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**From:** Barrett, Paul S <p[REDACTED]>  
**Sent:** Tuesday, May 1, 2012 7:54 PM  
**To:** Epstein, Jeffrey (jeevacation@gmail.com)  
**Cc:** Giuffrida, David J  
**Subject:** \$2.59mm of WAMU 04-AR3 B2 @ 62-16 (10% yield / 6.26 durn)

=0A

Jeffrey=/b>

Found a bond for the \$1MM we were looking to spe=d from last week.

=AMU 04-AR3 B2 is a Prime 5/1 Subordinate bond backed by seasoned Prim= 5/1 hybrid jumbo mortgages.

HIGHLIGHTS=/b>

- &n=sp; 747 FICO
- &nb=p; HPI Updated LTV = 58.53%- &nb=p; 85% of the borrowers have not missed a payment in the past 2 years
- &=bsp; 96% owner occupied
- =nbsp; <=span>97 months seasoned</=>

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WAMU 2004-AR3 B2 Offered @ 62-16</=> =0D  
=0A BOND DESCRIPTION

Prepay Rate

6 CPR

10 ramp 36 14 C=R

Cu=ip:

92922FNM6

=0D =0D =0D

Default Rate

0.75 ramp 36 1.25 0=2E5 CDR

=0A

Original Face:

2,590,000

Default Seve=ity

35 for 36 30

30 ramp 48 25

=/td>

Current Face:

1,888,737

=0D

Bond Type:

=0A

Prime 5/1 Sub

Price @=62-16

Stress Case

Base Case

Recovery Case

<=d width="228" nowrap="" valign="bottom" style="width:171.25pt;pa=din:0in 5.4pt 0in 5.4pt;height:13.35pt">

CCC/Ca/-

=/td>

=ield

10.001<=span>

11.974</=:p>

=0D Current Coup=n:

2.586%

=0A =0ASpread

274</=> 1061

Yield = Base Case

10.0=1%

Duration

</=d> 6.26

5.12

WAL @ Base Case

=0A 9.58

=0D 9.28

7.44

=0A

Principal Wi=dow @ Base Case

Princip=l Window

=0D

<=pan style="font-size:9.0pt;font-family:"Arial", "sans-se=if";color:black">Jun12 to Apr34

=0A=un12 to May34

Writedown %

=0D =0D

<=pan style="font-size:9.0pt;font-family:"Arial", "sans-se=if"">11.39%

Pr=ncipal Writedown

52.29%

=0D

<=pan style="font-size:9.0pt;font-family:"Arial", "sans-se=if";color:black">11.39%

0.00%<=:p>

Curren= Credit Enhancement:

2.30%

Total Collat Loss



CPR

8.47

11.11

=0D

Mortgage Type

Seasoned Prime 5/1=Hybrids

CDR

2.03

0=2E67

0.88

=0A

Wtd Avg Mortgage Coupon</=:p>

3.010%

=0A SEV

16.39

16.39

<=d width="175" nowrap="" valign="bottom" style="width:131.05pt;pa=ding:0in 5.4pt 0in 5.4pt;height:13.35pt">

747

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Wtd Avg Orig Loan-to-Value

=td width="195" nowrap="" valign="bottom" style="width:145.95pt;p=dding:0in 5.4pt 0in 5.4pt;height:13.35pt">

=7.88%

=0D

=/tr>

=0D Weighted Avg Loan Age

=0A

97

=0D

Owner Occupied<=span>

=span style="font-size:9.0pt;font-family:"Arial", "sans-s=rif";color:#1F497D">96.18

=0A  
=0ATop 1 Geo Conce=tration

CA 72%

=0D =0D  
=op 2 Geo Concentration

NY 5%

=0D =td width="175" nowrap="" valign="bottom" style="width:131.05pt;p=dding:0in 5.4pt 0in 5.4pt;height:13.35pt">

=0A  
Top 3 Geo Concentration

</=d> </=d>

Always Current (24 mos)</=pan>

=0D

<=pan style="font-size:9.0pt;font-family:"Arial", "sans-se=if";color:#1F497D">85.46%

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\*All Inve=tements are subject to risk, including possible loss of principal.</=:p>

\*This message is a product of s=les and trading and is not a research report

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\*Non-Agency bonds may have limited liquidity and clients =hould be aware that the secondary mar=et for mortgage-backed securities has experienced periods of illiquidity a=d may do so in the future. Illiquidity means that there may not be any p=rchasers for your class of certificates. Although any class of cer=ificates may experience illiquidity, it is more likely that classes</=:p>

&n=sp;

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\*High Yield =on-Agency bonds are speculative non-investment grade bonds that have highe=

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\*\*\* ALL OFFERS ARE SUBJECT=br>

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<<http://pscppv1.amer.jpmchase.net:8080/BlueSkyPage.html>> &nb=p;and review to see if your client’s state of residence is listed.=If you receive ‘NO SECURITY FOUND’, ‘NO STATES FOUNDR=7; or the security DOES NOT HAVE A CUSIP or is not USD-denominated, =hen please contact your SM or local compliance officer and provide the req=ested security and client information. Please note that a suitability re=iew and other pre-trade procedures must still be followed.<=i>

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