

**RE COPY**

STATE OF WISCONSIN : CIRCUIT COURT DANE COUNTY

In the Matter of the Rehabilitation of:  
Segregated Account of Ambac Assurance Corporation

Case No.: 10-CV-1576

**AFFIDAVIT OF ELLAYNE R. FAMATID ON BEHALF OF BANK OF AMERICA, N.A., IN ITS CAPACITY AS TRUSTEE FOR CERTAIN RMBS CERTIFICATEHOLDERS**

STATE OF ILLINOIS )  
 :SS  
COUNTY OF COOK )

DANE COUNTY

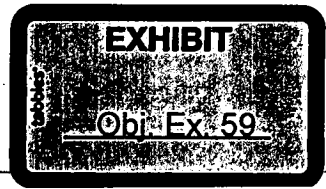
10 JUN 22 PM 3:04

CIRCUIT COURT

Ellayne R. Famatid, being first duly sworn on oath, deposes and states as follows:

1. I am a Senior Vice President at the Bank of America Merrill Lynch Global Securities Solutions division at Bank of America, N.A. I make this Affidavit in such capacity and in support of the Motion of Bank of America, N.A., in its Capacity as Trustee for Certain RMBS Certificateholders (the "Bank of America RMBS Trustee"), to Modify the Order for Temporary Injunctive Relief, filed in this action on June 22, 2010. The facts stated herein are based on my personal knowledge or reports from others with whom I work.

2. The Bank of America RMBS Trustee serves as trustee for certain holders of certificates in a number of residential mortgage-backed securitization transactions ("RMBS"), which holders (the "Insured Certificateholders") are ultimate beneficiaries of certain financial guaranty insurance policies (collectively, the "Policies," and each individually, a "Policy") issued by and insurance agreements entered into by Ambac



Assurance Corporation ("Ambac"). The Policies, which are held by the Bank of America RMBS Trustee for the benefit of the Insured Certificateholders, insure against certain losses incurred by, and/or allocated to, certificates held by the Insured Certificateholders.

3. The Bank of America RMBS Trustee is in the process of reviewing its records, but based on our analysis to date, I believe that the Bank of America RMBS Trustee serves as trustee for approximately six (6) RMBS transactions involving a Policy for which the Bank of America RMBS Trustee is the policyholder (collectively, the "RMBS Transactions," and each individually, an "RMBS Transaction"). It is my further belief, based upon such analysis to date, that the unpaid principal balance of the certificates covered by the Policies is approximately \$383 million.

4. Since the commencement of the present rehabilitation of the Insurer, the Bank of America RMBS Trustee has caused premiums and other payments to continue to be paid to Ambac in respect of the Policies. Additionally, the Bank of America RMBS Trustee has caused claims to be filed with Ambac under certain of the Policies, but such claims have not been paid by Ambac since the commencement of this proceeding.

5. Each RMBS Transaction is governed by a separate set of operative documents, which may include a pooling and servicing agreement, servicing agreements, a sale and servicing agreement, a trust agreement and/or an indenture and other related documents (the "Operative Documents"), delineating the rights and responsibilities of each of the parties to the transaction, including the trustee and the insurer. RMBS Transactions usually also incorporate an insurance agreement, which further delineates

the rights and responsibilities of the parties to the transaction vis-à-vis the insurance policy (together with the Operative Documents, the "Governing Documents").

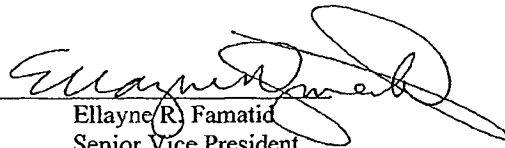
6. While the terms of the Governing Documents differ from deal-to-deal, they generally allocate to Ambac broad consent and direction rights. Examples of such rights include, but are not limited to: consent to the employment of subcontractors, consent to or direction of the sale or transfer of any of the trust estate, direction of the Bank of America RMBS Trustee (on behalf of the trust) to institute legal proceedings after an event of default, direction of the termination of the trust after an event of default, direction of the Bank of America RMBS Trustee (on behalf of the trust) to waive certain past defaults, and appointment of successor parties (servicers, administrators and trustees) to perform services on behalf of the trust.

7. Pursuant to the terms of the Governing Documents, Ambac generally loses those control and direction rights upon the occurrence of certain defaults (each, an "Insurer Default"). An Insurer Default generally occurs (among other instances) if there is a failure by Ambac to make a payment when due and/or the commencement of a rehabilitation proceeding. If and when an Insurer Default occurs and Ambac loses its control and direction rights, the Governing Documents redirect these rights to certain of the investors of the applicable RMBS transactions.

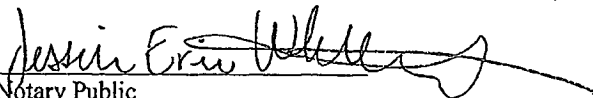
8. Accordingly, the commencement of this rehabilitation proceeding and/or the failure of Ambac to pay amounts due in respect of the Policies, as Insurer Defaults, should, under the terms of the Governing Documents, result in Ambac losing control

rights and those control rights passing to Insured Certificateholders and/or other investors of the applicable RMBS transactions.

9. Regardless of who is entitled to exercise control and direction rights, the Governing Documents require that a party who wishes to direct the Bank of America RMBS Trustee to take a specific action indemnify the Bank of America RMBS Trustee. The Governing Documents generally provide that the indemnification take the form of an indemnity or security against the costs, expenses and liabilities that may be incurred by the taking of the directed action, which indemnity or security must be acceptable to the Bank of America RMBS Trustee.

  
Ellayne R. Famatid  
Senior Vice President  
Bank of America, N.A.

Subscribed and sworn to before me  
this 21<sup>st</sup> day of June, 2010

  
Notary Public  
My commission expires on April 24, 2012

