June 26, 2010 Columbia Collateral File Summary Statistics

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This is a summary of the June 26 investor report and covers 5/26/10 to 6/26/10 period**. This database of subprime and alt-A securitized mortgages covers about 5% of the mortgage market, and about 20 % of foreclosures and mortgage modifications.**

The number of permanent modifications this month has decreased again to 17,420 from May (18,383) and April (22,888). The April 2010 level represented a return to pre-HAMP levels of voluntary modifications in 2009. The continued decrease in modifications may be due to the declining numbers of loans over the previous months. However, the percentage drop in modifications (-5.24%) is greater than the percentage drop in total loans (-.48%) from this previous month. This leads me to believe that the effects of the Administration's drive to convert temporary HAMP modifications to permanent ones are beginning to dwindle since this years' peak in modifications in April. As a positive, the number of liquidated foreclosures has decreased for the second month in a row. There were 22,147 liquidated foreclosures this month compared to 22,926 in April and 22,315 in May.

The number of foreclosures in process has again decreased this month to 254,650. This is the second month in a row there has been a decrease compared to April (264,414 foreclosures) and May (256,912 foreclosures). The decrease may be indicative that HAMP 's modification strategy is still working however the declining numbers of loans given may also be a reason for this decrease.

77.1% of this month's permanent modifications involved a decrease in monthly payments (initial payment vs. current payment). This is the third month in a row this percentage has decreased compared to the March 2010 peak of 81.4%. 15.8% of the modifications involved an increase in monthly payments while 7.1% involved no change in the monthly payments. Given that HAMP requires payment reductions, this suggests that servicers still conclude significant numbers of non-HAMP modifications that are more onerous for homeowners. However, the 77.1% of the modifications that involve a decrease in monthly payments are still much greater than the 46.2% low in November of 2008.

Investors lost $3.06 billion from foreclosure sales in June 2010. The average loss on foreclosed properties was $145,750 representing a loss severity of 62.7% of original principle for the 20,147 foreclosures. The number of modifications that include a forgiveness of debt over $1,000 has increased to 1,150 compared to 1,113 in May. This is mildly positive sign that more modifications will include a forgiveness of debt. There was also an increase in the number of modifications that forgave over $1,000 in debt despite the continuing decrease of loans in the pool.

The total recognized losses from modifications averaged about 15.09% of the loan balances, in contrast with the 62.67% lost on foreclosure sales. The aggregate losses from foreclosures were nearly 62 times as much as the losses recognized from modifications. The increasing percentage of recognized losses from modifications may herald a trend towards more aggressive principal reduction. The percentage of recognized losses from September 2009 to January of 2010 was around 5-7%. But, the percentage of recognized losses from modifications is still significantly less than the recognized losses from liquidated foreclosure sales.

The Columbia Collateral file contains loan-level performance information for approximately 2.9 million subprime and alt-A mortgages (as of June 26,2009), all of which are securitized in trusts for which Wells Fargo acts as trustee. The report is made available to investors each month on the 25th or 26th of the month, and covers the previous 30 days.