lien Position

Aggregate Mortgage Loans

Lien Position	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
First Lien	3,964	737,298,832	97.05	7.711	355	75.78	621
Second Lien	376	22,403,291	2.95	11.024	182	99.23	680
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Distribution by Occupancy Status

Aggregate Mortgage Loans

Occupancy Status	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
Owner Occupied	4,147	728,886,866	95.94	7.794	349	76.66	621
Investor Property	173	26,263,614	3.46	8.225	354	71.84	659
Second Home	20	4,551,644	0.60	7.752	357	73.31	645
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Distribution by Property Types

Aggregate Mortgage Loans

Property Types	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
Condominium	210	33,287,557	4.38	7.777	343	76.80	645
Modular Home	5	927,722	0.12	7.943	334	85.64	602
Two Family Residence	94	20,979,648	2.76	7.574	349	74.78	634
Three-to-Four Family Residence	62	15,797,828	2.08	7.958	347	77.42	662
Planned Unit Development	445	95,134,450	12.52	7.762	349	77.56	622
Single Family Residence	3,484	587,882,803	77.38	7.823	350	76.25	620
Townhouse	40	5,692,115	0.75	7.805	354	81.67	619
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Distribution of Seasoning (in months)

Aggregate Mortgage Loans

Seasoning (in months)	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
0	367	62,616,176	8.24	7.728	350	75.39	618
1	2,247	383,252,694	50.45	7.770	348	75.57	623
2	1,305	234,410,693	30.86	7.812	351	77.55	621
3	296	55,989,287	7.37	7.941	351	77.48	629
4	83	15,632,311	2.06	8.356	351	82.77	631
5	37	5,805,790	0.76	8.360	350	75.49	638
6	2	849,000	0.11	7.247	354	83.24	678
7	1	954,556	0.13	8.499	353	85.00	593
12	1	79,187	0.01	6.999	348	42.11	709
14	1	112,429	0.01	7.750	346	80.00	644
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Mortgage Loan Types

Aggregate Mortgage Loans

Mortgage Loan Types	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
Fixed	1,718	262,601,199	34.57	7.644	347	74.23	629
3 Year ARM Balloon 40/30	681	151,943,361	20.00	7.785	359	76.69	602
3 Year ARM	677	118,783,014	15.64	8.063	359	76.36	606
Fixed Balloon 40/30	299	57,327,130	7.55	7.505	359	74.96	624
3 Year ARM IO	165	46,980,467	6.18	7.169	358	79.49	670
2 Year ARM Balloon 40/30	97	24,429,223	3.22	8.156	358	77.69	600
Fixed Balloon 30/15	350	21,189,892	2.79	11.042	179	99.25	680
2 Year ARM	120	20,705,469	2.73	8.413	358	78.40	598
5 Year ARM Balloon 40/30	77	18,670,854	2.46	7.394	359	75.62	626
5 Year ARM	82	15,057,805	1.98	7.738	359	76.73	610
Fixed IO	44	12,321,261	1.62	6.727	358	73.22	679
2 Year ARM IO	30	9,692,450	1.28	7.495	358	77.99	661
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Prepayment Penalty Terms (in months)

Aggregate Mortgage Loans

Prepayment Penalty Terms (in months)	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
No Prepayment Penalty	1,255	207,226,711	27.28	8.108	345	77.78	623
6	34	7,403,743	0.97	7.991	351	73.69	653
12	143	38,111,089	5.02	7.560	347	74.85	649
18	7	1,516,878	0.20	8.003	358	75.98	610
24	198	40,357,153	5.31	7.961	351	77.68	616
30	14	2,449,092	0.32	7.702	329	71.60	644
36	1,586	291,385,173	38.36	7.761	352	76.73	618
42	15	1,786,537	0.24	7.956	356	74.07	631
48	20	3,044,954	0.40	7.975	352	74.64	594
54	1	287,780	0.04	7.350	359	80.00	637
60	1,067	166,133,014	21.87	7.528	350	74.72	625
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Loan Purpose

Aggregate Mortgage Loans

Loan Purpose	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
Cashout Refinance	3,442	614,242,925	80.85	7.743	352	75.31	616
Purchase	677	109,530,325	14.42	8.214	336	82.63	661
Rate/Term Refinance	221	35,928,873	4.73	7.709	347	77.59	623
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Loan Documentation Types

Aggregate Mortgage Loans

Loan Documentation Types	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
Full Documentation	3,353	551,922,601	72.65	7.759	351	76.71	613
Stated Documentation	668	141,214,968	18.59	8.057	346	74.64	649
Alternative Documentation	319	66,564,554	8.76	7.697	343	78.41	645
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Range of FICO Scores

Aggregate Mortgage Loans

Range of FICO Scores	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
800 & Above	11	2,324,523	0.31	6.474	351	67.33	810
775 - 799	49	9,396,105	1.24	6.657	336	70.36	787
750 - 774	89	17,898,224	2.36	7.066	343	71.14	761
725 - 749	99	19,345,012	2.55	7.043	343	75.78	736
700 - 724	188	36,577,090	4.81	7.221	340	77.72	710
675 - 699	369	70,513,853	9.28	7.447	341	77.80	686
650 - 674	481	87,112,795	11.47	7.607	343	77.89	662
625 - 649	690	114,798,201	15.11	7.673	346	77.96	637
600 - 624	579	101,301,751	13.33	7.672	355	77.14	612
575 - 599	628	109,747,454	14.45	7.988	354	77.23	587
550 - 574	614	101,546,856	13.37	8.354	355	76.97	562
525 - 549	357	59,337,969	7.81	8.365	356	71.80	538
500 - 524	170	27,117,637	3.57	8.683	355	71.19	517
460 - 499	16	2,684,654	0.35	9.540	360	66.50	482
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

Prepayment Penalty Description

Aggregate Mortgage Loans

Prepayment Penalty Description	Number of Mortgage Loans	Aggregate Cut-off Date Principal Balance ($)	Percentage of Mortgage Pool Aggregate Cut-off Date Principal Balance (%)	Weighted Average Coupon Interest Rate (%)	Weighted Average Remaining Term (in months)	Weighted Average LTV (%)	Weighted Average Credit Score
1% of original balance	137	18,119,652	2.39	8.288	350	82.07	619
1% of amount prepaid	83	11,702,680	1.54	8.281	352	78.19	606
2 months interest/original balance/20% allowed	26	3,486,098	0.46	8.116	326	77.65	610
2 months interest/original balance/33% allowed	61	13,124,476	1.73	7.262	356	74.08	626
2% of amount prepaid	301	49,190,501	6.47	7.976	354	77.18	614
First year 5%/second year 4%/third year 3%/fourth year 2%/fifth year 1%/unpaid	45	5,931,384	0.78	8.288	340	83.24	630
5% of amount prepaid	70	16,909,787	2.23	7.587	346	74.87	631
6 months interest/amount prepaid/20% allowed	2,362	434,010,834	57.13	7.631	351	75.52	624
No prepayment penalty	1,255	207,226,711	27.28	8.108	345	77.78	623
Total:	**4,340**	**$ 759,702,123**	**100.00%**	**7.809%**	**350**	**76.47%**	**623**

The Sponsor

Accredited Home Lenders, Inc. (Accredited), a California corporation, is a nationwide mortgage banking company that originates, finances, sells, securitizes and services first and subordinate lien mortgage loans secured by single family residences, two-to-four-family residential properties, condominium units, units in planned unit developments, townhomes and modular housing units. Accredited focuses on originating mortgage loans which do not conform to credit and other criteria established by Fannie Mae and Freddie Mac, commonly referred to as nonconforming and subprime mortgage loans. Accredited is wholly owned by Accredited Home Lenders Holding Co., a publicly traded company traded under the ticker symbol LEND.

Accredited s mortgage loan originations are primarily wholesale, i.e., conducted through mortgage brokers. On a smaller scale, Accredited makes retail originations directly to borrowers.

Accredited s total annual mortgage loan production has increased steadily from approximately $2.3 billion in 2001, $4.3 billion in 2002, $8.0 billion in 2003, $12.4 billion in 2004, $16.3 billion in 2005 and $11.6 billion for the first nine months in 2006. In 2001, Accredited originated approximately 16,100 mortgage loans secured by first liens and approximately 4,500 mortgage loans secured by second liens. In 2002, Accredited originated approximately 26,600 mortgage loans secured by first liens and approximately 8,600 mortgage loans secured by second liens. In 2003, Accredited originated approximately 48,100 mortgage loans secured by first liens and approximately 14,400 mortgage loans secured by second liens. In 2004, Accredited originated approximately 67,200 mortgage loans secured by first liens and approximately 23,400 mortgage loans secured by second liens. In 2005, Accredited originated approximately 79,000 mortgage loans secured by first liens and approximately 28,200 mortgage loans secured by second liens. During the first nine months of 2006, Accredited originated approximately 53,900 mortgage loans secured by first liens and approximately 11,200 mortgage loans secured by second liens. As of September 30, 2006, Accredited had 3,164 employees.

Accredited performs the servicing functions for its loan originations prior to sale or securitization, during an interim servicing period for mortgage loans sold on a whole loan basis, and for a portion of its loan originations sold or securitized on a servicing-retained basis. As of September 30, 2006, Accredited performed the servicing functions for residential mortgage loans with an aggregate unpaid principal balance of approximately $9.4 billion.

Accredited disposes of its loans primarily by selling them to third parties and through securitizations. The decision by Accredited to sell or to securitize loans depends upon a number of factors, including, but not limited to, premiums earned for whole loan sales and Accredited s leverage targets.

Accredited completed its first securitization in 1996 and has closed additional securitizations in 2000, 2002, 2003, 2004, 2005 and 2006. The securitizations completed in 1996 and 2000 have both been terminated as a result of Accredited exercising a clean-up call. For the years 2002, 2003, 2004, 2005 and 2006, Accredited closed two, three, four, four and two securitizations, respectively, selling loans totaling approximately $749.3 million, $1,236.5 million, $3,271.6 million, $4,240.2 million and $2,403.7 million, respectively, from its own shelf registration statement. Accredited retains the servicing for loans securitized from its own shelf registration statement. None of the pools that Accredited has securitized have defaulted or experienced an early amortization target.

These securitizations are structured legally as sales, but for accounting purposes are treated as financings under SFAS No. 140. These securitizations do not meet the qualifying special purpose entity criteria under SFAS No. 140 and related interpretations because after the loans are securitized, the securitization trusts may acquire derivatives relating to beneficial interests retained by Accredited and, Accredited, as servicer, subject to applicable contractual provisions, has discretion, consistent with prudent mortgage servicing practices, to determine whether or not to sell or work out any loans securitized through the securitization trusts that become troubled. Accordingly, the loans remain on the

balance sheet as loans held for investment , retained interests are not recorded, and securitization bond financing replaces the short-term debt originally associated with the loans held for investment. Accredited records interest income on loans held for investment and interest expense on the bonds issued in the securitizations over the life of the securitizations. Deferred debt issuance costs and discounts related to the bonds are amortized on a level yield basis over the estimated life of the bonds.

Accredited serves in essentially three roles in connection with its securitization program. As the sponsor, Accredited works with the underwriters and the rating agencies to select the pool of mortgage loans and structure the transaction. Generally in structuring each transaction, the sponsor looks to achieve the most efficient execution, that is to achieve the lowest cost of funds. As the servicer, Accredited is responsible for servicing each pool of mortgage loans. As the administrator of the issuing entity, Accredited is responsible for causing the issuing entity to perform its duties under the transaction documents, which duties include the provision of notices of material events, reporting and monitoring and maintaining the security interest of the noteholders in the mortgage loans.

The notes issued in each securitization do not represent an interest in or obligation of, nor are the mortgage loans guaranteed by Accredited, nor are the securitized mortgage loans insured or guaranteed by the Federal Deposit Insurance Corporation or any other governmental agency or instrumentality.

Limitations on Liability

Accredited and its directors, officers, employees or agents are not under any liability to the issuing entity or the noteholders for any action taken, or for refraining from the taking of any action, in good faith pursuant to the sale and servicing agreement, or for errors in judgment. However, Accredited is not protected from liability for any breach of warranties or representations made by Accredited in the sale and servicing agreement, or against any specific liability imposed on Accredited pursuant to the sale and servicing agreement or against any liability which would otherwise be imposed upon Accredited by reason of willful misfeasance, bad faith or negligence in the performance of its duties or by reason of failure to perform its obligations or duties under the sale and servicing agreement.

Acquisitions

Effective as of October 1, 2006, Accredited Home Lenders Holding Co., a Delaware corporation (LEND) acquired Aames Investment Corporation, a Maryland corporation (Aames) pursuant to an Agreement and Plan of Merger dated as of May 24, 2006. Aames was a public REIT formed in February 2004 to originate and sell high yielding, non-prime residential mortgage loans. LEND paid a total of $77.6 million in cash and issued approximately 4.4 million shares of its common stock to the shareholders of Aames as consideration for the acquisition for a total consideration of $235 million.

Legal Proceedings

Because the nature of Accredited s business involves the collection of numerous accounts and compliance with federal, state and local lending laws, the originator is subject to claims and legal actions in the ordinary course of its business. Like a number of other consumer finance companies, Accredited is subject to certain class-action lawsuits alleging violations of various federal and state consumer protection laws and other laws. Accredited intends to defend or seek other resolution of these lawsuits and, except as described below, Accredited either does not believe that their resolution will have a material adverse effect on its financial position or results of operations or has not been able to make a determination regarding the ultimate outcome of the matter or the amount of potential liability. In addition to the class actions disclosed in Accredited s public filings, Accredited is subject to the lawsuit described below.

In March 2006, Accredited was served with a class action complaint, *Cabrejas v. Accredited Home Lenders, Inc.*, brought in the Circuit Court for Prince George s County, Maryland. The complaint alleges that Accredited s origination of second lien loans in Maryland violated the Maryland Secondary Mortgage Loan Law (the SMLL) and Consumer Protection Act in that fees charged on such loans

exceeded 10% of the respective loan amounts. The plaintiffs seek to recover, on behalf of themselves and similarly situated individuals, damages, disgorgement of fees, pre-judgment interest, declaratory and injunctive relief, attorneys fees, and any other relief the court may grant. On April 13, 2006, Accredited removed the action to the United States District Court, District of Maryland. On May 15, 2006, Accredited filed a motion to dismiss plaintiffs second cause of action alleging a violation of the Maryland Consumer Protection Act on the basis that full disclosure of the fees cannot be an unfair or deceptive trade practice, which motion was granted on December 4, 2006. On January 3, 2007, plaintiffs filed a Second Amended Complaint, alleging that Accredited s origination in Maryland of second lien loans with balloon payments was also a violation of the SMLL. On January 16, 2007, Accredited filed a motion to dismiss this new claim on the basis that the SMLL s prohibition of balloon payments was and is preempted by the federal Alternative Mortgage Transactions Parity Act. The court has not yet ruled on this motion. A motion to certify a class has not yet been filed, and there has been no ruling on the merits of either the plaintiff s remaining individual claims or the remaining claims of the putative class, and the ultimate outcome of this matter and the amount of liability, if any, which may result is not presently determinable. Accredited intends to continue to vigorously defend this matter and does not believe it will have a material adverse effect on its business.

In October 2006, by virtue of the merger of LEND and Aames Investment Corporation (AIC), and the related merger of certain subsidiaries of LEND and AIC, LEND and certain of its subsidiaries succeeded to the litigation interests of AIC and certain of its subsidiaries. Two of those matters, *Webb, et al., v. Aames Investment Corporation, et al.* (U.S. District Court, Central District of California) and *Cooper, et al., v. Aames Funding Corporation* (U.S. District Court, Eastern District of Wisconsin), are class action complaints which allege violations of the Fair Credit Reporting Act in connection with prescreened offers of credit and are similar in nature to the Phillips matter referenced above. The Cooper matter was transferred to the Central District of California and consolidated with the Webb matter by stipulation of counsel on September 29, 2006. A motion to certify a class has not yet been filed, and there has been no ruling on the merits of either the plaintiffs individual claims or the claims of the putative class. LEND and each affected subsidiary intends to continue to vigorously defend this matter. If, however, a class were to be certified and were to prevail on the merits, the potential liability could have a material adverse effect on Accredited. The ultimate outcome of this matter and the amount of liability, if any, which may result is not presently determinable.

In October 2006, as a result of the merger referenced above, Accredited succeeded to the position of Aames Funding Corporation (AFC) under a class action complaint, *Miller v. Aames Funding Corporation*, filed in the United States District Court, Eastern District of Texas. The complaint alleges that adjustable-rate home equity loans originated by AFC in Texas violate the Texas Constitution s requirement that such loans be scheduled to be repaid in substantially equal installments. The plaintiffs seek to recover, on behalf of themselves and similarly situated individuals, damages, declaratory and injunctive relief, attorneys fees, and any other relief the court may grant. On September 29, 2006, the court on its own motion stayed the action, pending the resolution of class certification issues in a similar action pending before the court. A motion to certify a class has not yet been filed, and there has been no ruling on the merits of either the plaintiff s individual claims or the claims of the putative class. Accredited intends to continue to vigorously defend this matter. If, however, a class were to be certified and were to prevail on the merits, the potential liability could have a material adverse effect on Accredited. The ultimate outcome of this matter and the amount of liability, if any, which may result is not presently determinable.

In December 2006, a class action complaint, *Sierra v. Aames Home Loan*, was filed in Superior Court for Los Angeles County, California. As a result of the merger referenced above, Accredited has succeeded to the interest of Aames Home Loan (a trade name of AFC) in this lawsuit. The named plaintiff is a former commissioned loan officer of AFC, and the complaint alleges that AFC violated state law by requiring the plaintiff to work overtime without compensation. The plaintiff seeks to recover, on behalf of himself and other similarly situated employees, the allegedly unpaid overtime, general damages, multiple statutory penalties and interest, attorneys fees and costs of suit. Because the complaint has not yet been served, Accredited has not filed an answer. The ultimate outcome of this matter and the amount of liability, if any, which may result is not presently determinable. Accredited intends to vigorously defend this matter and does not believe it will have a material adverse effect on its business.

Underwriting

General. Each mortgage loan originated or acquired by Accredited is underwritten prior to loan closing, or re-underwritten after loan closing but prior to purchase by Accredited, in accordance with Accredited s underwriting guidelines. Accredited s underwriting process is intended to assess a loan applicant s credit standing and repayment ability and the value and adequacy of the real property security as collateral for the proposed loan. All underwriting and re-underwriting is performed by Accredited s underwriting personnel, and Accredited does not delegate underwriting authority to any broker, correspondent or other mortgage loan provider. Accredited s underwriting standards are applied in a standardized manner which complies with applicable federal and state laws and regulations.

Brokers and Correspondents. All of Accredited s prospective mortgage brokers and correspondents are subjected to a pre-approval process, including verification that all required licenses are current, and are required to sign agreements pursuant to which they represent and warrant compliance with Accredited s underwriting guidelines and all applicable laws and regulations. Accredited periodically reviews each of its mortgage broker s and correspondent s performance relative to issues disclosed by Accredited s quality control review, and discontinues relationships with unacceptable performers.

Loan Applications and Credit Reports. Each prospective mortgagor completes a mortgage loan application that includes information with respect to the applicant s liabilities, income, credit history, employment history and personal information. At least one credit report on each applicant from an independent, nationally recognized credit reporting company is required. The credit report typically contains information relating to such matters as credit history with local and national merchants and lenders, installment debt payments and any record of defaults, bankruptcies, repossessions, or judgments. All derogatory credit items occurring within the preceding two years and all credit inquiries within the preceding 90 days must be addressed by the applicant to the satisfaction of Accredited.

Property Appraisals. A full appraisal of the property proposed to be pledged as collateral is required in connection with the origination of each first priority loan and each second priority loan greater than $50,000. Appraisals are performed by licensed, third-party, fee-based appraisers and include, among other things, an inspection of the exterior and interior of the subject property. Appraisals are also required to address neighborhood conditions, site and zoning status and the condition and value of improvements. Following each appraisal, the appraiser prepares a report which includes a reproduction costs analysis (when appropriate) based on the current cost of constructing a similar home and market value analysis based on recent sales of comparable homes in the area. Appraisals generally conform to the Uniform Standards of Professional Appraisal Practice and must be on forms acceptable to Freddie Mac and Fannie Mae. Every appraisal is reviewed by a non-affiliated appraisal review firm or by Accredited s Appraisal Review Department or a qualified underwriter before the mortgage loan is closed. The appraisal may not be more than 180 days old on the day the loan is funded. A second full appraisal is required for combined loan amounts greater than $1,000,000. For second priority loans of $50,000 or less, drive-by appraisals alone are acceptable. The standard appraisal may be waived in favor of an Insured Automated Value Model (AVM) with a physical inspection, provided the loan meets certain criteria. The Insured AVM is effective for the life of the loan, is transferable, and provides an unbiased opinion of the property value. The Insured AVM process includes a Property Condition Report which is a drive-by inspection that verifies the collateral is conforming. The insurance certificate provides protection that may minimize loss severity in the event of foreclosure.

Income and Assets Verification. Accredited s underwriting guidelines require verification or evaluation of the income of each applicant pursuant to Accredited s Full Documentation, Lite Documentation or Stated Income programs. Under each of these programs, Accredited reviews the loan applicant s source of income, calculates the amount of income from sources indicated on the loan

application or similar documentation, and calculates debt service-to-income ratios to determine the applicant s ability to repay the loan. Under the Full Documentation program, applicants are generally required to submit the most current year to date pay stub and written verification of income signed by the employer, Forms W-2 or 1040 and, in the case of self-employed applicants, most recent two years complete tax returns, signed year to date profit and loss statement, or bank statements. Personal bank statements are acceptable as Full Documentation, with bank statements for the preceding 24 months acceptable for Alt2 documentation type or bank statements for the preceding 12 months acceptable for Alt1. Under the Lite Documentation program, applicants must be self-employed and are required to submit personal bank statements covering at least the preceding six months. Under the Stated Income program, applicants are evaluated based upon income as stated in the mortgage loan application. Under all programs, Accredited may verify by telephone employment, business and income, and self-employed applicants may be required to submit a business license.

Verification of the source of funds (if any) required to be paid by the applicant at closing is generally required under all documentation programs in the form of a standard verification of deposit, two months consecutive bank statements or other acceptable documentation. On Accredited s core mortgage loan products and on some of its specialty products, twelve months mortgage payment or rental history must be verified by the related lender or landlord.

Credit Classifications. A critical function of Accredited s underwriting process is to identify the level of credit risk associated with each applicant for a mortgage loan. Accredited has established five principal classifications, A+ to C, with respect to the credit profile of potential borrowers, and a rating is assigned to each loan based upon these classifications. Accredited has a sixth, generally inactive credit classification, called C- which may be assigned to a borrower with a current or recent foreclosure or bankruptcy and can still be used on an exception basis with approval from executive management. Accredited assigns credit grades by analyzing mortgage payment history, consumer credit history, credit score, bankruptcy history, and debt-to-income ratio.

Quality Control. Each month, Accredited s internal audit and quality control department generally reviews and re-underwrites a sample of the loans originated by Accredited. The statistical sample of loans is chosen by random selection and based on the prior defect rates. In addition, targeted reviews are conducted, including but not limited to the following areas: regulatory compliance, non-performing assets, targeted and discretionary reviews, or where fraud is suspected. The quality control department re-underwrites these loans through an in-depth analysis of the following areas: application, income/employment, appraisals, credit decision, program criteria, net tangible benefits, re-verifications, and compliance. Specifically, these tests focus on verifying proper completion of borrower disclosures and other loan documentation, correct processing of all legally required documentation, and compliance with time frames imposed by applicable law. When fraud is suspected, the quality control department undertakes a comprehensive re-underwriting of not only the loan in question, but any related loans connected by broker, appraiser, or other parties to the transaction. All findings of the internal audit and quality control department are reported on a regular basis to members of senior management and the audit committee of the board of directors. The Chief Executive Officer and the Chief Operating Officer, along with the Director of Operations and others analyze the results of the monthly internal audit and quality control department audits as well as performance trends and servicing issues. Based upon this analysis, corrective actions are taken.

Loan Programs. Accredited s mortgage loans are made for the purpose of enabling borrowers to purchase new homes, refinance existing mortgage loans, consolidate debt and/or obtain cash for whatever purposes the borrowers desire. Accredited s single-family residence loans are secured by one- to four-unit primary residences, one-unit second homes, or one- to four-unit investment properties, and eligible property types are deemed to include single-family detached homes, semi-detached homes, row or townhomes, individual condominiums, individual units in planned-unit developments, and leasehold estates. These collateral types are consistent with the Freddie Mac Seller-Servicer Guide for describing mortgage eligibility requirements. The mortgaged properties may be owner-occupied, second or vacation homes, or non-owner occupied investment properties.

Accredited s loans have payment schedules based primarily upon (1) an interest rate that is constant over the life of the loan, commonly referred to as fixed-rate loans or (2) generally, an interest rate that is fixed for the initial two, three or five years and adjusts after an initial fixed period of two, three or five years and every six months thereafter, sometimes referred to as adjustable-rate loans . Generally, the payments on Accredited s fixed-rate loans are calculated to fully repay the loans in 15 or 30 years, or, in the case of so-called balloon loans, the payments are based on a 30-year repayment schedule, but all unpaid principal is due in a larger balloon payment at the end of 15 years. The payments on Accredited s adjustable-rate loans are calculated to fully repay the loans in 30 years, and the payment amounts are adjusted whenever the interest rates are adjusted. Accredited s adjustable-rate loans with a two-year initial fixed-rate period are commonly referred to as 2/28 s, Accredited s adjustable-rate loans with a three-year initial fixed-rate period are commonly referred to as 3/27 s and Accredited s adjustable-rate loans with a five-year initial fixed-rate period are commonly referred to as 5/25 s . Accredited s fixed-rate or adjustable-rate loans may have initial interest-only periods, typically five years, during which the monthly payments are limited to the amounts required to pay accrued interest due on the loans. After the interest-only periods, the monthly payments are adjusted to fully repay the loans over their remaining terms.

The interest rate adjustments on Accredited s adjustable-rate loans are determined by adding a margin to an index rate, subject to certain adjustment limitations. The margin is a percentage established at origination of a loan, and the index for Accredited s adjustable-rate loans is six-month LIBOR, and is determined as of a specified time prior to the interest adjustment date. It is common during the initial fixed-rate period of an adjustable-rate loan to allow the borrower to pay a rate lower than the margin plus the index at loan origination. Over time, the rate may adjust upward such that, eventually, the interest rate will equal the index plus the entire margin. Such adjustments are generally limited to no more than 1.5% at each adjustment date, and the interest rates may not be adjusted above or below a maximum and minimum amount specified in the loan documents. The goal is to acclimate the borrower to the repayment obligation, yet be able to achieve the fully indexed interest rate over time.

Accredited offers a full range of subprime mortgage loan programs, and the key distinguishing features of each program are the documentation required, the LTV, the mortgage and consumer credit payment history, the property type and the credit score necessary to qualify under a particular program. Nevertheless, each program relies upon Accredited s analysis of each borrower s ability to repay, the risk that the borrower will not repay the loan, the fees and rates Accredited charges, the value of the collateral, the benefit Accredited believes it is providing to the borrower, and the loan amounts relative to the risk Accredited believes it is taking.

In general, Accredited s LTV maximums decrease with credit quality, and, within each credit classification, the LTV maximums vary depending on the property type. LTV maximums for loans secured by owner-occupied properties are higher than for loans secured by properties that are not owner-occupied. LTV maximums for Lite Documentation and Stated Income programs are generally lower than the LTV maximums for corresponding Full Documentation programs. Our maximum debt-to-income ratios range from 50% to 55% for Full Documentation programs, and maximum 50% for Lite Documentation and Stated Income Programs.

Accredited offers a variety of specialty programs that provide higher LTV s and CLTV s to borrowers in higher credit grades. Credit grades may be determined by the same criteria as in the core programs, but may also be determined only on the basis of mortgage credit or credit score. Specialty programs may be restricted as to property and occupancy types and documentation requirements.

Accredited also offers Alt-A mortgage loan programs with additional income documentation types, higher qualifying minimum credit scores and higher loan amounts than the non-prime programs. The same underwriting standards as described above for non-prime programs also apply to Alt-A mortgage loans. Alt-A documentation types requiring less documentation, such as SISA, defined as Stated Income Stated Assets, No Ratio, and No Doc, also receive close review and evaluation to determine whether the borrower s ability to repay the mortgage debt is reasonable. Documentation and qualifying requirements vary depending on the product selected.

Exceptions. Accredited may allow exceptions to its underwriting guidelines in accordance with Accredited s established exception policy. Exceptions may be allowed based upon the presence of compensating factors such as a low LTV, demonstrated pride of ownership and stability of employment. A substantial number of the mortgage loans were originated pursuant to Accredited s exception policy.

Delinquency and Loss Information for the Mortgage Loans

During the previous twelve months from the Cut-off Date, forty-five mortgage loans with an aggregate principal balance of approximately $7,271,407 were 30 or more days contractually delinquent one or two times and thirty-four of the forty-five mortgage loans were 30 days contractually delinquent as of the Cut-off Date. Of these forty-five mortgage loans, twenty-nine mortgage loans with an aggregate principal balance of approximately $4,659,377 were 30 or more days contractually delinquent two times during the previous twelve months from the Cut-off Date and all twenty-nine of these mortgage loans were 30 days contractually delinquent as of the Cut-off Date. One loan with an aggregate principal balance of approximately $112,429 was 60 days contractually delinquent one time during the previous twelve months from the Cut-off Date and was not 30 days contractually delinquent as of the Cut-off Date.

The following table sets forth certain information regarding the delinquency as of the Cut-off Date for thirty-four mortgage loans with an aggregate principal balance of approximately $5,758,498 representing approximately 0.76% of the Initial Pool Balance.

In the following table, a mortgage loan is defined as 30 days contractually delinquent on the first day of the following calendar month in which the payment is due and losses are recognized when collateral relating to a mortgage loan has been foreclosed and the mortgaged property has been liquidated, except in those instances in which management determines that the loss amount would be less by walking away from the property. The loss amount is equal to the principal amount on the loan, plus accrued and unpaid interest on the loan, plus any foreclosure expenses less proceeds received from the buyer of the foreclosed property. None of the mortgage loans had any losses as of the Cut-off Date.

	As of January 1, 2007			
	Number of Mortgage Loans	Percentage of Total Number of Mortgage Loans(1)	Mortgage Loan Principal Balance	Percentage of Principal Balance(2)
Total mortgage loan pool	4,340		$ 759,702,123	
Delinquency 30 - 59 days	34	0.78%	$ 5,758,498	0.76%
Foreclosures				
Total delinquencies and foreclosures	34	0.78%	$ 5,758,498	0.76%

(1) Percentage of mortgage loan pool as of the Cut-off Date.
(2) Percentage of the Initial Pool Balance as of the Cut-off Date.

Static Pool Information

Static pool information for Accredited s amortizing asset pools is available at http://www.accredhome.com/regs/AHL_RegAB1105_2006-09.pdf. This website has unrestricted access, is free of charge and does not require user registration for immediate access. The static pool information will remain available on the website for a period of not less than five years from the date of this free writing prospectus and any subsequent modification or update to such information will be clearly indicated on the website as of the date of such modification or update.

The static pool information posted on this website that relates to securitizations sponsored by Accredited prior to January 1, 2006 and that relates to the pool of mortgage loans being securitized in the current transaction for periods prior to January 1, 2006 is not deemed to be part of this free writing prospectus or the accompanying prospectus or the registration statement related to the securities being offered pursuant to this free writing prospectus and the accompanying prospectus.

The Depositor

The depositor, a Maryland real estate investment trust, was formed in the State of Maryland on May 4, 2004. The depositor s principal business objective is to acquire, hold and manage mortgage assets that will generate net income for distribution to its shareholders. All of the depositor s outstanding common shares are owned by the sponsor. The depositor completed a public offering of preferred shares and they are publicly-traded on the New York Stock Exchange. The sponsor has contributed the mortgage loans to the depositor, and on the closing date, the sponsor will direct the depositor to sell the mortgage loans to the issuing entity.

Continuing Options

The depositor has the option, but is not obligated, to purchase from the issuing entity any mortgage loan that is ninety days or more delinquent at a purchase price equal to the outstanding principal balance thereof as of the date of purchase, plus all accrued and unpaid interest on such principal balance, computed at the related mortgage interest rate plus the amount of any unreimbursed Delinquency Advances and Servicing Advances with respect to such mortgage loan in accordance with the provisions specified in the sale and servicing agreement. Pursuant to this option, the depositor may not purchase more than 10% of the mortgage loans in the pool, measured by the outstanding principal balance of the mortgage loans repurchased as a percentage of the Initial Pool Balance.

In addition, the depositor has the ongoing option to terminate the issuing entity on any payment date when the outstanding principal balance of the notes is less than or equal to 10% of the original principal balance of the notes, after giving effect to distributions on that payment date. In addition, pursuant to the sale and servicing agreement, if a breach related to a mortgage loan is not cured within the specified time period, the depositor will, and if the depositor fails to, then the sponsor will either (a) substitute for such mortgage loan a Qualified Substitute Mortgage Loan or (b) purchase such mortgage loan from the issuing entity, such repurchase amount to include any costs and damages incurred by the issuing entity in connection with a violation of a predatory or abusive lending law. See *Description of the Notes and Trust Certificates Optional Clean-Up Call* and *-Representations and Warranties of the Sponsor* for more information regarding the depositor s termination option and the removal or substitution of mortgage loans by the depositor.

The Issuing Entity

Accredited Mortgage Loan Trust 2007-1, a Delaware statutory trust, is the issuing entity of the Notes. The issuing entity s fiscal year end will be December 31.

Permissible Activities

The purpose of the issuing entity is to engage in the following activities:

(a) to issue the Notes and to sell such Notes;

(b) with the proceeds of the sale of the Notes and the trust certificates and to purchase the mortgage loans to be included in the trust estate from the depositor with the balance of such funds pursuant to the sale and servicing agreement;

(c) to assign, grant, transfer, pledge, mortgage and convey the trust estate pursuant to the indenture and to hold, manage and distribute to the certificateholders any portion of the trust estate released from the lien of, and remitted to the issuing entity pursuant to, the indenture;

(d) to enter into and perform its obligations under the trust agreement, the sale and servicing agreement, the indenture, the interest rate swap agreement and the interest rate cap agreement, to which it is or is to be a party;

(e) to engage in those activities, including entering into agreements, that are necessary, suitable or convenient to accomplish the foregoing or are incidental thereto or connected therewith;

(f) subject to compliance with the trust agreement, the sale and servicing agreement, the indenture, the interest rate swap agreement and the interest rate cap agreement, to engage in such other activities as may be required in connection with conservation of the trust estate and the making of distributions and payments to the noteholders and the certificateholders; and

(g) to issue the trust certificates pursuant to the trust agreement.

Restrictions on Issuing Entity s Activities

The issuing entity shall not engage in any activity other than in connection with the foregoing or other than as required or authorized by the terms of the trust agreement, the sale and servicing agreement, the indenture, the interest rate swap agreement and the interest rate cap agreement.

Modification of Governing Documents

The trust agreement may be amended by the sponsor, the depositor and the owner trustee, with prior written notice to the rating agencies, but without the consent of any of the noteholders, the certificateholders or the indenture trustee, to cure any ambiguity, to correct or supplement any provisions in the trust agreement or for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions in the trust agreement or of modifying in any manner the rights of the noteholders or the certificateholders; provided, however, such action shall not adversely affect in any material respect the interests of any noteholder, certificateholder or the hedge provider (unless the consent of the hedge provider is obtained) as evidenced by an opinion of counsel or satisfaction of the Rating Agency Condition.

The trust agreement may also be amended from time to time by the sponsor, the depositor and the owner trustee, with the prior written consent of the rating agencies and with the prior written consent of the indenture trustee, the holders of the majority of the percentage interest of the notes affected thereby and the certificateholders of the majority of the percentage interests of the issuing entity, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the trust agreement or of modifying in any manner the rights of the noteholders or the certificateholders; provided, however, no such amendment shall (a) increase or reduce in any manner the amount of, or accelerate or delay the timing of, collections of payments on the mortgage loans or distributions that shall be required to be made for the benefit of the noteholders or the certificateholders, (b) reduce the aforesaid percentage of the majority of the percentage interest of the notes or the percentage interests required to consent to any such amendment, in either case of clause (a) or (b) without the consent of the holders of all the outstanding notes affected thereby and the certificateholders of all the outstanding trust certificates.

See *Description of the Notes and the Trust Certificates Amendment* in this free writing prospectus for information regarding the method the indenture may be amended.

Capitalization

The depositor will contribute to the issuing entity the sum of $1,000, to be held in trust, which shall constitute the initial trust estate and shall be deposited in the payment account. The depositor will pay organizational expenses of the issuing entity as they may arise or shall, upon the request of the owner trustee, promptly reimburse the owner trustee for any such expenses paid by the owner trustee. Pursuant to the sale and servicing agreement, the issuing entity will purchase the mortgage loans, which will comprise the remainder of the trust estate. Upon the transfer of the mortgage loans pursuant to the sale and servicing agreement, the owner trustee shall transfer the initial capital contribution, in the sum of $1,000, to the depositor. For more information regarding the sale and transfer of the mortgage loans to the issuing entity, see *Description of Note and Trust Certificates Assignment and Pledge of Mortgage Loans* in this free writing prospectus.

Sale of Assets and Security Interest

The issuing entity will represent and warrant that the indenture trustee, acting on behalf of the noteholders, will have a first priority perfected security interest in the mortgage loans by reason of possession of the mortgage loans by the Indenture Trustee through a Custodian and by reason of the filing of a UCC-1 financing statement by the issuing entity in the State of Delaware which will give notice of the security interest in favor of the indenture trustee.

Bankruptcy

The owner trustee shall not have the power to (i) institute proceedings to have the issuing entity declared or adjudicated bankrupt or insolvent, (ii) consent to the institution of bankruptcy or insolvency proceedings against the issuing entity, (iii) file a petition or consent to a petition seeking reorganization or relief on behalf of the issuing entity under any applicable federal or state law relating to bankruptcy, (iv) consent to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or any similar official) of the issuing entity or a substantial portion of the property of the issuing entity, (v) make any assignment for the benefit of the issuing entity s creditors, (vi) cause the issuing entity to admit in writing its inability to pay its debts generally as they become due, or (vii) take any action, or cause the issuing entity to take any action, in furtherance of any of the foregoing (any of the above, a Bankruptcy Action) without the unanimous prior written consent and approval of all certificateholders and the Rating Agency Condition shall have been satisfied and the delivery to the owner trustee by each such certificateholder of a certification that such Certificateholder reasonably believes that the issuing entity is insolvent. So long as the indenture remains in effect, no certificateholder shall have the power to take, and shall not take, any Bankruptcy Action with respect to the issuing entity or direct the owner trustee to take any Bankruptcy Action with respect to the issuing entity.

Furthermore, the issuing entity has structured this transaction so that the bankruptcy of either the depositor or the sponsor will not result in the consolidation of the issuing entity s assets and liabilities with those of the depositor or the sponsor, respectively. The issuing entity has received a legal opinion, subject to various facts, assumptions and qualifications, opining that if the depositor or the sponsor was adjudged bankrupt, it would not be a proper exercise of a court s equitable discretion to disregard the separate corporate existence of the issuing entity and to require the consolidation of the issuing entity s assets and liabilities with those of the depositor or the sponsor, as appropriate. However, there can be no assurance that a court would not conclude that the assets and liabilities of the issuing entity should be consolidated with those of the depositor or sponsor, as appropriate.

The Servicer

Accredited Home Lenders, Inc. (Accredited), a California corporation, is a nationwide mortgage banking company that originates, finances, sells, securitizes and services first and subordinate lien mortgage loans secured by single family residences, two-to-four-family residential properties, condominium units, units in planned unit developments, townhomes and modular housing units.

Accredited performs the servicing functions for its loan originations prior to sale or securitization, during an interim servicing period for mortgage loans sold on a whole loan basis, and for a portion of its loan originations sold or securitized on a servicing-retained basis. See *Certain Matters Regarding the Servicer* in the prospectus for more information regarding the terms of the sale and servicing agreement and the servicer s duties thereunder.

Accredited has been servicing non-prime mortgage loans since 1998 and as of September 30, 2006 was servicing approximately 56,629 mortgage loans totaling approximately $9.4 billion. All mortgage loans serviced by Accredited were originated by Accredited and are either: 1) owned by one of the Accredited Mortgage Loan Trusts in connection with a securitization, or 2) serviced for purchasers for an interim period (usually 30 to 60 days from the date the mortgage loan is sold to the purchaser) until servicing is transferred to the purchaser s servicer of choice, or 3) serviced pending the sale or securitization of such mortgage loans. Accredited is rated Above Average by Standard and Poor s, SQ2 by Moody s Investors Service, and RPS3+ by Fitch Investors Service. There have been no material changes to Accredited s servicing policies and procedures during the last three years.

Currently, Accredited s servicing portfolio consists of non-prime fixed and adjustable-rate mortgage loans, including first and second liens.

Servicing activities are performed at Accredited s servicing centers in San Diego, California, and Orlando, Florida. In its capacity as servicer, Accredited handles various mortgage loan administration duties, including but not limited to, providing incoming phone lines for obligors to access Accredited customer service representatives, tracking property tax payments and hazard and flood insurance coverage on obligor s accounts, and processing and recording obligor payments. Billing statements are sent monthly to obligors to assist them in making their scheduled payments.

Limitations on Liability

The servicer or any of its directors, officers, employees or agents shall not be under any liability to the issuing entity or the noteholders for any action taken, or for refraining from the taking of any action, in good faith pursuant to the sale and servicing agreement, or for errors in judgment; provided, however, that this provision shall not protect the servicer against liability for any breach of warranties or representations made by the servicer in the sale and servicing agreement, or against any specific liability imposed on the sponsor pursuant to the sale and servicing agreement or against any liability which would otherwise be imposed upon the servicer by reason of willful misfeasance, bad faith or negligence in the performance of its duties or by reason of failure to perform its obligations or duties under the sale and servicing agreement.

Custodial Responsibility

The servicer does not have custodial responsibility for the mortgage loans. The indenture trustee has custodial responsibility for the mortgage loans as described under *The Indenture Trustee-Custodial Responsibility* in this free writing prospectus.

In late 1998, Accredited began performing the delinquency collection and default resolution functions on its warehouse inventory of loans held for sale and on a pool of loans securitized by Accredited in 1996, which pool has since been terminated by Accredited exercising a clean-up call. In addition, in mid-1999, Accredited began retaining such servicing functions on loans sold into a facility under which Accredited also retains a residual interest in future payments on the loans. As of September 30, 2006, Accredited is servicing approximately $7.3 billion of loans which have been securitized in the fifteen Accredited securitizations closed in 2002, 2003, 2004, 2005 and 2006, in addition to approximately $2.0 billion of loans which are being held for sale or for securitization (as of September 30, 2006). These servicing activities include, but are not limited to, collections of borrower payments of

principal and interest, property tax and flood zone tracking, handling tax and insurance collections and disbursements, initiating foreclosure activities in those situations in which such activity is warranted and liquidating foreclosure properties. In 2004, Accredited opened an additional telephone collection center in Orlando, Florida.

Mortgage Loan Servicing

Once Accredited originates or purchases a mortgage loan, Accredited s servicing department begins the administrative process of servicing the loan, seeking to ensure that the loan is repaid in accordance with its terms. Accredited starts this process for every mortgage loan, whether Accredited will service the mortgage loan for a matter of weeks before it is sold servicing-released or for its life in a servicing-retained transaction. Accredited s servicing department is divided into loan administration, loan servicing and asset management units. In addition, the investor reporting unit of Accredited s finance and accounting department performs the servicing-related functions of reporting on all other servicing activities, and in the case of mortgage loans serviced for others, accounting for and remitting all funds collected through servicing activities.

Administration and Servicing. Accredited s loan administration unit is responsible for boarding each loan into Accredited s servicing operations and technology systems. For mortgage loans on which the monthly payments include amounts to be escrowed for the future payment of real estate taxes and insurance premiums, Accredited s loan administration unit ensures the proper accounting for such funds and the timely payment of the taxes and premiums. For mortgage loans which do not have tax and insurance escrows, the loan administration unit ensures that the properties securing the loans are properly insured at all times and that real estate taxes are paid to avoid foreclosures by taxing authorities. For mortgage loans with adjustable interest rates, the loan administration unit ensures that the adjustments are properly made and timely identified to the related borrowers. This unit is also responsible for the various administrative tasks involved in the transfer of servicing when loans are sold servicing-released, including notifying borrowers, insurers and taxing authorities.

Accredited s loan servicing unit is responsible for the physical receipt of and initial accounting for all loan payments from borrowers. Accredited encourages its borrowers to establish automatic payment from their bank accounts, which Accredited arranges at no cost to the borrower. Accredited s loan servicing unit is also responsible for customer service, handling all inbound calls and other communications from borrowers.

Accredited or any of its directors, officers, employees or agents shall not be under any liability to the issuing entity or the noteholders for any action taken, or for refraining from the taking of any action, in good faith pursuant to the sale and servicing agreement, or for errors in judgment; provided, however, that this provision shall not protect Accredited against liability for any breach of warranties or representations made by Accredited in the sale and servicing agreement, or against any specific liability imposed on Accredited pursuant to the sale and servicing agreement or against any liability which would otherwise be imposed upon Accredited by reason of willful misfeasance, bad faith or negligence in the performance of its duties or by reason of failure to perform its obligations or duties under the sale and servicing agreement.

Collection and Enforcement. Accredited s asset management unit is responsible for all phases of the collection and enforcement of delinquent and defaulted loans. The inherent risk of delinquency and loss associated with subprime mortgage loans requires hands-on active communication with Accredited s borrowers from origination through liquidation. Borrower contact is initiated through outbound telephone campaigns, monthly billing statements, and direct mail, and is tailored to reflect the borrower s payment habit, the mortgage loan s risk profile and the mortgage loan s status. Accredited s collection approach is designed to educate Accredited s borrowers on managing their debts to maximize the likelihood of continued timely performance. Accredited establishes clear expectations with its borrowers with respect to maintaining contact and working together to resolve any financial problems that may occur. Accredited considers this early intervention a key element of Accredited s servicing strategy.

Accredited s front end loan counselors begin calling borrowers whose accounts become five days past due. Once contact is established, Accredited verifies pertinent information and determine the reason for the delay in payment. For borrowers who are able to make their payments, Accredited offers the ability to pay by phone through Western Union s Quick Collect service. This allows the borrower to remit the funds immediately or at an agreed later time in the month and avoids delays using the U.S. postal service. If a borrower indicates a problem that is not temporary or is of a serious nature, the call is promptly referred to a manager who will then evaluate the situation and initiate appropriate loss mitigation actions.

When an account becomes thirty-one days delinquent, the borrower receives a notice of intent to foreclose allowing thirty days, or more if required by applicable state law, to cure the default before the account is actually referred for foreclosure. The 30-59 day collection personnel continue active collection campaigns and may offer a borrower relief through a forbearance plan designed to resolve the delinquency in ninety days or less. These collectors are seasoned and trained to effectively identify and resolve problems with borrowers before the past due problems escalate.

Accounts moving to sixty or more days delinquent are transferred to the loss mitigation and foreclosure sub-units simultaneously. Accredited s loss mitigation personnel choose a collection strategy that is designed to minimize the loss on a defaulted mortgage loan. Accredited procures updated property value information, the borrower s current credit profile, and reviews foreclosure and real estate marketing timelines to determine the best alternative to foreclosure. Accredited s loss mitigation personnel continue to actively attempt to resolve the delinquency while Accredited s foreclosure personnel begin the foreclosure process. Accredited s loss mitigation tools include payment plans, short sales, deeds in lieu of foreclosure, stipulated forbearance plans, deferments, reinstatements and modifications.

Delinquent accounts not resolved through collection and loss mitigation activities are foreclosed in accordance with state and local laws. Foreclosure timelines are managed through a timeline report built into the loan servicing system. The report schedules key dates throughout the foreclosure process, enhancing Accredited s ability to monitor and manage the process. Properties acquired through foreclosure are transferred to the real estate owned, or REO, sub-unit to manage eviction and marketing of the properties. Once a property is vacant, it is listed with a local real estate agent who develops a marketing strategy designed to maximize the net recovery upon liquidation. Second opinions on the value of the property are obtained to validate recommendations given by the primary listing agent. Property listings are reviewed several times monthly to ensure the properties are properly maintained and actively marketed.

Accredited s loan administration unit also handles hazard and mortgage insurance claims, mortgage bankruptcies, condemnations and other special servicing needs.

Servicing Department Infrastructure. Accredited services its loans using Accredited s configuration of MortgageWare software provided by Interlinq Software Corporation. Accredited also has additional software modules for the management of REO. Accredited s technology delivers helpful data regarding the loan and the borrower to the desktops of Accredited s servicing personnel. Accredited also has all of its files electronically imaged so that Accredited s servicing personnel have access to each file without having to retrieve a paper file.

Monthly incentive plans are in place for all collections, loss mitigation, foreclosure and REO personnel and are tied directly to performance of the servicing portfolio. Both individual and team goals are used to encourage superior results and cooperation between unit members.

Ongoing training for Accredited s servicing personnel is provided regularly and covers major relevant topics within the servicing department. In the collection and loss mitigation areas, supervisors and managers monitor actual telephone calls by each collector on a monthly basis and follow up with one-on-one training and direction. In addition, scripts tailored to typical borrower circumstances are posted at each workstation to ensure the employee asks the appropriate questions for the type of delinquency

situation the borrower is experiencing. Outside legal counsel conduct on-site classes or seminars for the foreclosure and bankruptcy areas approximately on a quarterly basis, and title company representatives also provide on-site training on title issues.

All of Accredited s servicing functions are administered from Accredited s San Diego headquarters. Hours of operation for Accredited s servicing department are 6:30 a.m. to 7:00 p.m., Monday through Friday, and Accredited uses staggered shifts to cover the different time zones where Accredited s borrowers and collateral properties are located. Collection personnel also work one or two Saturdays each month, depending upon the day of the week on which each month end falls. Evening and weekend hours are used to facilitate contact with borrowers that are otherwise unavailable during regular business hours.

See *Servicing of the Mortgage Loans* in this free writing prospectus and *Servicing of Loans* in the prospectus for more information regarding the sale and servicing agreement, the servicer s fees, the servicer s removal and the transfer of servicing duties to a successor servicer. See *Collection Procedures; Escrow Accounts* and *Deposits to and Withdrawals from the Collection Account* in the prospectus for more information on the manner in which collections on the mortgage loans will be maintained.

Legal Proceedings

Because the nature of Accredited s business involves the collection of numerous accounts and compliance with federal, state and local lending laws, the originator is subject to claims and legal actions in the ordinary course of its business. Like a number of other consumer finance companies, Accredited is subject to certain class-action lawsuits alleging violations of various federal and state consumer protection laws and other laws. Accredited intends to defend or seek other resolution of these lawsuits and Accredited either does not believe that their resolution will have a material adverse effect on its financial position or results of operations or has not been able to make a determination regarding the ultimate outcome of the matter or the amount of potential liability. In addition to the class actions disclosed in Accredited s public filings, Accredited is subject to the lawsuit described below.

In March 2006, Accredited was served with a class action complaint, *Cabrejas v. Accredited Home Lenders, Inc.*, brought in the Circuit Court for Prince George s County, Maryland. The complaint alleges that Accredited s origination of second lien loans in Maryland violated the Maryland Secondary Mortgage Loan Law (the SMLL) and Consumer Protection Act in that fees charged on such loans exceeded 10% of the respective loan amounts. The plaintiffs seek to recover, on behalf of themselves and similarly situated individuals, damages, disgorgement of fees, pre-judgment interest, declaratory and injunctive relief, attorneys fees, and any other relief the court may grant. On April 13, 2006, Accredited removed the action to the United States District Court, District of Maryland. On May 15, 2006, Accredited filed a motion to dismiss plaintiffs second cause of action alleging a violation of the Maryland Consumer Protection Act on the basis that full disclosure of the fees cannot be an unfair or deceptive trade practice, which motion was granted on December 4, 2006. On January 3, 2007, plaintiffs filed a Second Amended Complaint, alleging that Accredited s origination in Maryland of second lien loans with balloon payments was also a violation of the SMLL. On January 16, 2007, Accredited filed a motion to dismiss this new claim on the basis that the SMLL s prohibition of balloon payments was and is preempted by the federal Alternative Mortgage Transactions Parity Act. The court has not yet ruled on this motion. A motion to certify a class has not yet been filed, and there has been no ruling on the merits of either the plaintiff s remaining individual claims or the remaining claims of the putative class, and the ultimate outcome of this matter and the amount of liability, if any, which may result is not presently determinable. Accredited intends to continue to vigorously defend this matter and does not believe it will have a material adverse effect on its business.

In October 2006, by virtue of the merger of Accredited Home Lenders Holding Co. (LEND) and Aames Investment Corporation (AIC), and the related merger of certain subsidiaries of LEND and AIC, LEND and certain of its subsidiaries succeeded to the litigation interests of AIC and certain of its

subsidiaries. Two of those matters, *Webb, et al., v. Aames Investment Corporation, et al.* (U.S. District Court, Central District of California) and *Cooper, et al., v. Aames Funding Corporation* (U.S. District Court, Eastern District of Wisconsin), are class action complaints which allege violations of the Fair Credit Reporting Act in connection with prescreened offers of credit and are similar in nature to the Phillips matter referenced above. The Cooper matter was transferred to the Central District of California and consolidated with the Webb matter by stipulation of counsel on September 29, 2006. A motion to certify a class has not yet been filed, and there has been no ruling on the merits of either the plaintiffs individual claims or the claims of the putative class. LEND and each affected subsidiary intends to continue to vigorously defend this matter. If, however, a class were to be certified and were to prevail on the merits, the potential liability could have a material adverse effect on Accredited. The ultimate outcome of this matter and the amount of liability, if any, which may result is not presently determinable.

In October 2006, as a result of the merger referenced above, Accredited succeeded to the position of Aames Funding Corporation (AFC) under a class action complaint, *Miller v. Aames Funding Corporation*, filed in the United States District Court, Eastern District of Texas. The complaint alleges that adjustable-rate home equity loans originated by AFC in Texas violate the Texas Constitution s requirement that such loans be scheduled to be repaid in substantially equal installments. The plaintiffs seek to recover, on behalf of themselves and similarly situated individuals, damages, declaratory and injunctive relief, attorneys fees, and any other relief the court may grant. On September 29, 2006, the court on its own motion stayed the action, pending the resolution of class certification issues in a similar action pending before the court. A motion to certify a class has not yet been filed, and there has been no ruling on the merits of either the plaintiff s individual claims or the claims of the putative class. Accredited intends to continue to vigorously defend this matter. If, however, a class were to be certified and were to prevail on the merits, the potential liability could have a material adverse effect on Accredited. The ultimate outcome of this matter and the amount of liability, if any, which may result is not presently determinable.

In December 2006, a class action complaint, *Sierra v. Aames Home Loan*, was filed in Superior Court for Los Angeles County, California. As a result of the merger referenced above, Accredited has succeeded to the interest of Aames Home Loan (a trade name of AFC) in this lawsuit. The named plaintiff is a former commissioned loan officer of AFC, and the complaint alleges that AFC violated state law by requiring the plaintiff to work overtime without compensation. The plaintiff seeks to recover, on behalf of himself and other similarly situated employees, the allegedly unpaid overtime, general damages, multiple statutory penalties and interest, attorneys fees and costs of suit. Because the complaint has not yet been served, Accredited has not filed an answer. The ultimate outcome of this matter and the amount of liability, if any, which may result is not presently determinable. Accredited intends to vigorously defend this matter and does not believe it will have a material adverse effect on its business.

Delinquency and Loan Loss Experience[1]

The following table sets forth certain information regarding the delinquency, foreclosure, REO and loss experience with respect to mortgage loans serviced by Accredited for the periods indicated. The delinquency, foreclosure and loss percentages may be affected by the size and relative lack of seasoning of the portfolio which increased significantly since December 2003.

Delinquency and Foreclosure

	As of December 31, 2003			2004			2005			As of September 30, 2006		
	(dollars in thousands)											
	No. of Loans	Principal Balance	Percentage	No. of Loans	Principal Balance	Percentage	No. of Loans	Principal Balance	Percentage	No. of Loans	Principal Balance	Percentage
tal servicing portfolio cluding REO	28,417	$ 3,695,976		47,841	$ 6,731,581		63,799	$ 9,706,153		56,629	$ 9,394,574	
elinquency[2]												
- 59 days	93	$ 9,199	0.2%	264	33,134	0.5%	547	76,526	0.8%	785	124,536	1.3
- 89 days	63	6,794	0.2	87	11,325	0.2	237	31,962	0.3	458	76,971	0.8
+ days	389	36,885	1.0	534	57,683	0.9	839	100,333	1.0	1,590	237,042	2.5
tal delinquencies and reclosures[2]	545	$ 52,878	1.4%	885	102,142	1.5%	1,623	208,821	2.2	2,833	438,549	4.7
al estate owned [2][3]	115	$ 10,699	0.3%	123	14,357	0.2%	207	$ 28,928	0.3%	436	$ 72,344	0.8
nual losses on servicing rtfolio[4]		$ 17,646	0.6%		$ 17,505	0.3%		22,193	0.3%		39,488	0.4

(1) The category Foreclosures has been eliminated in prior periods in order to conform to our current presentation format, in which foreclosures are included within the respective day-count delinquency categories. Management believes this revised presentation more accurately reflects the performance of the company s serviced portfolio, as information regarding the duration of the delinquency is more useful than legal status since foreclosures are naturally dispersed among various day-count categories.

(2) Percentage of servicing portfolio at period end.

(3) Based on the aggregate principal balance of the mortgage loans secured by mortgaged properties the title to which has been acquired through foreclosure, deed in lieu of foreclosure or similar process.

(4) Percentages based upon average monthly servicing portfolio.

The Owner Trustee

U.S. Bank Trust National Association (U.S. Bank Trust) will act as owner trustee under the trust agreement. U.S. Bank Trust is a national banking association and a wholly-owned subsidiary of U.S. Bancorp, which is currently ranked as the sixth largest bank holding company in the United States with total assets exceeding $217 billion as of September 30, 2006. As of September 30, 2006, U.S. Bancorp served approximately 13.5 million customers, operated 2,462 branch offices in 24 states and had over 51,000 employees. A network of specialized U.S. Bancorp offices across the nation, inside and outside its 24-state footprint, provides a comprehensive line of banking, brokerage, insurance, investment, mortgage, trust and payment services products to consumers, businesses, governments and institutions.

U.S. Bank Trust has provided owner trustee services since the year 2000. As of September 30, 2006, U.S. Bank Trust was acting as owner trustee with respect to over 700 issuances of securities. This portfolio includes mortgage-backed and asset-backed securities. U.S. Bank Trust has acted as owner trustee of sub-prime mortgage-backed securities since 2000. As of September 30, 2006, U.S. Bank Trust was acting as owner trustee on 40 issuances of sub-prime mortgage-backed securities.

Duties and Responsibilities

The owner trustee will execute and deliver or cause to be executed and delivered the Notes, the Trust Certificates and the transaction documents to which the issuing entity is a party, in each case, as the Sponsor shall approve. In addition, the owner trustee shall, on behalf of the issuing entity, execute and deliver to the authenticating agent the trust request and the trust orders referred to in the indenture, to authenticate and deliver the Notes. In addition, the owner trustee is authorized, but shall not be obligated, to take all actions required of the issuing entity, pursuant to the transaction documents.

It shall be the duty of the owner trustee to discharge (or cause to be discharged) all of its responsibilities pursuant to the terms of the trust agreement and the transaction documents to which the issuing entity is a party and to administer the issuing entity in the interest of the certificateholders, subject to the transaction documents and in accordance with the provisions of the trust agreement and to maintain the issuing entity s existence as a statutory trust under the laws of the State of Delaware.

The owner trustee shall disburse all moneys actually received by it constituting part of the Owner Trust Estate upon the terms of the transaction documents and the trust agreement. Subject to the trust agreement, the owner trustee shall furnish to the certificateholders promptly upon receipt of a written request therefor, duplicates or copies of all reports, notices, requests, demands, certificates, financial statements and any other instruments furnished to the owner trustee under the transaction documents. On behalf of the owner trustee, the Sponsor shall furnish to the noteholders promptly upon written request therefor, copies of the sale and servicing Agreement and the indenture.

Limitations on Liability

The owner trustee shall not be answerable or accountable under any circumstances, except (i) for its own willful breach or misconduct or gross negligence or (ii) in the case of the inaccuracy of any representation or warranty contained in the trust agreement expressly made by the owner trustee in its individual capacity.

Resignation or Removal

The owner trustee may at any time resign and be discharged by giving written notice thereof to the issuing entity, the sponsor, the servicer, the hedge provider and the indenture trustee. Upon receiving such notice of resignation, the sponsor shall promptly appoint a successor owner trustee by written

instrument, in duplicate, one copy of which instrument shall be delivered to the resigning owner trustee and one copy to the successor owner trustee. If no successor owner trustee shall have been so appointed and have accepted appointment within thirty (30) days after the giving of such notice of resignation, the resigning owner trustee may petition any court of competent jurisdiction for the appointment of a successor owner trustee.

If at any time the owner trustee shall cease to be eligible in accordance with the provisions of the trust agreement and shall fail to resign after written request therefor by the certificateholders or the sponsor, or if at any time the owner trustee shall be legally unable to act, or shall be adjudged bankrupt or insolvent, or a receiver of the owner trustee or of its property shall be appointed, or any public officer shall take charge or control of the owner trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the certificateholders or the sponsor, may remove the owner trustee. If the certificateholders or the sponsor shall remove the owner trustee under the authority of the immediately preceding sentence, the sponsor, shall promptly appoint a successor owner trustee by written instrument in duplicate, one copy of which instrument shall be delivered to the outgoing owner trustee so removed and one copy to the successor owner trustee and payment of all fees owed to the outgoing owner trustee.

Any resignation or removal of the owner trustee and appointment of a successor owner trustee pursuant to any of the provisions of the trust agreement shall not become effective until acceptance of appointment by the successor owner trustee pursuant to the trust agreement, and payment of all fees and expenses by the sponsor owed to the outgoing owner trustee. The servicer shall provide notice of such resignation or removal of the owner trustee to each of the rating agencies, the hedge provider and the indenture trustee.

Indemnification

Under the trust agreement, the sponsor will indemnify the owner trustee from and against, any and all liabilities, obligations, losses, damages, taxes, claims, actions and suits, and any and all reasonable costs, expenses and disbursements (including reasonable legal fees and expenses) of any kind and nature whatsoever which may at any time be imposed on, incurred by, or asserted against the owner trustee in any way relating to or arising out of the trust agreement, the other related agreements, the trust estate, the administration of the trust estate or the action or inaction of the owner trustee under the trust agreement. However, the sponsor will not be liable for or required to indemnify the owner trustee from and against any of the foregoing expenses arising or resulting from (i) for its own willful breach or misconduct or gross negligence or (ii) the inaccuracy of certain of the owner trustee s representations and warranties. To the extent that any such indemnities are not otherwise satisfied, they will be paid from Available Funds as described under *Description of the Notes and the Trust Certificates Payments of Interest, Payments of Principal, and Allocation of Net Monthly Excess Cashflow* in this free writing prospectus.

The Indenture Trustee

Deutsche Bank National Trust Company (DBNTC) will act as indenture trustee. DBNTC is a national banking association which has an office in Santa Ana, California. DBNTC has previously been appointed to the role of trustee for numerous mortgage-backed transactions in which residential mortgages comprised the asset pool and has significant experience in this area. As indenture trustee, DBNTC will be calculating certain items and reporting as set forth in the sale and servicing agreement. DBNTC has acted as calculation agent in numerous mortgage-backed transactions since 1991. DBNTC also will act as a custodian of the mortgage files pursuant to the sale and servicing agreement. DBNTC has performed this custodial role in numerous mortgage-backed transactions since 1991. DBNTC will maintain the mortgage files in secure, fire-resistant facilities. DBNTC will not physically segregate the mortgage files from other mortgage files in DBNTC s custody but will be kept in shared facilities.

However, DBNTC s proprietary document tracking system will show the location within DBNTC s facilities of each mortgage file and will show that the mortgage loan documents are held by the indenture trustee on behalf of the trust. DBNTC has no pending legal proceedings that would materially affect its ability to perform its duties as indenture trustee on behalf of the Holders or as custodian. DBNTC may perform certain of its obligations through one or more third party vendors. However, DBNTC shall remain liable for the duties and obligations required of it under the sale and servicing agreement.

DBNTC is providing the information in the foregoing paragraph at the depositor s request in order to assist the depositor with the preparation of its disclosure documents to be filed with the SEC pursuant to Regulation AB. Otherwise, DBNTC has not participated in the preparation of such disclosure documents and assumes no responsibility or liability for their contents.

Duties and Responsibilities

The indenture trustee will always maintain an office at a location in the United States of America where Notes may be surrendered for registration of transfer or exchange. Notices and demands to or upon the issuing entity in respect of the Notes and the indenture may be delivered at the corporate trust office of the indenture trustee.

The indenture trustee shall preserve, in as current a form as is reasonably practicable, the names and addresses of the noteholders contained in the most recent list, if any, furnished to the indenture trustee as provided in the indenture and the names and addresses of the noteholders received by the indenture trustee in its capacity as note registrar.

The indenture trustee shall (i) on or prior to the closing date execute and deliver the acknowledgement of receipt of the mortgage loans required by the sale and servicing agreement, (ii) on or prior to sixty (60) days following the closing date execute and deliver the initial certification required by the sale and servicing agreement, and (iii) on or prior to one hundred eighty (180) days following the closing date execute and deliver the final certification required by the sale and servicing agreement.

If the indenture trustee during the process of reviewing the indenture trustee s mortgage files finds any document constituting a part of a indenture trustee s mortgage file which is not executed, has not been received, is unrelated to the mortgage loan identified in the related mortgage loan schedule, or does not conform to the requirements of the sale and servicing agreement or the description thereof as set forth in the related mortgage loan schedule, the indenture trustee shall promptly so notify the Servicer and the Sponsor. Upon receipt of such notice respecting such defect, the Depositor and the Sponsor shall have a sixty (60) day period after such notice within which to correct or cure any such defect, or if the Servicer determines that the defect materially and adversely affects the value of the related mortgage loan or the interest of the noteholders in the related mortgage loan, to either (i) substitute in lieu of such mortgage loan a Qualified Substitute Mortgage Loan in the manner and subject to the conditions set forth in the sale and servicing agreement or (ii) purchase such mortgage loan at a purchase price specified in the sale and servicing agreement.

See *Description of the Notes and the Trust Certificates Reports to Noteholders* for information regarding the reporting responsibilities of the indenture trustee.

Immediately after the occurrence of any event of default known to a responsible officer of the indenture trustee, the indenture trustee shall transmit by mail to the sponsor notice of each such event of default and, within ninety (90) days after the occurrence of any event of default known to a responsible officer of the indenture trustee, the indenture trustee shall transmit by mail to all noteholders notice of each such event of default, unless such event of default shall have been cured or waived. Concurrently with the mailing of any such notice to the noteholders, the indenture trustee shall transmit by mail a copy of such notice to the rating agencies and the hedge provider.

Resignation or Removal

No resignation or removal of the indenture trustee and no appointment of a successor indenture trustee pursuant to the indenture shall become effective until the acceptance of appointment by the successor indenture trustee. The indenture trustee may resign at any time by giving written notice thereof to the issuing entity and each rating agency. If an instrument of acceptance by a successor indenture trustee shall not have been delivered to the indenture trustee within thirty (30) days after the giving of such notice of resignation, the resigning indenture trustee may petition any court of competent jurisdiction for the appointment of a successor indenture trustee.

The indenture trustee may be removed at any time by the noteholders representing more than 50% of the Class Note Balance of the Outstanding Notes, by written notice delivered to the indenture trustee and to the issuing entity.

If at any time the indenture trustee shall have a conflicting interest prohibited by the indenture and shall fail to resign or eliminate such conflicting interest or the indenture trustee shall cease to be eligible under the indenture or shall become incapable of acting or shall be adjudged bankrupt or insolvent, or a receiver of the indenture trustee or of its property shall be appointed, or any public officer shall take charge or control of the indenture trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation; then, in any such case, the owner trustee, on behalf of the issuing entity, may remove the indenture trustee.

Every successor indenture trustee appointed hereunder shall execute, acknowledge and deliver to the issuing entity and the retiring indenture trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring indenture trustee shall become effective and such successor indenture trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring indenture trustee. Notwithstanding the foregoing, upon a request of the owner trustee, on behalf of the issuing entity, or the successor indenture trustee, such retiring indenture trustee shall, upon payment of its charges and any fees, expenses or other amounts owing the indenture trustee, execute and deliver an instrument transferring to such successor indenture trustee all the rights, powers and trusts of the retiring indenture trustee, and shall duly assign, transfer and deliver to such successor indenture trustee all property and money held by such retiring indenture trustee under the indenture.

The servicer, on behalf of the issuing entity, shall give notice of each resignation and each removal of the indenture trustee and each appointment of a successor indenture trustee to the noteholders and the hedge provider. Each notice shall include the name of the successor indenture trustee and the address of its corporate trust office.

Limitations on Liability

The indenture trustee may not be relieved from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that the duties and obligations of the indenture trustee shall be determined solely by the express provisions of the indenture, the indenture trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in the indenture, no implied covenants or obligations shall be read into the indenture against the indenture trustee. No provision of the indenture shall require the indenture trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or indemnity satisfactory to it against such risk or liability is not reasonably assured to it under the indenture.

Indemnification

Under the indenture, the issuing entity will agree to indemnify the indenture trustee against losses, liability costs and expenses, including reasonable attorney s fees, incurred, arising out of or in connection with the related agreements or any other documents or agreements relating to the issuing entity or the notes, other than any loss, liability, cost or expense incurred solely by reason of willful malfeasance, bad faith or negligence of the indenture trustee in the performance of its duties under the related agreements or by reason of its failure to perform its obligations under the indenture. The indemnities will be paid from Available Funds as described under *Description of the Notes and the Trust Certificates Payments of Interest, Payments of Principal, and Allocation of Net Monthly Excess Cashflow* in this free writing prospectus. To the extent that any such indemnities are not otherwise satisfied by the issuing entity, they will be paid by the servicer.

The Swap and Cap Provider

Credit Suisse International (CSi) was incorporated in England and Wales under the Companies Act 1985 on May 9, 1990 with registered no. 2500199 and was re-registered as unlimited under the name Credit Suisse Financial Products on July 6, 1990. Its registered office and principal place of business is at One Cabot Square, London E14 4QJ. CSi is an English bank and is regulated as a European Union credit institution by The Financial Services Authority (FSA) under the Financial Services and Markets Act 2000. The FSA has issued a scope of permission notice authorizing CSi to carry out specified regulated investment activities. Effective as of March 27, 2000, Credit Suisse Financial Products was renamed Credit Suisse First Boston International and, effective as of January 16, 2006, was renamed Credit Suisse International . These changes were renamings only.

CSi is an unlimited liability company and, as such, its shareholders have a joint, several and unlimited obligation to meet any insufficiency in the assets of CSi in the event of its liquidation. CSi s ordinary voting shares are owned, as to 56%, by Credit Suisse, as to 24%, by Credit Suisse (International) Holding AG and, as to 20%, by Credit Suisse Group. CSi commenced business on July 16, 1990. Its principal business is banking, including the trading of derivative products linked to interest rates, equities, foreign exchange, commodities and credit.

CSi has been assigned a senior unsecured debt rating of AA- (stable outlook) by Standard & Poor s Ratings Services, a division of The McGraw-Hill Companies, Inc., a senior debt rating of Aa3 (stable outlook) by Moody s Investors Service Inc. and a long-term rating of AA- (stable outlook) by Fitch Ratings.

The aggregate significance percentage (as calculated in accordance with Regulation AB Item 1115) of the interest rate swap agreement and the interest rate cap agreement is less than 10%. The swap and cap provider may be replaced if the aggregate significance percentage of the interest rate swap agreement and the interest rate cap agreement is more than 10% as set forth in the interest rate swap agreement and the interest rate cap agreement and if the swap and cap provider cannot comply with the provisions set forth in Regulation AB Item 1115.

Description of the Notes and the Trust Certificates

Capitalized terms used in this free writing prospectus are defined under the caption Glossary.

On the closing date, the issuing entity will issue the notes pursuant to the indenture. Each note represents a debt obligation of the issuing entity primarily secured by a pledge of a portion of the trust estate.

Pursuant to the trust agreement, the issuing entity will also issue a class of trust certificates, representing the entire beneficial ownership interest in the issuing entity. The trust certificates will represent the entire beneficial ownership interest in the mortgage loans and will be held by the depositor. The trust certificates may not be transferred without complying with the transfer provisions of the trust agreement.

The notes will be issued only in book-entry form, in denominations of $25,000 initial principal balance and integral multiples of $1,000 in excess thereof, except that one note of each class may be issued in a different amount; provided, however, that the underwriter will only sell offered notes to initial investors in minimum total investment amounts of $100,000. The notes are available in book-entry form only, through the facilities of The Depository Trust Company or DTC .

Book-Entry Notes

The notes are sometimes referred to in this free writing prospectus as book-entry notes. The book-entry notes will be issued in one or more notes which equal the aggregate principal balance of the notes and will initially be registered in the name of Cede & Co., which will be the holder of the notes, as the nominee of DTC. Persons acquiring beneficial ownership interests in the notes will hold their notes through DTC in the United States or Clearstream Banking, societé anonyme or Euroclear Bank, as operator of the Euroclear System, in Europe, if they are participants of such systems, or indirectly through organizations which are participants in such systems. Clearstream Banking, societé anonyme, and Euroclear Bank will hold omnibus positions on behalf of their participants through customers securities accounts in Clearstream Banking, societé anonyme and Euroclear Bank names on the books of their respective depositaries, which in turn will hold such positions in customers securities accounts in the depositaries names on the books of DTC. Citibank, N.A. will act as depositary for Clearstream, and JPMorgan Chase Bank, N.A., will act as depositary for Euroclear Bank.

Investors may hold such beneficial interests in the book-entry notes in minimum denominations representing principal amounts of $25,000 and in integral multiples of $1,000 in excess thereof. Except as described in the prospectus under *Description of the Securities Form of Securities,* no beneficial owner will be entitled to receive a physical or definitive note representing such note. Unless and until definitive notes are issued, it is anticipated that the only holder of such notes will be Cede & Co., as nominee of DTC. Beneficial owners will not be holders or noteholders as those terms are used in the indenture and the sale and servicing agreement. Beneficial owners are only permitted to exercise their rights indirectly through participants and DTC. For information with respect to tax documentation procedures relating to the notes, see *Annex I Global Clearance, Settlement and Tax Documentation Procedures* attached to the accompanying prospectus.

None of the issuing entity, the owner trustee, the sponsor, the servicer, or the indenture trustee will have any responsibility for any aspect of the records relating to or payments made on account of beneficial ownership interests of the book-entry notes held by Cede & Co., as nominee for DTC, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Assignment and Pledge of Mortgage Loans

Pursuant to the sale and servicing agreement, the sponsor will direct the depositor to sell, transfer, assign, set over and otherwise convey without recourse to the issuing entity, all right, title and interest in and to each mortgage loan, including all scheduled payments of principal and interest due after the close of business on the Cut-off Date. The depositor will not convey, and the depositor reserves and retains all its right, title and interest in and to, (x) scheduled payments of principal and interest due on each mortgage loan on or prior to the Cut-off Date and (y) principal prepayments in full, curtailments (i.e., partial prepayments) and unscheduled recoveries of principal received on each such mortgage loan prior to the Cut-off Date.

Pursuant to the indenture, the issuing entity will pledge to the indenture trustee in trust for the benefit of the noteholders, all right, title and interest in and to the mortgage loans, as collateral security for the notes.

Delivery of Mortgage Loan Documents

In connection with the sale, transfer, assignment or pledge of the mortgage loans to the issuing entity, the sponsor will deliver or cause to be delivered to the indenture trustee, on or prior to the closing date, the following documents with respect to each mortgage loan which constitute the mortgage file:

(a) the original mortgage note, endorsed without recourse in blank or to the indenture trustee by the sponsor, including all intervening endorsements showing a complete chain of endorsement;

(b) the related original mortgage with evidence of recording indicated thereon or a copy thereof certified by the applicable recording office, the sponsor or the sponsor s closing agent in connection with the closing of the mortgage loan and if the mortgage loan is registered on the MERS system (as described below), such mortgage or an assignment of the mortgage will reflect MERS as the mortgagee of record and will include the MERS mortgage identification number;

(c) each intervening mortgage assignment, if any, with evidence of recording indicated thereon, or if the original is not available, a copy thereof certified by the applicable recording office, the sponsor or the sponsor s closing agent in connection with the closing of the mortgage loan, showing a complete chain of assignment from the originator of the related mortgage loan to the sponsor (or to MERS, if the mortgage loan is registered on the MERS system and indicating the mortgage identification number, if the mortgage loan is so registered) which assignment may, at the sponsor s option, be combined with the assignment referred to in clause (d) below;

(d) unless the mortgage is registered on the MERS system, a mortgage assignment in recordable form, which, if acceptable for recording in the relevant jurisdiction, may be included in a blanket assignment or assignments, of each mortgage from the sponsor to the indenture trustee;

(e) originals of all assumption, modification and substitution agreements in those instances where the terms or provisions of a mortgage or mortgage note have been modified or such mortgage or mortgage note has been assumed; and

(f) an original title insurance policy or title opinion (or (A) a copy of the title insurance policy or title opinion or (B) the related binder, commitment or preliminary report, or

copy thereof, in which case the sponsor certifies that the original mortgage has been delivered for recordation to the title insurance company that issued such binder, commitment or preliminary report).

Pursuant to the indenture, the indenture trustee agrees to execute and deliver on or prior to the closing date an acknowledgment of receipt of the original mortgage note, item (a) above, with respect to each of the mortgage loans, with any exceptions noted. The indenture trustee agrees, for the benefit of the noteholders, to review, or cause to be reviewed, each mortgage file within sixty days after the closing date or, with respect to any Qualified Substitute Mortgage Loan, within sixty days after the receipt by the indenture trustee thereof and to deliver a certification generally to the effect that, as to each mortgage loan listed in the schedule of mortgage loans:

all documents required to be reviewed by it pursuant to the indenture are in its possession,

each such document has been reviewed by it and has not been mutilated, damaged, torn or otherwise physically altered, appears regular on its face and relates to such mortgage loan, and

based on its examination and only as to the foregoing documents, certain information set forth on the schedule of mortgage loans accurately reflects the information set forth in the mortgage file delivered on such date.

If the indenture trustee, during the process of reviewing the mortgage files, finds any document constituting a part of a mortgage file which is not executed, has not been received, is unrelated to the mortgage loan, or does not conform to the requirements in the sale and servicing agreement, the indenture trustee will promptly so notify the servicer and the sponsor in writing with details thereof. The sponsor agrees to use reasonable efforts to cause to be remedied such defect in a document constituting part of a mortgage file of which it is so notified by the indenture trustee. If, however, within sixty days after the indenture trustee s notice of such defect, the sponsor has not caused the defect to be remedied and the defect materially and adversely affects the value of the related mortgage loan or the interest of the noteholders in the related mortgage loan, the sponsor will either (a) substitute in lieu of such mortgage loan a Qualified Substitute Mortgage Loan and, if the then outstanding principal balance of such Qualified Substitute Mortgage Loan is less than the principal balance of such mortgage loan as of the date of such substitution plus accrued and unpaid interest thereon, deliver to the servicer a substitution adjustment equal to the amount of any such shortfall or (b) purchase such mortgage loan at a purchase price equal to the outstanding principal balance of such mortgage loan as of the date of purchase, plus the greater of (x) all accrued and unpaid interest thereon and (y) thirty days interest thereon, computed at the related mortgage interest rate, net of the servicing fee if the servicer is effecting the repurchase, plus, in each case, the amount of any unreimbursed Delinquency Advances and Servicing Advances, plus any costs and damages incurred by the issuing entity in connection with any violation by such mortgage loans of any predatory or abusive lending law. The purchase price will be deposited in the collection account after deducting therefrom any amounts received in respect of such repurchased mortgage loan or loans being held in the collection account for future payment to the noteholders to the extent such amounts have not yet been applied to principal or interest on such mortgage loan. In the event a defective mortgage loan is liquidated before it is repurchased by the sponsor, the sponsor is obligated to pay any realized losses with respect to such defective mortgage loan. The obligation of the sponsor to repurchase or substitute for a defective mortgage loan is the sole remedy regarding any defects in the mortgage file available to the indenture trustee or the noteholders.

The mortgages for certain mortgage loans were or may be, at the sole discretion of the sponsor, originally recorded in the name of Mortgage Electronic Registration Systems, Inc. (MERS), solely as

nominee for the sponsor, and its successors and assigns. Subsequent assignments of such mortgages were or may be, at the sole discretion of the servicer, registered electronically through the MERS system. Alternatively, for certain other mortgage loans, (i) the mortgage may have been originally recorded in the name of the sponsor, (ii) record ownership was later assigned to MERS, solely as nominee for the sponsor, and (iii) subsequent assignments of the mortgage were registered electronically through the MERS system. For each of such mortgage loans registered with MERS, MERS serves as mortgagee of record on the mortgage solely as a nominee in an administrative capacity on behalf of the indenture trustee, and does not have any beneficial interest in the mortgage loan.

Representations and Warranties of the Sponsor

The sponsor will represent, among other things, with respect to each mortgage loan, as of the closing date, the following:

1. the information set forth in the schedule of mortgage loans with respect to each mortgage loan is true and correct;

2. all of the original or certified documentation constituting the mortgage files, including all material documents related thereto, has been or will be delivered to the indenture trustee on the closing date;

3. the mortgaged property consists of a single parcel of real property upon which is erected a detached one- to four-family dwelling, an individual condominium unit in a low-rise condominium, or an individual unit in a planned unit development;

4. each mortgage loan at the time it was made complied with, and each mortgage loan at all times was serviced in compliance with, in each case, in all material respects, applicable local, state and federal laws and regulations, including, without limitation, usury, equal credit opportunity, consumer credit, truth-in-lending, recording and disclosure laws, and all applicable predatory and abusive lending laws;

5. each mortgage is a valid first or second lien on a fee simple, or its equivalent under applicable state law, or leasehold estate in the real property securing the amount owed by the mortgagor under the mortgage note subject only to:

- the lien of current real property taxes and assessments which are not delinquent,

- covenants, conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording of such mortgage, such exceptions appearing of record being acceptable to mortgage lending institutions generally in the area wherein the property subject to the mortgage is located or specifically reflected in the appraisal obtained in connection with the origination of the related mortgage loan obtained by the sponsor or related originator, and

- other matters to which like properties are commonly subject which do not materially interfere with the benefits of the security intended to be provided by such mortgage;

6. immediately prior to the transfer and assignment by the depositor to the issuing entity, the depositor had good title to, and was the sole owner of each mortgage loan, free of any interest of any other person, and the depositor has transferred all right, title and interest in each mortgage loan to the issuing entity;

7. the number of mortgage loans which are more than 30 days delinquent do not exceed 20% of the Initial Pool Balance of the mortgage loans;

8. each mortgage loan conforms, and all such mortgage loans in the aggregate conform, to the description thereof set forth in this free writing prospectus; and

9. all of the mortgage loans were originated in accordance with the underwriting criteria set forth herein.

Pursuant to the sale and servicing agreement, upon the earlier of discovery by the sponsor or its receipt of notice from any noteholder, the sponsor, the servicer or the indenture trustee of a breach of any of the representations and warranties contained in the sale and servicing agreement which materially and adversely affects the value of the related mortgage loan or the interests of the noteholders in the related mortgage loan, the sponsor will have a period of sixty days to effect a cure. If the breach is not cured within the sixty-day period, the depositor will, and if the depositor fails to, then the sponsor will either (a) substitute for such mortgage loan a Qualified Substitute Mortgage Loan or (b) purchase such mortgage loan from the issuing entity, such repurchase amount to include any costs and damages incurred by the issuing entity in connection with a violation of a predatory or abusive lending law. The same procedures and limitations that are set forth above for the substitution or purchase of a defective mortgage loan as a result of deficient documentation will apply to the substitution or purchase of a mortgage loan as a result of a breach of a representation or warranty in the sale and servicing agreement that materially and adversely affects the value of the related mortgage loan or the interests of the noteholders in the related mortgage loan. In the event a mortgage loan with respect to which a representation or warranty has been breached is liquidated before it is repurchased by the depositor or the sponsor, the depositor or the sponsor must pay any realized losses with respect to such mortgage loan.

In addition, the sponsor will be obligated to indemnify the issuing entity, the depositor, the owner trustee, the indenture trustee and the noteholders for any third-party claims arising out of a breach by the sponsor of representations or warranties regarding the mortgage loans. The obligation of the sponsor to cure such breach or to substitute for or purchase any mortgage loan and to indemnify constitute the sole remedies respecting a material breach of any such representation or warranty to the noteholders, the issuing entity, the indenture trustee, the owner trustee and the depositor.

Payments on the Mortgage Loans

The servicer is obligated to establish and maintain a separate collection account, which will generally be (a) an account maintained with a depository institution or trust company or (b) trust accounts maintained with a depository institution acceptable to each rating agency rating this offering. The servicer may direct any depository institution maintaining the collection account to invest the funds in the collection account in one or more eligible investments that mature, unless payable on demand, no later than the business day preceding the date on which the servicer is required to transfer the Servicer Remittance Amount from the collection account into the payment account, as described below.

The servicer is obligated to deposit or cause to be deposited in the collection account in accordance with the time frame set forth in the sale and servicing agreement, amounts representing the following payments received and collections made by it after the related Cut-off Date, other than in respect of scheduled monthly payments on the mortgage loans due on a date occurring on or prior to the related Cut-off Date:

- all payments on account of principal of the mortgage loans, including scheduled principal payments, full and partial principal prepayments and prepayment penalties collected in connection therewith;

all payments on account of interest on the mortgage loans;

all Net REO Proceeds;

all Net Liquidation Proceeds;

all Insurance Proceeds;

all other amounts required to be deposited in the collection account pursuant to the sale and servicing agreement; and

any amounts required to be deposited in connection with net losses realized on investments of funds in the collection account.

The indenture trustee will be obligated to establish and maintain a payment account into which the servicer will deposit or cause to be deposited the Servicer Remittance Amount on the related Servicer Remittance Date. All income or other gains, if any, from investment of moneys in the payment account shall be for the benefit of the indenture trustee.

The Servicer may make withdrawals from the collection account, on or prior to any Servicer Remittance Date, for the following purposes:

(i) to pay to the sponsor or the depositor amounts received in respect of any mortgage loan purchased or substituted for by the sponsor or the depositor any amounts realized by the issuing entity in excess of the purchase or substitution amounts;

(ii) to reimburse the servicer for unreimbursed Delinquency Advances and unreimbursed Servicing Advances with respect to a mortgage loans from collections of or relating to such mortgage loan;

(iii) to reimburse the servicer for any Delinquency Advances and Servicing Advances determined in good faith to have become nonrecoverable advances, such reimbursement to be made from any funds in the collection account;

(iv) to withdraw any amount received from a mortgagor that is recoverable and sought to be recovered as a voidable preference by a trustee in bankruptcy pursuant to the Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction;

(v) to withdraw any funds deposited in the collection account that were not required to be deposited therein;

(vi) to pay the servicer the servicing compensation to the extent not retained or paid;

(vii) without duplication, and solely out of amounts which are payable to a former servicer in respect of unreimbursed Servicing Advances and Delinquency Advances, to pay to the indenture trustee or any successor servicer amounts paid by them in connection with the transfer of the servicer s servicing obligations upon a termination of the servicer and required under the sale and servicing agreement to be borne by the Servicer;

(viii) to withdraw income on the collection account; and

(ix) amounts deposited into the collection account in respect of late fees, assumption fees and similar fees (other than Prepayment Charges).

Payments of Interest

Calculation of Interest. The amount of interest payable on each payment date in respect of each class of Notes will equal the Accrued Note Interest for such class on such date, plus any unpaid Accrued Note Interest for such class from prior payment dates. Interest will accrue on the Offered Notes on the basis of a 360-day year and the actual number of days elapsed in each related Interest Accrual Period.

The Interest Rates for each class of Notes will be the applicable annual rate described below:

Class A-1 Notes, the least of (i) one-month LIBOR plus [__]% per annum, (ii) the Available Funds Cap and (iii) 14.00% per annum.

Class A-2 Notes, the least of (i) one-month LIBOR plus [__]% per annum, (ii) the Available Funds Cap and (iii) 14.00% per annum.

Class A-3 Notes, the least of (i) one-month LIBOR plus [__]% per annum, (ii) the Available Funds Cap and (iii) 14.00% per annum.

Class A-4 Notes, the least of (i) one-month LIBOR plus [__]% per annum, (ii) the Available Funds Cap and (iii) 14.00% per annum.

Class M-1 Notes, the least of (i) one-month LIBOR plus [__]% per annum, (ii) the Available Funds Cap and (iii) 14.00% per annum.

Class M-2 Notes, the least of (i) one-month LIBOR plus [__]% per annum, (ii) the Available Funds Cap and (iii) 14.00% per annum.

Class M-3 Notes, the least of (i) one-month LIBOR plus [__]% per annum, (ii) the Available Funds Cap and (iii) 14.00% per annum.

Class M-4 Notes, the least of (i) one-month LIBOR plus [__]% per annum, (ii) the Available Funds Cap and (iii) 14.00% per annum.

Class M-5 Notes, the least of (i) one-month LIBOR plus [__]% per annum, (ii) the Available Funds Cap and (iii) 14.00% per annum.

Class M-6 Notes, the least of (i) one-month LIBOR plus [__]% per annum, (ii) the Available Funds Cap and (iii) 14.00% per annum.

Class M-7 Notes, the least of (i) one-month LIBOR plus [__]% per annum, (ii) the Available Funds Cap and (iii) 14.00% per annum.

Class M-8 Notes, the least of (i) one-month LIBOR plus [__]% per annum, (ii) the Available Funds Cap and (iii) 14.00% per annum.

Class M-9 Notes, the least of (i) one-month LIBOR plus [______]% per annum, (ii) the Available Funds Cap and (iii) 14.00% per annum.

Step-up in Interest Rates and Margins.

If the depositor does not exercise its clean-up call option at the earliest possible date, then, on the next payment date, the margins with respect to each class of Class A Notes will increase to twice their initial margins, and the margins with respect to each class of Class M Notes will increase to 1.5 times their initial margins.

Interest Payment Priorities.

On each payment date, Available Funds will be applied to pay the satisfaction of the indenture trustee fee and certain expenses and indemnification liabilities of the issuing entity to the indenture trustee in an amount not to exceed $125,000 in any calendar year and to the extent allowed by the indenture. On the payment date, the indenture trustee shall make the payment to the swap provider set forth in clause (i)(x) below, but only to the extent that there are sufficient funds to make such payment after making each of the payments to be made on such payment date that are senior to such payment (as set forth in the previous sentence). Available Funds then will be allocated as follows:

(i) From Available Funds, to the swap provider the sum of (x) all net swap payments and (y) any swap termination payments other than a Defaulted Swap Termination Payment,

(ii) from the Distributable Interest Amount concurrently to the Class A-1, Class A-2, Class A-3 and Class A-4 Notes, their Accrued Note Interest allocated based on their entitlement to those amounts, and

(iii) from any remaining Distributable Interest Amount, to the Class M Notes, sequentially, in ascending numerical order, their Accrued Note Interest.

Payments of Principal

On each payment date (A) prior to the Step-Down Date or (B) on which a Trigger Event is in effect, principal distributions will be allocated from the remaining Available Funds (and to the extent Available Funds are insufficient, any prepayment penalties collected by the servicer during the related Prepayment Period) after payment of amounts described under *Description of the Notes and the Trust Certificate Payments of Interest Interest Payment Priorities* up to the Principal Distribution Amount as follows:

(i) to the Class A-1, Class A-2, Class A-3 and Class A-4 Notes, sequentially, in that order, until their respective Class Note Balances have been reduced to zero, and

(ii) to the Class M Notes, sequentially, in ascending numerical order, until their respective Adjusted Class Note Balances have been reduced to zero.

On each payment date (A) on or after the Step-Down Date and (B) on which a Trigger Event is not in effect, principal distributions will be allocated from the remaining Available Funds (and to the extent the remaining Available Funds are insufficient, any prepayment penalties collected by the servicer during the related Prepayment Period) after payment of amounts described under *Description of the Notes and the Trust Certificate Payments of Interest Interest Payment Priorities* as follows:

(i) to the Class A-1, Class A-2, Class A-3 and Class A-4 Notes, sequentially, in that order, the lesser of the Principal Distribution Amount and the Class A Principal Distribution Amount, until their respective Class Note Balances have been reduced to zero,

(ii) to the Class M-1, Class M-2 and Class M-3 Notes, sequentially, in that order, the lesser of the remaining Principal Distribution Amount and the Class M-3 Principal Distribution Amount, until their respective Adjusted Class Note Balances have been reduced to zero,

(iii) to the Class M-4 Notes, the lesser of the remaining Principal Distribution Amount and the Class M-4 Principal Distribution Amount, until its Adjusted Class Note Balance has been reduced to zero,

(iv) to the Class M-5 Notes, the lesser of the remaining Principal Distribution Amount and the Class M-5 Principal Distribution Amount, until its Adjusted Class Note Balance has been reduced to zero,

(v) to the Class M-6 Notes, the lesser of the remaining Principal Distribution Amount and the Class M-6 Principal Distribution Amount, until its Adjusted Class Note Balance has been reduced to zero,

(vi) to the Class M-7 Notes, the lesser of the remaining Principal Distribution Amount and the Class M-7 Principal Distribution Amount, until its Adjusted Class Note Balance has been reduced to zero,

(vii) to the Class M-8 Notes, the lesser of the remaining Principal Distribution Amount and the Class M-8 Principal Distribution Amount, until its Adjusted Class Note Balance has been reduced to zero, and

(viii) to the Class M-9 Notes, the lesser of the remaining Principal Distribution Amount and the Class M-9 Principal Distribution Amount, until its Adjusted Class Note Balance has been reduced to zero.

However, on any payment date on which the overcollateralization amount has been reduced to zero, and the aggregate outstanding Adjusted Class Note Balance of the Class M Notes has been reduced to zero, then any payments of principal to be made on the Class A Notes shall be made to such holders on a pro rata basis, rather than sequentially as described above.

Notwithstanding the foregoing, on any payment date on which the Class Note Balances of the Class A Notes have been reduced to zero, on such payment date principal distributions to the Class M Notes should be allocated in accordance with the priorities set forth above with respect to payments on or after the Step-Down Date.

Allocation of Net Monthly Excess Cashflow

For any payment date, any Net Monthly Excess Cashflow shall be paid as follows:

(i) concurrently, any Available Funds Cap Carry Forward Amount to each class of Class A Notes, pro rata by the respective Available Funds Cap Carry Forward Amount due to such classes of Notes,

(ii) sequentially, to the Class M Notes in ascending numerical order, any Available Funds Cap Carry Forward Amount for such classes,

(iii) to the Class M Notes, sequentially and in ascending numerical order, any Principal Deficiency Amount allocated for each such class,

(iv) to the Class M Notes, sequentially in ascending numerical order, any Deferred Interest in respect of any Principal Deficiency Amount allocated to such classes,

(v) to pay to the indenture trustee and the owner trustee, any amounts due to them, not previously paid or reimbursed,

(vi) to the trust certificates, any remaining amounts, and

(vii) to the swap provider, the amount of any Defaulted Swap Termination Payment.

Provided, however, that in the event that the net interest margin securities (if any) for which the trust certificates serve as collateral are not outstanding, then the priorities in clauses (vi) and (vii) above are reversed.

Fees and Expenses

The following table provides an itemized list of the fees and expenses that will be paid on each payment date from the Available Funds in order of priority.

Fee	*General Purpose of the Fee*	*Party Receiving the Fee*	*Amount or Calculation of Fee*
Servicing Fee(1)	*performance of the servicer s duties under the sale and servicing agreement*	*Accredited Home Lenders, Inc.*	*0.500% per annum*
Swap Provider Fee(2)	*performance of the swap provider s duties under the swap agreement*	*Credit Suisse International*	*5.180% per annum*
Indenture Trustee Fee(2)	*performance of the indenture trustee s duties under the indenture*	*Deutsche Bank National Trust Company*	*0.004% per annum*

(1) The servicing fee is paid from amounts on deposit in the collection account.
(2) The swap provider fee and the indenture trustee fee is paid on a first priority basis from Available Funds.

Interest Rate Swap Agreement

Under the interest rate swap agreement, on each payment date, the issuing entity will pay to the swap provider fixed payments at a rate of 5.180% per annum (on the basis of a 30/360 day count fraction) (or in the case of the first payment date, the actual number of days elapsed between the closing date and the first payment date, determined on the basis of a 30/360 day count fraction), and the swap provider will pay to the issuing entity a floating payment equal to LIBOR (as determined pursuant to the interest rate swap agreement) (on the basis of an actual/360 day count fraction), in each case calculated on a scheduled notional amount, and, in each case adjusted on a monthly basis. The notional amounts are set forth on Schedule 1 to this free writing prospectus. To the extent that a fixed payment exceeds the floating payment on any payment date, amounts otherwise available to noteholders will be applied to make a net payment to the swap provider, and to the extent that a floating payment exceeds the fixed payment on any payment date, the swap provider will owe a net payment to the issuing entity.

All payments (other than termination payments) due to the swap provider under the interest rate swap agreement shall be paid from Available Funds on each payment date in accordance with the priority of payments described herein. Any termination payments (other than Defaulted Swap Termination Payments) due to the swap provider shall be paid from Available Funds on a senior basis on each payment date in accordance with the priority of payments and any Defaulted Swap Termination Payments owed by the issuing entity to the swap provider shall be paid by the issuing entity on a subordinated basis. See Description of the Notes and the Trust Certificates Payments of Interest.

The interest rate swap agreement may be terminated in accordance with its terms, whether or not the notes have been paid in full or redeemed prior to such termination, upon the earliest to occur of: (i) failure on the part of the issuing entity or the swap provider to make any payment under certain circumstances under the interest rate swap agreement that is unremedied within the applicable grace period, (ii) a representation of the swap provider in the interest rate swap agreement proves to have been incorrect or misleading in any material respect; (iii) the failure of the swap provider under certain circumstances to conform to or maintain the credit support annex entered into as part of the interest rate swap agreement or other credit support document or the failure of the issuing entity to comply with such credit support annex, (iv) certain cross defaults by the swap provider, (v) certain events of bankruptcy, conservatorship, dissolution, reorganization or other related events of the issuing entity or the swap provider, (vi) a consolidation, merger, sale by the swap provider of substantially all of its assets or similar transaction in which the resulting, surviving or transferee entity fails to assume all the obligations of the swap provider under the interest rate swap agreement, (vii) a change in law making it illegal for either the issuing entity or the swap provider to make or receive a payment or comply with any material provision of the interest rate swap agreement, (viii) any action taken by a taxing authority or brought in a court of competent jurisdiction or any change in tax law results in, or there is a substantial likelihood that such action or change will result in, certain unfavorable tax consequences to the issuing entity or the swap provider, (ix) the swap provider engages in a consolidation, merger, sale of substantially all of its assets or similar transaction that results in certain unfavorable tax consequences to the issuing entity or the swap provider, (x) commencement of the liquidation of all collateral pledged to the indenture trustee under the indenture following an event of default that has resulted in the acceleration of the notes, (xi) receipt by the indenture trustee of a direction for an optional redemption of the notes, (xii) the indenture is amended or modified without the prior written consent of the swap provider (where such consent is required under the terms of the indenture) or (xiii) certain other events specified in the interest rate swap agreement.

The issuing entity has the right to terminate the interest rate swap following the occurrence of any of the events listed above; provided that with respect to (i), (iii) and (v), the issuing entity is not the defaulting party and with respect to (vii) and (viii), the issuing entity is not the sole affected party. The swap provider has the right to terminate the interest rate swap following the occurrence of (i), (v), (vii) and (xii); provided that with respect to (i) and (v), the swap provider is not the defaulting party and with respect to (vii) and (viii), the swap provider is not the sole affected party.

The issuing entity also has the right to terminate the interest rate swap agreement if the sponsor notifies the swap provider that the aggregate significance percentage of all derivative instruments (as such term is defined in Item 1115(b)(2) of Regulation AB) provided by the swap provider and any of its affiliates to the issuing entity (the Significance Percentage) is 10% or more (a Swap Disclosure Event) and at least one of the following events has not occurred within the time period specified in the interest rate swap agreement:

(a) (i) if the Significance Percentage is 10% or more, but less than 20%, the swap provider shall provide the information set forth in Item 1115(b)(1) of Regulation AB for the swap provider (or for the group of affiliated entities, if applicable) or (ii) if the Significance Percentage is 20% or more, the swap provider shall provide the information set forth in Item 1115(b)(2) of Regulation AB for the swap provider (or for the group of affiliated entities, if applicable) (collectively, the Additional Swap Disclosure Information) to the sponsor; or

(b) an assignment of all of the swap provider s rights and obligations under the interest rate swap agreement to a replacement counterparty with the Required Swap Counterparty Rating or to a counterparty whose guarantor satisfies the Required Swap Counterparty Rating (or which satisfies the Rating Agency Condition), pursuant to documentation substantially similar to the documentation then in place and subject to prior notification to the rating agencies, which counterparty is willing to provide the Additional Swap Disclosure Information (with respect to itself or for its group of affiliated entities, if applicable) to the sponsor.

If a Swap Disclosure Event occurs and the events in (a) or (b) above have not occurred within the time period specified in the interest rate swap agreement, the date that the issuing entity or the swap provider, as the case may be, specifies in its notice of its election to terminate shall be the early termination date for the interest rate swap agreement.

If the swap provider s credit ratings fall below the levels specified in the interest rate swap agreement, then, unless (x) within 30 days thereafter, each rating agency has reconfirmed the rating of each of the Offered Notes which was in effect immediately prior to such withdrawal or downgrade, and (y) certain other conditions are met, the swap provider will be required to either (1) obtain a substitute swap provider with credit ratings at least equal to the specified levels which will assume the obligations of the swap provider under the interest rate swap agreement, (2) obtain a guaranty of, or a contingent agreement of another person to honor, the obligations of the swap provider under the interest rate swap agreement, in each case from a person with credit ratings at least equal to the specified levels, all as provided in the interest rate swap agreement, (3) post collateral pursuant to the credit support annex or (4) take such other action satisfactory to the rating agencies (such provisions, the Downgrade Provisions).

If the issuing entity is unable to or, if applicable, chooses not to obtain a substitute interest rate swap agreement in the event that the interest rate swap agreement is terminated, interest due on the notes will be paid from amounts received on the mortgage loans without the benefits of a interest rate swap agreement or a substitute interest rate swap agreement. There can be no assurance that such amounts will be sufficient to provide for the full payment of interest on the notes at the applicable note interest rate.

A termination of the interest rate swap agreement does not constitute an event of default under the indenture.

In the event that the issuing entity receives a swap termination payment, and a successor swap provider cannot be obtained, then the indenture trustee will be required to deposit the swap termination payment into a reserve account. On each subsequent payment date (so long as funds are available in such reserve account), the indenture trustee will be required to withdraw from such reserve account and deposit into the payment account an amount equal to the amount of any net swap payment due to the issuing entity (calculated in accordance with the terms of the original interest rate swap agreement) and treat such amount as a net swap payment for purposes of determining the distributions from the payment account. The remaining amount in the reserve account will remain in that account and not treated as a swap termination payment for purposes of determining the distributions from the payment account until the date on which the last payment on the swap is expected to be received, at which time the amount then on deposit therein will be transferred to the payment account and treated as part of Available Funds.

The occurrence of any optional redemption of the notes will most likely lead to the termination of the interest rate swap agreement. Such termination may require the issuing entity to make a termination payment to the swap provider, and the issuing entity may be unable to effect an optional redemption despite having sufficient proceeds prior to making such termination payment to pay or redeem the notes

and certain expenses in full. In addition, unless the swap provider otherwise consents, in order to liquidate the mortgage loans following an event of default, the interest rate swap agreement must be terminated and proceeds from such liquidation must be sufficient to pay any termination payment owing to the swap provider (unless the termination payment relates to a default by the swap provider) in addition to any amounts owing under the notes. As a result, as set forth in the indenture, the holders of the notes may be unable to effect a liquidation of the mortgage loans following an event of default despite the ability to receive sufficient proceeds, prior to the payment of such termination payment, to pay the notes and certain expenses in full.

On or after the closing date, (i) the issuing entity may, with the consent of the swap provider, assign or transfer all or a portion of the interest rate swap agreement, (ii) the swap provider may assign or transfer all or a portion of the interest rate swap agreement under certain circumstances to an affiliate, and with the consent of the issuing entity under other circumstances, (iii) the issuing entity and the swap provider may amend the interest rate swap agreement and/or (iv) the issuing entity may terminate and replace the interest rate swap agreement; provided, however, that in each such case (i), (ii), (iii) or (iv), the Rating Agency Condition has been satisfied.

The interest rate swap agreement will terminate by its terms after the payment date in January 2012 and from that date no further amounts will be paid to the swap provider by the issuing entity and no further amounts will be paid to the issuing entity by the swap provider.

The interest rate swap agreement will be governed by, and construed in accordance with, the laws of the State of New York without regard to the conflict of laws principles thereof and shall contain appropriate limited recourse and non-petition provisions as against the issuing entity.

Interest Rate Cap Agreement

Under the interest rate cap agreement, on each payment date, the cap provider will pay to the issuing entity an amount equal to the product of (x) the excess, if any, of (i) one-month LIBOR (as determined pursuant to the interest rate cap agreement), for the related calculation period (as defined in the interest rate cap agreement) over (ii) 5.320% per annum, (y) a scheduled notional amount for that payment date, and (z) a fraction, the numerator of which is equal to the actual number of days in the related calculation period and the denominator of which is 360. The notional amounts are set forth on Schedule 2 to this free writing prospectus.

The interest rate cap agreement may be terminated in accordance with its terms, whether or not the notes have been paid in full or redeemed prior to such termination, upon the earliest to occur of: (i) failure on the part of the cap provider to make any payment under certain circumstances under the interest rate cap agreement that is unremedied within the applicable grace period, (ii) a representation of the cap provider in the interest rate cap agreement proves to have been incorrect or misleading in any material respect; (iii) the failure of the cap provider under certain circumstances to conform to or maintain the credit support annex entered into as part of the interest rate cap agreement or other credit support document or the failure of the issuing entity to comply with such credit support annex, (iv) certain cross defaults by the cap provider, (v) certain events of bankruptcy, conservatorship, dissolution, reorganization or other related events of the issuing entity or the cap provider, (vi) a consolidation, merger, sale by the cap provider of substantially all of its assets or similar transaction in which the resulting, surviving or transferee entity fails to assume all the obligations of the cap provider under the interest rate cap agreement, (vii) a change in law making it illegal for either the issuing entity or the cap provider to make or receive a payment or comply with any material provision of the interest rate cap agreement, (viii) any action taken by a taxing authority or brought in a court of competent jurisdiction or any change in tax law results in, or there is a substantial likelihood that such action or change will result in, certain unfavorable tax consequences to the issuing entity or the cap provider, (ix) the cap provider engages in a

consolidation, merger, sale of substantially all of its assets or similar transaction that results in certain unfavorable tax consequences to the issuing entity or the cap provider, (x) commencement of the liquidation of all collateral pledged to the indenture trustee under the indenture following an event of default that has resulted in the acceleration of the notes, (xi) receipt by the indenture trustee of a direction for an optional redemption of the notes, (xii) the indenture is amended or modified without the prior written consent of the cap provider (where such consent is required under the terms of the indenture) or (xiii) certain other events specified in the interest rate cap agreement.

The issuing entity has the right to terminate the interest rate cap following the occurrence of any of the events listed above; provided that with respect to (iii) and (v), the issuing entity is not the defaulting party and with respect to (vii) and (viii), the issuing entity is not the sole affected party. The cap provider has the right to terminate the interest rate cap following the occurrence of (v), (vii) and (xii); provided that with respect to (v), the cap provider is not the defaulting party and with respect to (vii) and (viii), the cap provider is not the sole affected party.

The issuing entity also has the right to terminate the interest rate cap agreement if the sponsor notifies the cap provider that the aggregate significance percentage of all derivative instruments (as such term is defined in Item 1115(b)(2) of Regulation AB) provided by the cap provider and any of its affiliates to the issuing entity (the Significance Percentage) is 10% or more (a Cap Disclosure Event) and at least one of the following events has not occurred within the time period specified in the interest rate cap agreement:

(a) (i) if the Significance Percentage is 10% or more, but less than 20%, the cap provider shall provide the information set forth in Item 1115(b)(1) of Regulation AB for the cap provider (or for the group of affiliated entities, if applicable) or (ii) if the Significance Percentage is 20% or more, the cap provider shall provide the information set forth in Item 1115(b)(2) of Regulation AB for the cap provider (or for the group of affiliated entities, if applicable) (collectively, the Additional Cap Disclosure Information) to the sponsor; or

(b) an assignment of all of the cap provider s rights and obligations under the interest rate cap agreement to a replacement counterparty with the Required Cap Counterparty Rating or to a counterparty whose guarantor satisfies the Required Cap Counterparty Rating (or which satisfies the Rating Agency Condition), pursuant to documentation substantially similar to the documentation then in place and subject to prior notification to the rating agencies, which counterparty is willing to provide the Additional Cap Disclosure Information (with respect to itself or for its group of affiliated entities, if applicable) to the sponsor.

If a Cap Disclosure Event occurs and the events in (a) or (b) above have not occurred within the time period specified in the interest rate cap agreement, the date that the issuing entity or the cap provider, as the case may be, specifies in its notice of its election to terminate shall be the early termination date for the interest rate cap agreement.

If the cap provider s credit ratings fall below the levels specified in the interest rate cap agreement, then, unless (x) within 30 days thereafter, each rating agency has reconfirmed the rating of each of the Offered Notes which was in effect immediately prior to such withdrawal or downgrade, and (y) certain other conditions are met, the cap provider will be required to either (1) obtain a substitute cap provider with credit ratings at least equal to the specified levels which will assume the obligations of the cap provider under the interest rate cap agreement, (2) obtain a guaranty of, or a contingent agreement of another person to honor, the obligations of the cap provider under the interest rate cap agreement, in each case from a person with credit ratings at least equal to the specified levels, all as provided in the interest rate cap agreement or (3) post collateral or take such other action satisfactory to the rating agencies (such provisions, the Downgrade Provisions).

If the issuing entity is unable to or, if applicable, chooses not to obtain a substitute interest rate cap agreement in the event that the interest rate cap agreement is terminated, interest due on the notes will be paid from amounts received on the mortgage loans without the benefits of a interest rate cap agreement or a substitute interest rate cap agreement. There can be no assurance that such amounts will be sufficient to provide for the full payment of interest on the notes at the applicable note interest rate.

A termination of the interest rate cap agreement does not constitute an event of default under the indenture.

In the event that the issuing entity receives a cap termination payment, and a successor cap provider cannot be obtained, then the indenture trustee will be required to deposit the cap termination payment into a reserve account. On each subsequent payment date (so long as funds are available in such reserve account), the indenture trustee will be required to withdraw from such reserve account and deposit into the payment account an amount equal to the amount of any cap payment due to the issuing entity (calculated in accordance with the terms of the original interest rate cap agreement) and treat such amount as a cap payment for purposes of determining the distributions from the payment account. The remaining amount in the reserve account will remain in that account and not treated as a cap termination payment for purposes of determining the distributions from the payment account until the date on which the last payment on the cap is expected to be received, at which time the amount then on deposit therein will be transferred to the payment account and treated as part of Available Funds.

On or after the closing date, (i) the issuing entity may, with the consent of the cap provider, assign or transfer all or a portion of the interest rate cap agreement, (ii) the cap provider may, with the consent of the issuing entity, assign or transfer all or a portion of the interest rate cap agreement, (iii) the issuing entity and the cap provider may amend the interest rate cap agreement and/or (iv) the issuing entity may terminate and replace the interest rate cap agreement; provided, however, that in each such case (i), (ii), (iii) or (iv), the Rating Agency Condition has been satisfied.

The interest rate cap agreement will terminate by its terms after the payment date in January 2012 and from that date no further amounts will be paid to the issuing entity by the cap provider.

The interest rate cap agreement will be governed by, and construed in accordance with, the laws of the State of New York without regard to the conflict of laws principles thereof and shall contain appropriate limited recourse and non-petition provisions as against the issuing entity.

Calculation of LIBOR

The London interbank offered rate (LIBOR) with respect to any payment date will be determined by the indenture trustee (provided that, in the case of the interest rate swap agreement and the interest rate cap agreement, it will be determined by the hedge provider) and will equal the posted rate for United States dollar deposits for one month that appears on Telerate Page 3750 as of 11:00 a.m., London time, on the second LIBOR Business Day prior to the immediately preceding payment date (or, in the case of the first payment date, the second LIBOR business day preceding the closing date). If no such posted rate appears, LIBOR will be determined on the basis of the offered quotation of the reference banks (which shall be four major banks that are engaged in transactions in the London interbank market) identified in the indenture for United States dollar deposits for one month to prime banks in the London interbank market as of 11:00 a.m., London time, on such date. If fewer than two reference banks provide such offered quotations on that date, LIBOR will be calculated as the offered rate that one or more leading banks in The City of New York selected by the indenture trustee (after consultation with the servicer) (provided that, in the case of the interest rate swap agreement and the interest rate cap agreement, it will be selected by the hedge provider) are quoting as of 11:00 a.m., New York City time, on such date to leading European banks for United States dollar deposits for one month; provided,

however, that if such banks are not quoting as described above, LIBOR will be equal to the value calculated for the immediately preceding payment date. In any event, LIBOR is calculated as the arithmetic mean (rounded, if necessary, to the nearest 1/100th of a percent (0.0001), with upwards rounding of amounts equal to or in excess of 5/1,000th of a percent (0.00005)) of all such quotations, and LIBOR Business Day is any day other than a day on which banking institutions in the City of London, England, are required or authorized by law to be closed.

Overcollateralization Provisions

The overcollateralization amount is the excess of the aggregate scheduled principal balance of the mortgage loans over the aggregate principal balance of the notes. On the closing date, overcollateralization will be equal to approximately $4,179,123 (subject to a variance of plus or minus 5%), and excess interest, net swap receipts, cap receipts and prepayment penalties will be used to achieve and maintain the Target Overcollateralization Amount.

Generally, because more interest is required to be paid by the mortgagors than is necessary to pay the interest accrued on the notes and the expenses of the issuing entity, there is expected to be excess interest. If the overcollateralization amount is reduced below the Target Overcollateralization Amount as a result of losses on the mortgage loans, the issuing entity will apply some or all of this excess interest together with net swap receipts, cap receipts and prepayment penalties as principal payments on those classes of notes then entitled to receive payments of principal, until the overcollateralization target is restored, resulting in an acceleration of amortization of such notes relative to the mortgage loans. This acceleration feature is intended to restore overcollateralization. Once the required level of overcollateralization is restored, the acceleration feature will cease, unless it becomes necessary again to restore the required level of overcollateralization. The actual level of overcollateralization may increase or decrease over time. This could result in a temporarily faster or slower amortization of the notes. If a Trigger Event is in effect, then the Target Overcollateralization Amount will be equal to the Target Overcollateralization Amount as of the preceding payment date.

All Realized Losses on the mortgage loans will be allocated on each payment date, sequentially as follows: first to the excess cash flow, second to prepayment penalties and third in reduction of the overcollateralization amount.

Subsequent Recoveries will count as additional Liquidation Proceeds and be distributed on the related payment date as described herein under the heading *Description of the Notes and the Trust Certificates Payments of Principal.*

Events of Default

Upon the occurrence of an event of default, the indenture trustee may, or shall at the direction of noteholders representing at least 51% of the aggregate principal balance of the notes, declare the aggregate outstanding principal balance of all the notes to be due and payable together with all accrued and unpaid interest thereon without presentment, demand, protest or other notice of any kind, all of which are waived by the issuing entity. Such declaration may be rescinded by noteholders representing at least 51% of the aggregate principal balance of the notes. An event of default, wherever used herein, means any one of the following events:

1. the issuing entity fails to pay or cause to be paid to the indenture trustee, for the benefit of the noteholders, (x) on any payment date including the final stated maturity dates, all or part of any Accrued Interest Amount due and payable on the notes on such payment date and such failure continues for three business days or (y) on the respective final stated maturity dates for each class of notes, any remaining Available Funds Cap Carry Forward Amount for such class and any remaining Deferred Interest for such class, as applicable; or

2. the issuing entity fails to pay or cause to be paid to the indenture trustee, for the benefit of the noteholders, (x) on any payment date (other than the final stated maturity date) an amount equal to the related Principal Distribution Amount due and payable on the outstanding notes on such payment date, to the extent that sufficient funds are on deposit in the payment account and such failure continues for three business days or (y) on the final stated maturity date for any class of notes, the aggregate Class Note Balance of the related class of notes; or

3. the issuing entity is in breach or default in the due observance of any one or more of the covenants under the indenture, and the breach or default continues beyond any applicable grace period; or

4. the issuing entity consents to the appointment of a custodian, receiver, trustee or liquidator, or other similar official, of itself, or of a substantial part of its property, or shall admit in writing its inability to pay its debts generally as they come due, or a court of competent jurisdiction shall determine that the issuing entity is generally not paying its debts as they come due, or the issuing entity shall make a general assignment for the benefit of creditors; or

5. the issuing entity files a voluntary petition in bankruptcy or a voluntary petition or an answer seeking reorganization in a proceeding under any bankruptcy laws, as now or hereafter in effect, or an answer admitting the material allegation of a petition filed against the issuing entity in any such proceeding, or the issuing entity, by voluntary petition, answer or consent, seeks relief under the provisions of any now existing or future bankruptcy or other similar law providing for the reorganization or winding-up of debtors, or providing for an agreement, composition, extension or adjustment with its creditors; or

6. an order, judgment or decree is entered in any proceeding by any court of competent jurisdiction appointing, without the consent, express or legally implied, of the issuing entity, a custodian, receiver, trustee or liquidator, or other similar official, of the issuing entity or any substantial part of its property, or sequestering any substantial part of its respective property, and any such order, judgment or decree or appointment or sequestration shall remain in force undismissed, unstayed or unvacated for a period of ninety days after the date of entry thereof; or

7. a petition against the issuing entity in a proceeding under applicable bankruptcy laws or other insolvency laws, as now or hereafter in effect, is filed and is not stayed, withdrawn or dismissed within ninety days thereafter, or if, under the provisions of any law providing for reorganization or winding-up of debtors which may apply to the issuing entity, any court of competent jurisdiction assumes jurisdiction, custody or control of the issuing entity or any substantial part of its property, and such jurisdiction, custody or control remains in force unrelinquished, unstayed or unterminated for a period of ninety days.

If the Notes have been declared due and payable following an event of default and such declaration and its consequences have not been rescinded and annulled, any money collected by the indenture trustee with respect to each Class of Notes and any other monies that may then be held or thereafter received by the indenture trustee as security for such Class of Notes shall be applied in the following order and not as set forth under *Description of the Notes and Trust Certificates - Payments of Interest* and *- Payments of Principal* in this free writing prospectus, at the date or dates fixed by the indenture trustee and, in case of the payment of the entire amount due on account of principal of, and interest on, such Class of Notes, upon presentation and surrender thereof:

(i) first, to the indenture trustee, any unpaid indenture trustee fees then due and any other amounts payable and due to the indenture trustee under the indenture including any amounts in respect of indemnification or reimbursement of costs and expenses, in an amount not to exceed $125,000 in any calendar year, and any Owner Trustee Fees then due to the extent not already paid pursuant to the trust agreement and to the owner trustee, any amounts in respect of indemnification then due the trust agreement to the extent not already paid pursuant to the trust agreement, in an amount not to exceed $50,000 in any calendar year;

(ii) second, any Swap Termination Payment payable to the swap provider, other than a Defaulted Swap Termination Payment;

(iii) third, any Accrued Note Interest pro rata to the Class A Notes;

(iv) fourth, to each class of Class A Notes as a payment of principal in reduction of their Class Note Balances, pro rata until their Class Note Balance has been reduced to zero;

(v) fifth, any Accrued Note Interest to the Class M Notes, sequentially, in ascending numerical order;

(vi) sixth, any remaining Class Note Balance to the Class M Notes, sequentially, in ascending numerical order;

(vii) seventh, concurrently, any Class A-1 Available Funds Cap Carry Forward Amount together with any net prepayment interest shortfalls and any shortfalls resulting from the application of the Relief Act allocated to such classes of note pursuant to the definition of Accrued Note Interest, to the Class A-1 Notes, any Class A-2 Available Funds Cap Carry Forward Amount together with any net prepayment interest shortfalls and any shortfalls resulting from the application of the Relief Act allocated to such classes of note pursuant to the definition of Accrued Note Interest, to the Class A-2 Notes, any Class A-3 Available Funds Cap Carry Forward Amount together with any net prepayment interest shortfalls and any shortfalls resulting from the application of the Relief Act allocated to such classes of note pursuant to the definition of Accrued Note Interest, to the Class A-3 Notes, any Class A-4 Available Funds Cap Carry Forward Amount together with any net prepayment interest shortfalls and any shortfalls resulting from the application of the Relief Act allocated to such classes of note pursuant to the definition of Accrued Note Interest, to the Class A-4 Notes pro rata by the respective Available Funds Cap Carry Forward Amounts due to such classes of Notes;

(viii) eighth, any Available Funds Cap Carry Forward Amount together with any net prepayment interest shortfalls and any shortfalls resulting from the application of the Relief Act allocated to such classes of note pursuant to the definition of Accrued Note Interest, to the Class M Notes, sequentially, in ascending numerical order;

(ix) ninth, any Deferred Interest to the Class M Notes, sequentially, in ascending numerical order;

(x) tenth, any amounts due to the indenture trustee to the extent not paid pursuant to paragraph (i) above and any amounts due to the owner trustee under the trust agreement to the extent not already paid pursuant to the trust agreement and paragraph (i) above;

(xi) eleventh, if applicable, for application to the purchase of a replacement interest rate swap agreement;

(xii) twelfth, any remainder to the trust certificates; and

(xiii) thirteenth, any Defaulted Swap Termination Payment.

Provided, however, that in the event that the net interest margin securities (if any) for which the trust certificates serve as collateral are not outstanding, then the priorities in clauses (xii) and (xiii) are reversed.

Notice of Default

Immediately after the occurrence of any event that is, or with notice or the lapse of time or both would become, an Event of Default, of which the indenture trustee has actual knowledge, the indenture trustee shall mail to the sponsor notice of each such event and, within ninety (90) days after the occurrence of any default known to the indenture trustee, the indenture trustee shall transmit by mail to all noteholders notice of each such event, unless such default shall have been cured or waived. Concurrently with the mailing of any such notice to the noteholders, the indenture trustee shall transmit by mail a copy of such notice to the rating agencies and the hedge provider.

Reports to Noteholders

Pursuant to the indenture, on each payment date the indenture trustee will make available to the servicer and each holder of a note or a trust certificate a written remittance report containing information including, without limitation, the amount of the payment on such payment date, the amount of such payment allocable to principal and allocable to interest, the aggregate outstanding principal balance of the notes as of such payment date and such other information as required by the indenture. The report will contain information regarding all the classes of the Notes and all noteholders will receive such report.

The indenture trustee will make the monthly report (and, at its option, any additional files containing the same information in an alternative format) available each month to each noteholder and other parties via the indenture trustee s internet website. The indenture trustee s internet website will initially be located at https://www.tss.db.com/invr. Assistance in using the website can be obtained by calling the indenture trustee s investor relations desk at (800) 735-7777. Parties that are unable to access the website are entitled to have a paper copy mailed to them via first class mail by calling the investor relations desk and indicating such. The indenture trustee will have the right to change the way monthly reports are distributed in order to make such distribution more convenient and/or more accessible to the above parties and the indenture trustee will provide timely and adequate notification to all above parties regarding any such changes.

See *Reports to Security Holders* in the prospectus for more information regarding the contents of the reports to noteholders.

Optional Clean-up Call

The depositor may, at its option, terminate the issuing entity on any payment date following the payment date when the outstanding principal balance of the notes is less than or equal to 10% of the original principal balance of the notes, after giving effect to distributions on that payment date. If the depositor exercises the clean-up call option, the depositor shall pay a termination price equal to the greater of (A) the sum of (i) 100% of the aggregate Class Note Balance of the Offered Notes, (ii) the aggregate amount of accrued and unpaid interest on such Offered Notes through the related Due Period, (iii) any related indenture trustee s fees and expenses, (iv) any related owner trustee fees or expenses that have not been paid by the sponsor, (v) any related unreimbursed advances due and owing to the Servicer, (vii) any costs and damages incurred by the issuing entity in connection with any violation by such mortgage loan of any predatory or abusive lending law, and (viii) the swap termination payment, if any, payable to the swap provider and (B) the fair market value of the mortgage loans.

Notice of redemption shall be given by the indenture trustee in the name of and at the expense of the issuing entity by first class mail, postage prepaid, mailed not less than ten days prior to the clean-up call date to each holder of a note to be redeemed and the hedge provider, such holders being determined as of the record date for such payment date.

Step-Up Rates

If the depositor does not elect to exercise the clean-up call, the margins with respect to each class of Class A Notes will increase to twice their initial margins, and the margins with respect to each class of Class M Notes will increase to 1.5 times their initial margins, in each case on the next payment date.

Optional Purchase of Delinquent Mortgage Loans

The depositor has the option, but is not obligated, to purchase from the issuing entity any mortgage loan that is ninety days or more delinquent at a purchase price equal to the outstanding principal balance thereof as of the date of purchase, plus all accrued and unpaid interest on such principal balance, computed at the related mortgage interest rate plus the amount of any unreimbursed Delinquency Advances and Servicing Advances with respect to such mortgage loan in accordance with the provisions specified in the sale and servicing agreement. The depositor may not purchase more than 10% of the mortgage loans in the pool, measured by the outstanding principal balance of the mortgage loans repurchased as a percentage of the Initial Pool Balance.

Amendment

The indenture may be amended from time to time by the issuing entity and the indenture trustee by written agreement, without notice to, or consent of, the noteholders or the hedge provider, to cure any ambiguity, to correct or supplement any provisions in the indenture that may be defective or inconsistent with any other provision thereto, to comply with any changes in the Internal Revenue Code of 1986, as amended (the Code), or to make any other provisions with respect to matters or questions arising under the indenture which shall not be inconsistent with the provisions of the indenture. However, any such action shall not adversely affect in any material respect the noteholders or the certificateholders or the hedge provider as evidenced by (i) an opinion of counsel delivered to, but not obtained at the expense of, the indenture trustee that such amendment will not adversely affect in any material respect the interests of any noteholder or the hedge provider or (ii) a letter from each rating agency rating this offering confirming that such amendment will not cause the reduction, qualification or withdrawal of the then-current ratings of the notes. In addition, no such amendment shall change the rights or obligations of any other party to the indenture without the consent of such party.

The indenture may be amended from time to time by the issuing entity and the indenture trustee with the consent of the hedge provider and the holders of the majority of the percentage interest of the notes affected thereby for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the indenture or of modifying in any manner the rights of the holders. However, no such amendment shall reduce in any manner the amount of, or delay the timing of, payments received on mortgage loans which are required to be paid on any note without the consent of the holder of each note or reduce the percentage for each class whose holders are required to consent to any such amendment without the consent of the holders of 100% of each class of notes affected thereby.

The sale and servicing agreement contains substantially similar restrictions regarding amendment.

Termination

The issuing entity will terminate upon the payment of all amounts required to be paid to the noteholders after the latest to occur of (a) the exercise by the depositor of its clean-up call option, (b) the final payment or other liquidation of the last mortgage loan or (c) the disposition of all property acquired in respect of any mortgage loan remaining in the trust estate.

Servicing of the Mortgage Loans

Accredited Home Lenders, Inc. (Accredited) will act as servicer of the mortgage loans. See *The Sponsor and the Servicer* herein. The servicer will be required to use the same care as it customarily employs in servicing and administering mortgage loans for its own account, in accordance with accepted mortgage servicing practices of prudent lending institutions.

Collection and Other Servicing Procedures

The servicer is responsible for making reasonable efforts to collect all payments called for under the mortgage loans and will, consistent with the sale and servicing agreement, follow such collection procedures as it follows with respect to loans held for its own account which are comparable to the mortgage loans. Consistent with the above, the servicer may, in its discretion, waive any late payment charge and arrange with a mortgagor a schedule for the liquidation of delinquencies, subject to the provisions of the sale and servicing agreement.

If a mortgaged property has been or is about to be conveyed by the mortgagor, the servicer will be obligated to accelerate the maturity of the mortgage loan, unless it reasonably believes it is unable to enforce that mortgage loan s due-on-sale clause under applicable law. If it reasonably believes it may be restricted for any reason from enforcing such a due-on-sale clause, the servicer may enter into an assumption and modification agreement with the person to whom such property has been or is about to be conveyed, pursuant to which such person becomes liable under the mortgage note.

Any fee collected by the servicer for entering into an assumption agreement will be retained by the servicer as additional servicing compensation. In connection with any such assumption, the mortgage interest rate borne by the mortgage note relating to each mortgage loan may not be decreased. For a description of circumstances in which the servicer may be unable to enforce due-on-sale clauses, see Legal Aspects of Loans Mortgages Due-on-Sale Clauses in Mortgage Loans in the accompanying prospectus.

Delinquency and Loss Procedures

All mortgage loans are boarded to the servicing system electronically from the Accredited s origination platform. Accredited believes that early and frequent communication with obligors is essential in reducing delinquency and losses. Once a mortgage loan is boarded on Accredited s mortgage loan servicing system, a welcome call is attempted to the obligor to verify the key data points, explain the terms of the mortgage loan and the expectations for payment.

Collection calls using predictive dialing technology begin as early as 5 days after the obligor s payment becomes past due. Continuing collection calls, combined with collection letters, property inspections and a field chase where appropriate, are made until the delinquency is resolved or it becomes evident that other steps are necessary to protect the collateral. A field chase occurs when an Accredited representative visits the borrower s home, to discuss with the borrower the reasons for non-payment and attempt to resolve the delinquency.

Mortgage loans that become 60+ days delinquent are transferred to the Loss Mitigation Department. At such time, updated property value information and the obligor s current credit profile are obtained. Based on its experience with various types of mortgage loans, the Loss Mitigation Department chooses a resolution strategy designed to minimize the loss on the defaulted mortgage loan. The Loss Mitigation Department continues actively to attempt to resolve the delinquency while the Foreclosure Department refers the mortgage loan to local legal counsel to begin the foreclosure process.

Prior to referring the mortgage loan to foreclosure, the Loss Mitigation Department considers a number of factors, including the value of the subject property, the obligor s willingness or ability to repay the debt, the lien position of the subject mortgage loan, and whether or not the costs to foreclose on the property warrant such action. If the Loss Mitigation Department deems foreclosure a necessary remedy to minimize the potential loss, the mortgage loan is referred to one of a network of attorneys to process the appropriate proceedings. Accredited Foreclosure Specialists monitor each step of the foreclosure process, diligently working to improve the overall cycle of the foreclosure in a manner that meets or exceeds published U.S. Foreclosure Network (USFN) timelines. USFN is a not-for-profit association of law firms and trustee companies (see www.usfn.org for more information).

If an obligor files for bankruptcy, Accredited s Bankruptcy Specialists prepare and file a proof of claim, thus ensuring that the flow of payments from the trustee and/or obligor begin in a timely manner. In the event of a default while under bankruptcy protection, the Bankruptcy Specialist refers the account to one of a network of attorneys to process a motion for relief from stay. Accredited gives the same considerations to bankrupt accounts as it does to foreclosure accounts, in that formal legal action is not considered until deemed necessary. Accredited will look at the value of the collateral, lien position, and obligor s payment history before considering remedy under law, but, if deemed necessary, will react promptly to maximize the ultimate recovery.

Properties acquired through foreclosure are transferred to the Real Estate Owned (REO) department to manage eviction and marketing. Once the properties are vacant, they are listed with one of Accredited s approved real estate agents. Prior to listing, the agent submits a marketing strategy designed to ensure the highest net recovery. The listings are reviewed several times monthly to ensure the properties are properly maintained and actively marketed until sold.

In those situations in which Accredited believes that losses can be minimized by actions other than foreclosure, it may modify the terms of a loan or extend delinquent payments due to the end of the loan term.

Servicing Fees and Other Compensation and Payment of Expenses

As compensation for its activities as servicer under the sale and servicing agreement, the servicer will be entitled with respect to each mortgage loan to the servicing fee, which will be payable monthly from amounts on deposit in the collection account. The servicing fee will be an amount equal to interest at the servicing fee rate for a mortgage loan on the outstanding principal balance of that mortgage loan. The servicing fee rate with respect to each mortgage loan will be 0.500% per annum. In addition, the servicer will be entitled to receive, as additional servicing compensation, to the extent permitted by applicable law and the related mortgage notes, any late payment charges, assumption fees or similar items other than prepayment penalties. The servicer will also be entitled to withdraw from the collection account any net interest or other income earned on deposits therein. The servicer will pay all expenses incurred by it in connection with its servicing activities under the sale and servicing agreement, and will not be entitled to reimbursement therefor except as specifically provided in the sale and servicing agreement.

Delinquency Advances, Servicing Advances and Compensating Interest

Delinquency Advances. The servicer is required to make Delinquency Advances on each Servicer Remittance Date, subject to the servicer s good faith determination that such advance would be recoverable. Such Delinquency Advances by the servicer are reimbursable to the servicer subject to certain conditions and restrictions, and are intended to provide sufficient funds for the payment of scheduled interest and principal to the noteholders in circumstances where no ultimate loss is expected. Notwithstanding the servicer s good faith determination that a Delinquency Advance was recoverable when made, if such Delinquency Advance becomes a nonrecoverable advance, the servicer will be entitled to reimbursement therefor from any collections on any mortgage loans prior to distributions to the noteholders. See *Description of the Notes and the Trust Certificates Payments on the Mortgage Loans* herein.

Servicing Advances. The servicer is required to advance amounts with respect to the mortgage loans, subject to the servicer s good faith determination that such advance would be recoverable and that a prudent mortgage lender would make a similar advance if it or an affiliate owned the related mortgage loan, constituting out-of-pocket costs and expenses relating to:

- the preservation, restoration and protection of the mortgaged property, including real estate taxes and insurance premiums,
- collection, enforcement and judicial proceedings, including foreclosures and liquidations,
- conservation, management, and liquidation of any REO Property, and
- certain other customary amounts described in the sale and servicing agreement.

These Servicing Advances by the servicer are reimbursable to the servicer subject to certain conditions and restrictions. In the event that, notwithstanding the servicer s good faith determination at the time such Servicing Advance was made that it would be recoverable from the related mortgage loan, such Servicing Advance becomes a nonrecoverable advance, the servicer will be entitled to reimbursement therefor from any collections on any mortgage loans prior to distributions to the noteholders.

Compensating Interest. On or prior to the second business day preceding the payment date, the servicer is required to remit to the indenture trustee a payment of Compensating Interest in respect of Prepayment Interest Shortfalls and shall not have the right to reimbursement therefor. The servicer shall not be required to pay Compensating Interest with respect to partial prepayments, and it shall not be required to pay Compensating Interest in excess of the aggregate servicing fee it receives for the related period. Prepayment Interest Shortfalls experienced by the mortgage loans in excess of Compensating Interest paid by the servicer will reduce the related Interest Remittance Amount otherwise available to fund the payment of interest to holders of the notes.

Relief Act Interest Shortfalls and Prepayment Interest Shortfalls

The reduction, if any, in interest payable on the mortgage loans attributable to the application of the Relief Act and to Prepayment Interest Shortfalls in excess of Compensating Interest, in the case of Prepayment Interest Shortfalls, will reduce the related Interest Remittance Amount otherwise available to fund the payment of interest to the holders of the notes.

Evidence as to Compliance

The servicer is required to deliver on a monthly basis to the indenture trustee, a servicer remittance report setting forth the loan level information necessary for the indenture trustee to make the payments set forth under *Flow of Funds* herein.

The servicer is required to deliver on an annual basis to the sponsor, the indenture trustee and the rating agencies, an officer s certificate (a Compliance Certificate) stating that:

a review of the activities of the servicer during the preceding calendar year and of performance under the sale and servicing agreement has been made under such officer s supervision, and

to the best of such officer s knowledge, based on such review, the servicer has fulfilled all its obligations under the sale and servicing agreement for that year, or, if there has been a default in the fulfillment of any such obligation, specifying the default known to the officer and its status as well as the steps being taken by the servicer to remedy the default.

In addition, each party that participates in the servicing and administration of more than 5% of the mortgage loans and other assets comprising a trust for any series will be required to deliver annually to the sponsor, the indenture trustee and the rating agencies, a report (an Assessment of Compliance) that assesses compliance by that party with the servicing criteria set forth in Item 1122(d) of Regulation AB (17 CFR 229.1122) that contains the following:

(a) a statement of the party s responsibility for assessing compliance with the servicing criteria applicable to it;

(b) a statement that the party used the criteria in Item 1122(d) of Regulation AB to assess compliance with the applicable servicing criteria;

(c) the party s assessment of compliance with the applicable servicing criteria during and as of the end of the prior calendar month, setting forth any material instance of noncompliance identified by the party; and

(d) a statement that a registered public accounting firm has issued an attestation report on the party s assessment of compliance with the applicable servicing criteria during and as of the end of the prior calendar month.

Each party that is required to deliver an Assessment of Compliance will also be required to simultaneously deliver a report (an Attestation Report) of a registered public accounting firm, prepared in accordance with the standards for attestation engagements issued or adopted by the Public Company Accounting Oversight Board, that expresses an opinion, or states that an opinion cannot be expressed, concerning the party s assessment of compliance with the applicable servicing criteria.

For so long as the issuing entity is required to report under the Securities Exchange Act of 1934, the indenture trustee will file the Compliance Certificate, the Assessment Report and the Attestation Report with the SEC as exhibits to the issuing entity s annual report on Form 10-K.

Removal and Resignation of the Servicer

The indenture trustee, only at the direction of the holders of notes representing a majority of the aggregate outstanding principal balance of the notes, may remove the servicer upon the occurrence and continuation beyond the applicable cure period of an event described in each clause below. Each of the following constitutes a servicer event of default :

(a) any failure by the servicer to remit to the indenture trustee any payment required to be made by the servicer under the terms of the sale and servicing agreement, (other than Servicing Advances covered by clause (b) below and Delinquency Advances, which shall have no cure period), which continues unremedied for one business day after the date upon which written notice of such failure, requiring the same to be remedied, shall have been given to the servicer by the indenture trustee or to the servicer and the indenture trustee by the holders of notes representing at least 25% of the aggregate outstanding principal balance of the affected class of the notes; or

(b) the failure by the servicer to make any required Servicing Advance which failure continues unremedied for a period of thirty days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the servicer by the indenture trustee or to the servicer and the indenture trustee by the holders of notes representing at least 25% of the aggregate outstanding principal balance of the affected class of notes; or

(c) any failure on the part of the servicer duly to observe or perform in any material respect any other of the covenants or agreements on the part of the servicer contained in the sale and servicing agreement, or the failure of any representation and warranty set forth in the sale and servicing agreement, which continues unremedied for a period of thirty days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the servicer by the indenture trustee, or to the servicer and the indenture trustee by the holders of notes evidencing percentage interests of at least 25% of the affected class of notes; or

(d) a decree or order of a court or agency or supervisory authority having jurisdiction in an involuntary case under any present or future federal or state bankruptcy, insolvency or similar law or for the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the servicer and such decree or order shall have remained in force, undischarged or unstayed for a period of ninety days; or

(e) the servicer shall consent to the appointment of a conservator or receiver or liquidator in any insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings of or relating to the servicer or of or relating to all or substantially all of the servicer s property; or

(f) the servicer shall admit in writing its inability generally to pay its debts as they become due, file a petition to take advantage of any applicable insolvency or reorganization statute, make an assignment for the benefit of its creditors, or voluntarily suspend payment of its obligations; or

(g) the delinquency or loss experience of the mortgage loans exceeds certain levels specified in the sale and servicing agreement; or

(h) the occurrence of an event of default under the indenture.

The servicer may not assign its obligations under the sale and servicing agreement nor resign from the obligations and duties thereby imposed on it unless it has determined that the servicer s duties thereunder are no longer permissible under applicable law. No such resignation will become effective until a successor has assumed the servicer s responsibilities and obligations in accordance with the sale and servicing agreement.

On and after the time the servicer receives a notice of termination or the indenture trustee receives the resignation of the servicer or the servicer is removed due to a servicer event of default, the indenture trustee or another successor servicer shall be the successor in all respects to the servicer in its capacity as servicer under the sale and servicing agreement and shall be subject to all the responsibilities, restrictions, duties, liabilities and termination provisions relating thereto placed on the servicer by the terms and provisions of the sale and servicing agreement. The indenture trustee and any successor servicer will not be obligated to incur any expenses or costs in connection with the transfer of servicing of the mortgage loans to the indenture trustee, as successor servicer, or any other successor servicer, as applicable. Any successor servicer and the indenture trustee prior to its becoming the successor servicer shall not be liable for any actions, omissions or defaults of any servicer prior to it or breaches of representations and warranties of the servicer prior to it. Any successor servicer (other than the indenture trustee) shall be a housing and home finance institution, bank or mortgage servicing institution which has been designated as an approved seller-servicer by Fannie Mae or Freddie Mac, having equity of not less than $5,000,000 as determined in accordance with GAAP, and shall be approved by the rating agencies. The successor servicer shall represent and warrant that it is a member of MERS in good standing and shall agree to comply in all material respects with the rules and procedures of MERS in connection with the servicing of the mortgage loans that are registered with MERS, in which case the predecessor servicer shall cooperate with the successor servicer in causing the MERS System to be revised to reflect the transfer of servicing to the successor servicer as necessary under MERS rules and regulations.

The servicer shall promptly provide the indenture trustee, or such successor servicer, as applicable, at the servicer s cost and expense, all documents and records reasonably requested by it to enable it to assume the servicer s functions and shall promptly also transfer to the indenture trustee, or such successor servicer, as applicable, all amounts that then have been or should have been deposited in the collection account by the servicer or that are thereafter received with respect to the mortgage loans, including without limitation all Liquidation Proceeds and Insurance Proceeds, and payments of insurance deductible amounts by the servicer with respect to all insurance claims arising during the servicer s tenure. The servicer shall not resign as servicer until a successor servicer has been appointed.

In the event that the servicer is terminated and no successor servicer has been appointed, the indenture trustee may appoint a successor servicer (which may be an affiliate of the indenture trustee) or petition a court of competent jurisdiction to appoint a successor servicer. Pending appointment of such a successor servicer, the indenture trustee shall be the successor servicer and act in such capacity. In connection with any appointment and assumption of duties of a successor servicer, the indenture trustee may make such arrangements for the compensation of such successor servicer out of payments on mortgage loans; provided, however, that such compensation may not be in excess of that permitted the servicer under the sale and servicing agreement. In the event the indenture trustee is the successor servicer, it shall be entitled to the same servicing compensation as the servicer if the servicer had continued to act as servicer.

In the event the indenture trustee, or any successor servicer incurs out-of-pocket expenses other than Servicing Advances or Delinquency Advances in connection with the transfer of servicing, which expenses are required to be borne by the servicer under the sale and servicing agreement, and such expenses are not promptly reimbursed by the servicer or recoverable out of amounts reimbursable to the servicer out of the collection account, the indenture trustee shall make such reimbursement to the applicable party out of funds in the payment account on any payment date after all payments to

noteholders on such payment date have been made but before any distribution to the certificateholders. The right of the indenture trustee to reimbursement from the payment account for any of the indenture trustee s costs and expenses in connection with the transfer of any servicing shall be in addition to any rights of the indenture trustee to indemnification and reimbursement under the indenture.

Prepayment and Yield Consequences

The weighted average life of, and, the yield to maturity on, a note will be directly related to the rate of payment of principal of the mortgage loans, including for this purpose voluntary payments in full of mortgage loans prior to stated maturity, liquidations due to defaults, casualties and condemnations, and repurchases of or substitutions of mortgage loans by the sponsor or servicer as required or permitted under the indenture or the sale and servicing agreement.

The actual rate of principal prepayments on mortgage loans is influenced by a variety of economic, tax, geographic, demographic, social, legal and other factors and has fluctuated considerably in recent years. In addition, the rate of principal prepayments may differ among the mortgage loans at any time because of specific factors relating to the mortgage loans, including, among other things, the age of the mortgage loans, the geographic locations of the properties securing the loans and the extent of the mortgagors equity in such properties, and changes in the mortgagors housing needs, job transfers and unemployment.

The rate of prepayments with respect to conventional mortgage loans has fluctuated significantly in recent years. In general, if prevailing interest rates fall significantly below the interest rates of certain mortgage loans at the time of origination, such mortgage loans may be subject to higher prepayment rates than if prevailing rates remain at or above those at the time such mortgage loans were originated. Conversely, if prevailing interest rates rise appreciably above the interest rates of certain mortgage loans at the time of origination, such mortgage loans may experience a lower prepayment rate than if prevailing rates remain at or below those at the time such mortgage loans were originated. However, there can be no assurance that the mortgage loans will conform to the prepayment experience of conventional mortgage loans or to any past prepayment experience or any published prepayment forecast. No assurance can be given as to the level of prepayments that the mortgage loans in the trust estate will experience.

The prepayment behavior of the adjustable-rate mortgage loans may differ from that of the fixed-rate mortgage loans. As an adjustable-rate mortgage loan approaches its initial adjustment date, the borrower may become more likely to refinance such mortgage loan to avoid an increase in the interest rate, even if fixed-rate mortgage loans are only available at rates that are slightly lower or higher than the interest rate before adjustment. The existence of the applicable periodic rate cap, maximum rates and minimum rates also may affect the likelihood of prepayments resulting from refinancings.

Similarly, the prepayment behavior of the interest-only loans may differ from the mortgage loans that amortize principal in the traditional manner. As an interest-only mortgage loan approaches the date on which the principal of the mortgage loan begins to amortize, the borrower may become more likely to refinance such mortgage loan to reduce the monthly payment.

As indicated above, the yield to maturity on a note will be affected by the rate of the payment of principal on the related mortgage loans. If the actual rate of payments on the related mortgage loans is slower than the rate anticipated by an investor who purchases a note at a discount, the actual yield to such investor will be lower than such investor s anticipated yield. If the actual rate of payments on the related mortgage loans is faster than the rate anticipated by an investor who purchases a note at a premium, the actual yield to such investor will be lower than such investor s anticipated yield.

Expected Final Scheduled Payment Date

The last scheduled payment date for each class of notes is expected to be as follows:

	Expected Final Scheduled Payment Date
Class A-1	December 2008
Class A-2	March 2009
Class A-3	January 2013
Class A-4	December 2013
Class M-1	January 2011
Class M-2	November 2013
Class M-3 through M-9	December 2013

The expected final scheduled payment date for each class of offered notes is the last date on which the initial Class Note Balance set forth on the cover page hereof for that class is expected to be reduced to zero. This expectation is based on the assumptions that the mortgage loans prepay at 100% of the Prepayment Assumption, that a 10% optional termination occurs, that no defaults in the payment by the mortgagors of the principal of and interest on the mortgage loans are experienced and that the levels of one-month LIBOR and six-month LIBOR remain constant at 5.32% and 5.37%, respectively.

Since the rate of payments in reduction of the Class Note Balance of each class of offered notes will depend on the rate of payment (including prepayments) of the mortgage loans, the Class Note Balance of each class could be reduced to zero significantly earlier or later than the related expected final scheduled payment date set forth above. The rate of payments on the mortgage loans will depend on their particular characteristics, as well as on prevailing interest rates from time to time and other economic factors, and no assurance can be given as to the actual payment experience of the mortgage loans.

See *Prepayment and Yield Consequences Modeling Assumptions* in this free writing prospectus and *Yield and Maturity Considerations* in the prospectus.

Final Payment Dates

The final stated maturity date is the payment date in February 2037 for all classes of notes. The weighted average life of the notes is likely to be shorter than would be the case if payments actually made on the related mortgage loans conformed to the following assumption, and the final payment date with respect to any class of the notes could occur significantly earlier than the final stated maturity date because:

prepayments, including, for this purpose, prepayments attributable to foreclosure, liquidation, repurchase and the like, on mortgage loans are likely to occur,

the overcollateralization provisions of the transaction result in the application of Excess Interest to the payment of principal, or

the depositor may, at its option as described in this free writing prospectus, call the notes in connection with a clean-up call redemption as described under *Description of the Notes and the Trust Certificates - Optional Clean-up Call* .

Modeling Assumptions

The following tables, addressing the percentage of original note principal balances and the weighted average lives of the notes, have been prepared on the basis of the following modeling assumptions:

the related mortgage loans prepay at the indicated percentage of the Prepayment Assumption as set forth in the tables below,

payments on the notes are received in cash on the 25th day of each month, regardless of the day on which the payment date actually occurs, commencing in February 2007,

no defaults or delinquencies or modifications, waivers or amendments respecting the payment by the mortgagors of principal and interest on the mortgage loans occur,

scheduled payments for the mortgage loans are assumed to be received on the first day of each month commencing in February 2007, and prepayments represent payments in full of individual mortgage loans and are assumed to be received on the last day of each month, commencing in January 2007, and include thirty days interest thereon,

no optional termination is exercised except with respect to the weighted average lives to call,

the notes are issued on January 30, 2007,

the sum of the servicing fees and the indenture trustee fees will be 50.40 basis points per annum,

the levels of one-month LIBOR and six-month LIBOR remain constant at 5.32% and 5.37%, respectively,

no swap termination payments are paid or received by the issuing entity,

the Target Overcollateralization Amount is initially as specified and decreases according to the provisions set forth in this free writing prospectus,

the original Class Note Balances are as set forth on the cover of this free writing prospectus,

the prepayment rate will not exceed 90% CPR per annum in any period,

all prepayment penalties are based on a percentage of the amount prepaid, and

the mortgage loans are assumed to have the following characteristics**:**

Assumed Mortgage Loan Characteristics

Index	Current Mortgage Interest Rate (%)	Original Amortization Term (mo)*	Original Interest-Only Term (mo)	Remaining Amortization Term (mo)*	Remaining Term To Maturity (mo)	Gross Margin (%)	Months Until Next Rate Adjustment Date	Rate Change Frequency (mo)	Initial Periodic Cap (%)	Subsequent Cap (%)	Maximum Mortgage Interest Rate (%)	Minimum Mortgage Interest Rate (%)	Or Prep Pe Term
6 Month LIBOR	8.44066	360	N/A	359	359	5.27471	23	6	1.50000	1.50000	15.44066	8.44066	
6 Month LIBOR	8.96238	360	N/A	358	358	5.54642	22	6	1.45873	1.45873	15.96238	8.96238	N
6 Month LIBOR	8.44040	360	N/A	359	359	5.39577	23	6	1.50000	1.50000	15.44040	8.44040	
6 Month LIBOR	7.85000	360	N/A	359	359	4.85000	23	6	1.50000	1.50000	14.85000	7.85000	
6 Month LIBOR	8.35923	360	N/A	358	358	5.17452	22	6	1.53159	1.53159	15.29605	8.35923	
6 Month LIBOR	9.16289	360	N/A	358	358	5.79775	22	6	1.50000	1.50000	16.16289	9.16289	
6 Month LIBOR	7.95000	360	N/A	358	358	4.45000	22	6	1.50000	1.50000	14.95000	7.95000	
6 Month LIBOR	8.22532	360	N/A	356	356	5.12374	20	6	1.50000	1.50000	15.22532	8.22532	
6 Month LIBOR	8.65000	360	N/A	357	357	5.65000	21	6	1.50000	1.50000	15.65000	8.65000	
6 Month LIBOR	7.68056	360	N/A	357	357	4.44093	21	6	1.50000	1.50000	14.68056	7.68056	N
6 Month LIBOR	7.35000	360	N/A	359	359	3.75000	23	6	1.50000	1.50000	14.35000	7.35000	
6 Month LIBOR	6.86453	360	N/A	358	358	3.35238	22	6	1.50000	1.50000	13.86453	6.86453	
6 Month LIBOR	7.60000	360	N/A	360	360	4.10000	24	6	1.50000	1.50000	14.60000	7.60000	
6 Month LIBOR	7.40000	300	60	300	354	3.90000	18	6	1.50000	1.50000	14.40000	7.40000	
6 Month LIBOR	7.87197	300	60	300	359	4.62058	23	6	1.33240	1.33240	14.87197	7.87197	N
6 Month LIBOR	7.57521	300	60	300	358	4.49947	22	6	1.50000	1.50000	14.57521	7.57521	
6 Month LIBOR	6.81788	300	60	300	359	3.45781	23	6	1.50000	1.50000	13.81788	6.81788	
6 Month LIBOR	6.99000	300	60	300	358	3.49000	22	6	1.50000	1.50000	13.99000	6.99000	
6 Month LIBOR	7.21000	300	60	300	358	4.40000	22	6	1.50000	1.50000	14.21000	7.21000	
6 Month LIBOR	7.81469	300	60	300	359	4.69805	23	6	1.50000	1.50000	14.81469	7.81469	N
6 Month LIBOR	7.83825	300	60	300	358	4.83825	22	6	1.50000	1.50000	14.83825	7.83825	
6 Month LIBOR	7.05266	300	60	300	359	4.36842	23	6	1.50000	1.50000	14.05266	7.05266	
6 Month LIBOR	7.75000	300	60	300	359	4.75000	23	6	1.50000	1.50000	14.75000	7.75000	
6 Month LIBOR	10.65000	480	N/A	478	358	7.65000	22	6	1.50000	1.50000	17.65000	10.65000	
6 Month LIBOR	8.59608	480	N/A	477	357	5.70700	21	6	1.60549	1.60549	15.38510	8.59608	N
6 Month LIBOR	7.78258	480	N/A	478	358	4.87623	22	6	1.57638	1.42362	14.62982	7.78258	
6 Month LIBOR	8.10971	480	N/A	478	358	4.99236	22	6	1.55340	1.55340	15.00291	8.10971	
6 Month LIBOR	8.42175	480	N/A	477	357	5.42175	21	6	1.50000	1.50000	15.42175	8.42175	
6 Month LIBOR	7.87500	480	N/A	479	359	4.37500	23	6	1.50000	1.50000	14.87500	7.87500	
6 Month LIBOR	7.84743	480	N/A	477	357	4.39364	21	6	1.50000	1.50000	14.84743	7.84743	
6 Month LIBOR	7.50000	480	N/A	477	357	4.50000	21	6	1.50000	1.50000	14.50000	7.50000	
6 Month LIBOR	7.48167	480	N/A	479	359	4.89912	23	6	1.66118	1.66118	14.15930	7.48167	N
6 Month LIBOR	6.86267	480	N/A	477	357	4.83762	21	6	1.74374	1.74374	13.37520	6.86267	
6 Month LIBOR	8.22970	480	N/A	479	359	5.08004	23	6	1.50000	1.50000	15.22970	8.22970	
6 Month LIBOR	7.59900	480	N/A	479	359	4.10000	23	6	1.50000	1.50000	14.59900	7.59900	
6 Month LIBOR	7.65000	480	N/A	477	357	4.65000	21	6	1.50000	1.50000	14.65000	7.65000	
6 Month LIBOR	8.47109	360	N/A	357	357	5.38847	33	6	1.50000	1.50000	15.47109	8.47109	
6 Month LIBOR	8.18851	360	N/A	359	359	5.00808	35	6	1.48438	1.48438	15.18851	8.18851	N
6 Month LIBOR	8.13322	360	N/A	358	358	4.91187	34	6	1.50000	1.50000	15.13322	8.13322	
6 Month LIBOR	7.30000	360	N/A	359	359	3.80000	35	6	1.50000	1.50000	14.30000	7.30000	
6 Month LIBOR	8.02048	360	N/A	359	359	4.96635	35	6	1.50000	1.50000	15.02048	8.02048	
6 Month LIBOR	8.90000	360	N/A	356	356	5.40000	32	6	1.50000	1.50000	15.90000	8.90000	
6 Month LIBOR	8.19483	360	N/A	359	359	5.01101	35	6	1.50000	1.50000	15.19483	8.19483	
6 Month LIBOR	9.10000	360	N/A	359	359	5.60000	35	6	1.50000	1.50000	16.10000	9.10000	
6 Month LIBOR	8.51493	360	N/A	358	358	5.29264	34	6	1.50000	1.50000	15.51493	8.51493	
6 Month LIBOR	7.92991	360	N/A	358	358	4.16155	34	6	1.50000	1.50000	14.92991	7.92991	
6 Month LIBOR	7.58824	360	N/A	358	358	4.43920	34	6	1.50000	1.50000	14.64328	7.58824	N
6 Month LIBOR	6.66950	360	N/A	359	359	2.88866	35	6	1.50000	1.50000	13.66950	6.66950	
6 Month LIBOR	6.99968	360	N/A	357	357	3.91690	33	6	1.50000	1.50000	13.99968	6.99968	
6 Month LIBOR	7.44622	360	N/A	359	359	4.35716	35	6	1.50000	1.50000	14.44622	7.44622	
6 Month LIBOR	7.80636	360	N/A	359	359	4.58891	35	6	1.50000	1.50000	14.80636	7.80636	
6 Month LIBOR	7.06588	300	60	300	358	4.06588	34	6	1.50000	1.50000	14.06588	7.06588	
6 Month LIBOR	7.48915	300	60	300	359	4.29162	35	6	1.50000	1.50000	14.48915	7.48915	N
6 Month LIBOR	7.58790	300	60	300	358	4.36915	34	6	1.50000	1.50000	14.58790	7.58790	
6 Month LIBOR	7.49900	300	60	300	359	4.49900	35	6	1.50000	1.50000	14.49900	7.49900	

*

Original Amortization Term and Remaining Amortization Term are net of the interest-only period and the Remaining Amortization Term for the interest-only loans will begin after the respective remaining interest-only period.

Index	Current Mortgage Interest Rate (%)	Original Amortization Term (mo)*	Original Interest-Only Term (mo)	Remaining Amortization Term (mo)*	Remaining Term To Maturity (mo)	Gross Margin (%)	Months Until Next Rate Adjustment Date	Rate Change Frequency (mo)	Initial Periodic Cap (%)	Subsequent Cap (%)	Maximum Mortgage Interest Rate (%)	Minimum Mortgage Interest Rate (%)	Or Prep Pe Terr
6 Month LIBOR	7.07016	300	60	300	359	3.92365	35	6	1.50000	1.50000	14.07016	7.07016	
6 Month LIBOR	7.54208	300	60	300	359	4.44432	35	6	1.50000	1.50000	14.54208	7.54208	
6 Month LIBOR	7.25128	300	60	300	358	4.30867	34	6	1.45790	1.45790	14.25128	7.25128	N
6 Month LIBOR													