



February 2, 2010

**Via FedEx**

Mr. John J. Mack  
Chairman of the Board  
Morgan Stanley  
1585 Broadway  
New York, NY 10036

**Re: Financial Crisis Inquiry Commission Hearing on  
January 13, 2010**

Dear Mr. Mack:

On January 20, 2010, Chairman Angelides and Vice Chairman Thomas sent you a letter thanking you for testifying at the January 13, 2010 hearing and informing you that the staff of the FCIC would be contacting you to follow up on certain areas of your testimony and to submit written questions and requests for information related to your testimony. Please provide your answers to the following questions, and any additional information requested, by February 26, 2010.<sup>1</sup>

1. Did Morgan Stanley<sup>2</sup> prepare any kind of internal investigation, audit, or similar review regarding its business practices, including mistakes made, that contributed to the financial problems experienced by the bank in 2008? If so, please provide the internal review. If no review was performed, please explain why.
2. Please explain Morgan Stanley's due diligence practices regarding mortgage loans originated, acquired, securitized or sold, including any changes to those practices, following the September 2004 warning from the FBI about mortgage fraud.
3. Please answer the questions in the January 12, 2010 *New York Times* article by Andrew Ross Sorkin, titled "What the Financial Crisis Commission Should Ask."

<sup>1</sup> The answers you provide to the questions below are a continuation of your testimony and under the same oath you took before testifying on January 13, 2010. Further, please be advised that according to section 1001 of Title 18 of the United States Code, "Whoever, in any matter within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies, conceals or covers up by any trick, scheme, or device a material fact, or makes any false, fictitious or fraudulent statements or representations, or makes or uses any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry, shall be fined under this title or imprisoned not more than five years, or both."

<sup>2</sup> As used herein, Morgan Stanley refers to Morgan Stanley and all of its affiliated and managed accounts or funds.

Phil Angelides  
*Chairman*

Hon. Bill Thomas  
*Vice Chairman*

Brooksley Born  
*Commissioner*

Byron S. Georgiou  
*Commissioner*

Senator Bob Graham  
*Commissioner*

Keith Hennessey  
*Commissioner*

Douglas Holtz-Eakin  
*Commissioner*

Heather H. Murren, CFA  
*Commissioner*

John W. Thompson  
*Commissioner*

Peter J. Wallison  
*Commissioner*

Thomas Greene  
*Executive Director*

4. Please answer the questions in the January 13, 2010 *New York Times* article titled "Questions for the Big Bankers."
5. Please state whether Morgan Stanley has applied the claw-back provisions of its compensation program to any employee. Please include the reasons for the claw-back, the dollar amount of the claw-back and the percentage of the individual's compensation the claw-back represented.
6. Were there any internal discussions at Morgan Stanley in 2008 about bank solvency, the possibility of failure, or the possibility of the government coming in and rescuing the bank, providing assistance to the bank or preventing the bank from failing? Please provide records of all internal communications at Morgan Stanley (including communications with the board of directors) in 2008 relating to the firm's solvency, the possibility of failure, the possibility of the government providing assistance to, rescuing or preventing the failure of the firm. Please also provide records of all communications in 2008 between any employee, officer, director, agent or representative of Morgan Stanley and any third party, including outside counsel and any federal agency relating to the firm's solvency, the possibility of failure, the possibility of the government providing assistance to, rescuing or preventing the failure of the firm.
7. Please describe how Morgan Stanley's board of directors, committees of the board of directors, internal auditors, outside auditors and regulators review, test and audit the company's risk management practices, including the value of Morgan Stanley's assets and its leverage. Did any of those entities, or any other entities, express any concern or raise any issues about the value of Morgan Stanley's assets or its leverage? If yes, what were the concerns or issues, when were they raised and how did Morgan Stanley respond?
8. Please describe any changes in regulation since Morgan Stanley became a bank holding company and subject to regulation by the Federal Reserve. How is regulation by the Federal Reserve different than regulation by the SEC under the Consolidated Supervisory Entity Program?
9. You testified that there was no question Morgan Stanley did not put enough resources into risk management and strengthened risk management over the last two years after it experienced significant losses related to the decline in the value of securities and CDOs backed by residential mortgage loans. You also testified that Morgan Stanley named a new risk officer in early 2008 and added about 100 more people to the risk management process. Please describe the specifics of what Morgan Stanley learned that caused it to strengthen risk management, why it did not put enough resources into risk management and what changes have been made. Is there a report that includes the specific reasons for strengthening risk management and the specific changes to risk management? If there is such a report, please provide it.

10. Please provide any documentation regarding due diligence and firm rationale for the purchase of Saxon in 2006. Please also include any information on when the problems at Saxon were diagnosed and what actions were taken.
11. Please provide the following information about your institution's business as an over-the-counter derivatives dealer during each of the last four years, 2006-2009:
  - a. Revenues relating to the business.
  - b. Profits or losses relating to the business.
  - c. Percentage of the business that consisted of standardized contracts as opposed to customized contracts. Please describe how you are defining "standardized" and "customized".
  - d. Positions held in all OTC derivatives contracts in notional amount at the end of each of the last four years, and positions held in each of the following categories at that time: interest rate, currency, energy, credit, and other.
12. Please provide the following information about your institution's proprietary trading during each of the last four years, 2006-2009:
  - a. Describe the nature and kinds of proprietary trading your institution engaged in;
  - b. The amount of proprietary trading that was speculative and the amount of such trading that was hedging your business risk;
  - c. Revenues relating to the proprietary trading;
  - d. Profits or losses relating to the proprietary trading; and
  - e. Assets held relating to proprietary trading at the end of each of the last four years.
13. Please provide a list of every securitization (including mortgage-backed securities ("MBS"), collateralized debt obligations ("CDO"), or other structured products) organized, issued, arranged, sponsored, advised, managed, underwritten or sold by Morgan Stanley between January 1, 2006 and the present ("Morgan Stanley Securitizations"), including the issuing entity, the date and type of the initial registration statement or private placement memorandum ("PPM"), the date of the final registration statement and prospectus or PPM, the dollar amount of the securitization, the types of securities being sold, and the performance of the securities from the date of issuance to the present, including the credit rating and market value as a percentage of issuance price.
14. Please provide the names of all entities that rated or were asked to rate the securitizations referenced above. Include the name and address of the entity and each securitization the entity rated or was asked to rate.
15. Please provide a list of all warehouse lines or other funding Morgan Stanley provided to any mortgage originator from January 2001 to the present that includes the date of the warehouse line; the entity that received the warehouse line; the balance of the warehouse line at the end of each quarter; the number and dollar amount of loans originated by the

entity; and the number and dollar amount of the loans acquired by Morgan Stanley from the entity.

16. List all third party due diligence firms used by Morgan Stanley with respect to Morgan Stanley Securitizations identifying the deal on which the firm worked from January 1, 2006 to December 31, 2009.
17. List all Morgan Stanley officers responsible for due diligence, or supervising third party due diligence firms, with respect to Morgan Stanley Securitizations identifying the deal on which they exercised responsibility from January 1, 2006 to December 31, 2009.
18. Please explain Morgan Stanley's due diligence practices or disclosures to investors regarding mortgage loans originated, acquired, securitized or sold, including any changes to those practices and disclosures, following the September 2004 warning from the FBI about mortgage fraud.
19. Please provide a list of all transactions by Morgan Stanley from January 1, 2006 and December 31, 2009 in which the firm hedged or otherwise reduced its exposure to mortgage related assets or a downturn in the housing market. Please provide a list of all transactions by Morgan Stanley between January 1, 2006 and December 31, 2009 that would have generated profits for the firm if any of the Morgan Stanley Securitizations declined in value.
20. Please provide a list of all transactions from January 1, 2006 to December 31, 2009 where Morgan Stanley (1) sold any housing or mortgage-related assets, (2) purchased CDS related to any Morgan Stanley Securitizations, (3) purchased CDS related to any Morgan Stanley Securitization and (4) shorted any mortgage-related index including, but not limited to, the ABS index.
21. Please provide a written copy of any written statement (or a transcript of any recorded statement made by a client of Morgan Stanley in a recorded telephone conversation) made by any counterparty to Morgan Stanley, or client of Morgan Stanley, with respect to any transaction listed in question 20.
22. Please list any Morgan Stanley off balance sheet accounts between January 1, 2006 and December 31, 2009. Did Morgan Stanley ever subsequently report any off balance sheet account on its balance sheet? If yes, please explain when and why.
23. Please list all transactions between March 1, 2008 and March 17, 2008 in which Morgan Stanley established or maintained a financial position for its own proprietary trading account (or account of any hedge fund or other entity in which Morgan Stanley, or any member of the senior management committee, had a direct or indirect financial interest, but excluding accounts for third party clients of the firm) whether directly or indirectly, equivalent to shorting a security, or establishing a put position with respect to a security, or purchasing a credit default swap regarding any security issued by Bear Stearns.

24. Please list all transactions between September 1, 2008 and September 15, 2008 in which Morgan Stanley established or maintained a financial position for its own proprietary trading account (or account of any hedge fund or other entity in which Morgan Stanley, or any member of the senior management committee, had a direct or indirect financial interest, but excluding accounts for third party clients of the firm), whether directly or indirectly, equivalent to shorting a security, or establishing a put position with respect to a security, or purchasing a credit default swap regarding any security issued by Lehman.
25. If you had to identify one cause for the financial crisis what would it be?
26. In 2004, the SEC permitted the broker-dealer subsidiaries to change the way they calculated their net capital. Some believe that this allowed the investment banks to increase their leverage. Please provide data on this question, including the net capital of Morgan Stanley's subsidiary before and after the change in net capital regulation, and the way in which such a change could have increased the leverage of the parent company?
27. Assuming that an increase in leverage represents an increase in risk-taking, please explain why, in your view, Morgan Stanley increased its risk-taking after 2004?
28. In your answers to questions at the hearing, you said both that Morgan Stanley was not too big to fail, and that you agreed that there should be some method for resolving a failing financial firm like Morgan Stanley outside bankruptcy. How are these statements consistent? If Morgan Stanley is not too big to fail, why can't it simply be resolved in a bankruptcy proceeding?
29. Did Morgan Stanley acquire subprime mortgages, create pools of these mortgages and sell securities backed by these pools? If so, please (1) provide data on the value of securities sold, (2) explain whether or not Morgan Stanley retained any interest in these pools, and (3) the nature of these interests and their respective dollar amounts?
30. Did Morgan Stanley engage in rating-shopping—that is, restructuring the pools of mortgages according to the specifications of rating agencies?
31. When did Morgan Stanley first become aware of the deterioration of value in subprime mortgages, and was any decision made at that time to reduce Morgan Stanley's holdings or to purchase credit default swap coverage for the mortgage-backed securities Morgan Stanley then held?
32. Since the repeal of the affiliation provisions of the Glass-Steagall Act, and until the financial crisis of 2008, the five large investment banks grew much faster than the commercial banks. Why did Morgan Stanley?

33. Is there a competitive market for the services of traders in financial instruments, and does that account fully for their compensation levels? If so, does Morgan Stanley expect that it will lose the services of these traders with the institution of its new compensation policies? If not, why not?
34. Many people have argued that Morgan Stanley and other investment banks would have been more prudently managed if it had remained a partnership. Do you think this is true and, if so, what are the economic or financial benefits to society at large of allowing investment banks to become public companies?
35. When did Morgan Stanley first discuss with the Fed becoming a bank holding company?
36. Could Morgan Stanley have survived the financial crisis without government assistance? If so, why did Morgan Stanley become a bank holding company?
37. It is said that CDS obligations are not visible on the balance sheets or financial statements of participants in the CDS market. Do you agree? If these obligations are visible to investors and creditors in your financial statements, please identify where they appear and how they are calculated.
38. Did Morgan Stanley provide or obtain CDS protection on Lehman, and if so what were its gains or losses, if any? What other gains or losses to Morgan Stanley resulted from Lehman's bankruptcy, and what is the amount of such gains or losses?
39. Please provide your daily/monthly risk reports from 2006 to the present.

The FCIC appreciates your cooperation in providing the information requested. If you have any questions or concerns, please do not hesitate to contact Chris Seefer at (202) 292-1345 or [cseefer@fcic.gov](mailto:cseefer@fcic.gov).

Sincerely,



Thomas Greene  
Executive Director, Financial Crisis Inquiry Commission

cc: Phil Angelides, Chairman, Financial Crisis Inquiry Commission  
Bill Thomas, Chairman, Financial Crisis, Inquiry Commission

**Davis Polk**



New York  
Menlo Park  
Washington DC  
London  
Paris

Madrid  
Tokyo  
Beijing  
Hong Kong

**Raul F. Yanes**

Davis Polk & Wardwell LLP 202 962 7122 tel  
901 15<sup>th</sup> Street, N.W. 202 962 7091 fax  
Washington, DC 20005 raul.yanes@davispolk.com

March 19, 2010

Re: Financial Crisis Inquiry Commission's ("FCIC") February 2, 2010 Letter

Thomas Greene  
Executive Director  
Financial Crisis Inquiry Commission  
1717 Pennsylvania Avenue, NW, Suite 800  
Washington, DC 20006-4614

Dear Mr. Greene:

On behalf of our client, Morgan Stanley (the "Firm"), enclosed please find the Firm's partial response to the Commission's February 2, 2010 letter. As we have discussed with your staff, Morgan Stanley will provide responses to the FCIC's questions and requests on a rolling basis.

Please do not hesitate to contact me if you have any questions regarding the foregoing.

Very truly yours,

A handwritten signature in blue ink, appearing to be "Raul F. Yanes", with a long horizontal flourish extending to the right.

Raul F. Yanes

Enclosure

cc: Christopher P. Seefer, Esq.  
Reginald Brown, Esq.

## **Response to Questions from the Financial Crisis Inquiry Commission**

**1. Did Morgan Stanley prepare any kind of internal investigation, audit, or similar review regarding its business practices, including mistakes made, that contributed to the financial problems experienced by the bank in 2008? If so, please provide the internal review. If no review was performed, please explain why.**

The central financial problem that confronted Morgan Stanley in 2008 was a classic "run on the bank" that occurred following Lehman's bankruptcy. Lehman's bankruptcy sparked a severe crisis of confidence across global financial markets, and brought the entire investment banking business model under siege. Even though Morgan Stanley announced strong quarterly results in the week following Lehman's bankruptcy, the Firm's stock price continued to decline as the financial panic spread and led to a global financial crisis. Like many of its peers, Morgan Stanley found itself confronted with the problem of how to stop the "run on the bank" by restoring the market's confidence in the Firm's ability to survive. Morgan Stanley took rapid and aggressive steps to address this problem by, among other things, raising additional capital, shrinking its balance sheet, securing additional sources of liquidity, and working with the Federal Reserve and the Treasury to stem the financial panic.

While it did not conduct a formal investigation of the problems that it experienced after Lehman's bankruptcy, Morgan Stanley learned important lessons during the crisis and made wide-ranging changes as a result. These changes include the conversion to a bank holding company structure, changes to its business strategy and funding model, further enhancements to risk management, restructuring compensation practices, and deleveraging.

**3. Please answer the questions in the January 12, 2010 New York Times article by Andrew Ross Sorkin, titled "What the Financial Crisis Commission Should Ask":**

**3(a). This one is for the entire group. All of your firms are involved in some form of proprietary trading, or using your own capital to make financial bets, not unlike hedge funds and other private investors. As the recent crisis has shown, these bets can go catastrophically wrong and endanger the global financial system. Given that the government sent a clear signal in the crisis that it would not let the biggest firms fail, why should taxpayers guarantee this sort of trading? Why should the government backstop what amounts to giant hedge funds inside the walls of your firms? How is such trading helpful to the broader financial system?**

In late 2007 and early 2008, Morgan Stanley took several steps to shrink our balance sheet, including significantly reducing our proprietary trading activity. Although we have moved to reduce our proprietary positions, we believe that proprietary trading can play an important role in making markets more efficient, especially when such trading is defined to include market-making related activities. When financial institutions act as market makers, they add significant liquidity to the financial system by facilitating trades where a lack of trading volume would otherwise make such trades impossible. In addition, when done properly and subject to appropriate limits and controls, proprietary trading unrelated to market-making activities can provide an additional source of revenue for financial services firms, and thus can play a role in strengthening individual firms and the financial system as a whole.

**3(b). A question for all the executives about bonuses: We keep hearing that you plan to pay out billions in bonuses this year. Given that they come out of profits that, to a large degree, seem to be the result of government programs to prop up and stimulate the banking sector, do you think they are deserved, even if they are in stock? And, while we're on the topic, given the market crisis of 2008, were you all overpaid in 2007?**

The Government took many steps in the fall of 2008 to stabilize the financial system, and Morgan Stanley, like all financial institutions, benefited from these actions. We are grateful for the steps that the Government took to stabilize the system. Morgan Stanley was also pleased to be able to repay TARP funds within seven months, with an annualized 20% return to U.S. taxpayers.

Of course, Morgan Stanley would not be able to function successfully without paying compensation levels that are competitive with the rest of the industry. A major driver of our overall compensation costs was the significant increase in our employee base that occurred as a result of the Smith Barney joint venture with Citigroup that we entered into in 2009.

Morgan Stanley over the past two years has fundamentally restructured the way we pay our employees, consistent with regulatory guidance and industry best practices, to even more closely align compensation to long-term performance. We have substantially increased the portion of year-end compensation that is deferred – with Operating Committee members receiving approximately 75% of their year-end compensation in deferred compensation.

In connection with fiscal year 2009 compensation, the Firm for the first time has granted senior executives "at risk" performance units that only deliver value if the Company, after three years, meets certain pre-determined performance targets.

At the end of 2008, we adopted a "clawback" provision that is triggered if an individual engages in conduct detrimental to the Firm, such as causing the need for a restatement of financial results, a significant financial loss, or other reputational harm to the Firm or one of our businesses. The "clawback" was strengthened in 2009 to apply to a broader group of employees and to allow the Firm to reclaim compensation if the Company realizes losses on certain trading positions, investments or holdings.

**3(c). Again, for the group: Over the last year, your firms have actively used the Federal Reserve's discount window to exchange various investments (including C.D.O.'s) for cash. You probably have a better idea than most about what those assets now sitting on the Fed's balance sheet are worth. Given the growing calls for regular audits of the Fed (an idea being resisted by the likes of the chairman, Ben Bernanke), do you think the demands for such audits are warranted?**

Morgan Stanley believes that preserving the independence of the Federal Reserve with respect to its monetary policy is vitally important to ensure that it can perform its critical role in our economic system. Without a truly independent central bank, difficult policy choices may never be made and economic gains could be surrendered as a result. Morgan Stanley supports any reform that would strengthen the Federal Reserve's ability to carry out its crucial mission.

**3(d). This question is for Mr. Mack. In November, in a surprisingly candid moment, you publicly declared, "Regulators have to be much more involved." You then added, "We cannot control ourselves." Can you elaborate on those comments? Is Wall Street inherently incapable of policing itself - a view contrary to what most of your peers have argued?**

During the last decade, financial markets and the products traded within them have become much more complicated, and financial markets have become increasingly interrelated and global in

nature. At the same time, the market for financial services within those markets has also become increasingly global, and has been and remains extremely competitive.

Morgan Stanley believes that U.S. and foreign regulators need to be more involved in overseeing the risk management policies of individual financial institutions and in assessing and controlling risks to the global financial system as a whole. We welcome the increased regulation that has resulted from our conversion to a bank holding company, and we support further regulatory oversight of financial institutions, including the establishment of a strong systemic risk regulator with the ability and responsibility to prevent excessive risk-taking and other practices that threaten the stability of the financial system. We believe that the U.S. must work with other nations to coordinate standards and enforcement and to prevent "regulatory arbitrage," through which some market players seek competitive advantage by exploiting regulatory differences.

To regain trust in the markets, investors and regulators also need a clearer picture of the risks posed by increasingly complex financial instruments. We should aim to make more financial products transparently priced and readily tradable, and should establish a federally regulated clearing house for derivatives or require reporting to a central repository to improve oversight and efficiency. Such reforms will help create an efficient and effective market in futures and derivatives, which would benefit investors.

**4. Please answer the questions in the January 13, 2010 New York Times article titled "Questions for the Big Bankers":**

**4(a). Bankers are dealers in money. The Federal Reserve is a creator of money - since the crisis began in August 2007, it has conjured up \$1.1 trillion. Given the ease with which these dollars are materialized on a computer screen, how can they be worth anything?**

Morgan Stanley believes that the Federal Reserve's ability to inject liquidity into the financial system is a vital tool that helps reduce systemic risks by increasing the willingness of financial institutions to lend and make markets, and by bolstering overall confidence in the system. At the same time, as it manages the nation's monetary policy, the Federal Reserve works to strike the right balance between providing such support and liquidity when the economy and financial system require it, and avoiding unacceptable levels of inflation and devaluation of the currency.

**4(b). The Federal Reserve's setting of its benchmark federal funds rate at nearly 1 percent in 2003 to 2004 was a primary cause of the housing and mortgage debacle. Yet, in an attempt to nurse the economy back to health, the Fed has set that rate at nearly zero percent. So what's the next bubble, and how do you intend to profit by it?**

It is difficult to anticipate where asset bubbles might occur, and we are reluctant to attempt to do so here. We note that a systemic risk regulator with the ability to prevent excessive risk-taking will help to reduce the risk of bubbles and mitigate the consequences if a bubble bursts.

**4(c). It still isn't clear precisely how mortgage-related losses in the financial sector grew to be many times greater than the actual losses on the mortgages themselves. What role did synthetic collateralized debt obligations - a Wall Street invention that uses credit default swaps to mimic the payments from mortgages - play in multiplying the losses? Is there any way in which a synthetic debt obligation adds value to the real economy?**

Like any synthetic instrument, credit default swaps can play a constructive role in managing and allocating risk and providing an additional level of price transparency to the market. For example, particularly in the midst of the financial crisis, the market for many fixed income securities became highly illiquid, but the credit default swap market continued to trade actively. As a result, the credit default swap market provided an observable input by which to help measure the value of some illiquid

fixed income securities. Thus, credit default swaps can be an effective tool in helping the markets more efficiently discover the appropriate price of a fixed income security, and a means of managing the risk of default associated with that security.

Synthetic collateralized debt obligations typically own a portfolio of credit default swaps. As such, they can provide additional liquidity to the credit default swap market. They can also allow investment managers to make synthetic investments in securities that could be difficult or impossible to obtain in the cash market.

While financial innovations like credit default swaps and synthetic collateralized debt obligations can have a positive impact on financial markets, they also introduced an additional level of complexity. In retrospect, it is clear that, as the complexity of financial products increased in recent years, effective regulation and regulatory oversight did not keep pace. While many of these complex products were designed to spread risk, they can, under certain circumstances, have the effect of obscuring where and to what degree certain risks have been concentrated within the market. Morgan Stanley supports increased transparency in the derivatives market coupled with a strong, systemic risk regulator who can oversee financial institutions worldwide.

**4(e). *Without the Troubled Asset Relief Program, Wall Street banks would not have survived the shock to the financial system that occurred in September 2008. Nor would they have subsequently accrued large profits and bonus pools in 2009. Shouldn't a substantial share of those bonus pools be sequestered on bank balance sheets for several years to increase the banks' capital levels and shield taxpayers against another bailout?***

The aggressive actions taken by the Government in the wake of the financial crisis played a significant role in stabilizing the financial system. In response to the crisis, our Firm over the last two years fundamentally restructured the way we pay our employees – consistent with regulatory guidance and industry best practices – to even more closely align compensation to long-term performance. In addition to these firm-wide reforms, our CEO, James Gorman, recommended to the Compensation Committee that he be paid no cash bonus for 2009, and he received all of his 2009 compensation in deferred compensation. He also did not receive a bonus in 2008. Our former CEO, John Mack, did not receive a bonus in 2007, 2008, or 2009, and never received a cash bonus during his time as CEO of Morgan Stanley.

We note that Morgan Stanley maintained a high level of capital throughout the crisis and continues to do so today. Even before the TARP investment, our Tier 1 capital ratio was approximately 15 percent, one of the highest in the industry, and it remains one of the highest in the industry today.

**4(f). *All deposits insured by the Federal Deposit Insurance Corporation that were held by Wall Street financial conglomerates should have been insulated in separate bank subsidiaries that were prohibited from trading, holding derivative securities and investing in risky assets like equities or bonds with less than a AAA rating. Wouldn't such safeguards have reduced excess banker risk-taking, thereby reducing the need for taxpayer bailouts?***

It is difficult to know whether such safeguards across the industry would have reduced the need for government action to stabilize the financial system. Many FDIC-insured depository institutions experienced significant losses that were unrelated to trading, holding derivative securities or investing in equities or bonds with less than a AAA rating. Furthermore, some of the financial institutions that experienced significant losses and have received government assistance did not offer FDIC-insured deposits, and thus were not subject to these restrictions.

All FDIC-insured deposits held by Morgan Stanley's affiliates are held by subsidiaries that, like all FDIC-insured depository institutions, are not permitted to invest in equities, hold below-investment grade debt or engage as principals in securities activities.

**4(g). *Wall Street turbocharged the subprime mortgage boom from 2002 to 2006 by providing billions in cheap warehouse loans to non-bank lenders that otherwise had virtually no capital or financing. Had the Federal Reserve kept short-term interest rates at a more normal 4 percent to 5 percent, rather than pushing them down to 1 percent, would this not have greatly curtailed the reckless growth of subprime loans?***

The interest rate environment certainly influenced housing prices and both borrower and investor behavior, but it is not possible to say precisely how, and how much, a different interest rate policy would have affected the behavior of various market participants. We believe the key is to preserve the independence of the Federal Reserve in setting monetary policy to address these issues.

**4(h). *One result of the Pecora commission, the Depression equivalent of this investigation, was the Glass-Steagall Act, which kept investment banking separate from commercial banking until the act was repealed in 1999. Many experts now believe that divide should be reinstated. Yet commercial banks like Washington Mutual lost a lot of money during the crisis without having any investment banking activities, and pure investment banks like Bear Stearns and Lehman Brothers collapsed without being deposit-taking institutions. This suggests that the problem does not lie with mingling commercial and investment banking. Are you in favor of the return of Glass-Steagall, and why?***

Morgan Stanley is not in favor of reinstating the affiliation provisions of Glass-Steagall. The financial crisis has made clear that financial institutions can be at risk whether they operate as commercial banks or investment banks. The most important factors to avert a future financial crisis, we believe, are proper risk management within financial institutions, effective government oversight through a systemic risk regulator with the authority to prevent excessive risk-taking or other practices that threaten the stability of the financial system, and a resolution regime that will minimize instability and provide a clear path with respect to dissolution.

In addition, limiting the forms that U.S. financial institutions may take could have unintended consequences. If highly regulated financial institutions such as Morgan Stanley are prohibited from certain investment activities, these activities may migrate to less transparent and less regulated parts of the financial system. These limitations could also put U.S.-based banks at a disadvantage relative to our European peers, which currently operate as universal banks. While we strongly support reform of the current regulatory regime, we believe that these factors should be considered in determining what form those changes take.

**4(i). *Many people argue that the financial industry now accounts for far too much of the gross domestic product and that it is unproductive, indeed counterproductive, to devote so much of the nation's resources to simply moving money around rather than making things. Why has this shift occurred and what, if anything, can the government do about it?***

Morgan Stanley and other financial institutions play an important role in helping individuals and businesses effectively access the financial markets to achieve their financial objectives. Access to capital markets for individuals and businesses large and small is crucial to the functioning of the economy. As we saw during the worst of the financial crisis, when the capital markets dry up, it can have enormous adverse impacts on all aspects of the global economy.

In the midst of the financial crisis, Morgan Stanley was active in helping companies access the capital markets to fund their businesses and spur economic growth. Since the beginning of the fourth quarter of 2008, we have helped clients – including leading American companies like Pepsi,

Microsoft and Time Warner Cable – raise more than \$700 billion in debt to invest in their businesses. During the same period we also helped clients raise more than \$230 billion in equity to fund their businesses, including a major capital raise for Ford Motor Co. and a wide range of financial services companies including US Bancorp, BB&T and State Street. We also made \$45 billion in new money commitments for commercial loans to clients from October 2008 through November 2009.

In addition, through our broker-dealer subsidiaries' sales and trading activities, Morgan Stanley provides significant liquidity to the markets. Acting as an executing broker, prime broker and market maker in a variety of securities markets throughout the world, Morgan Stanley facilitates liquidity and thereby helps provide timely pricing information to the market, doing our part to help make the U.S. capital markets the most efficient in the world.

**4(j). *Over the last 20 years, the world of finance has been irrevocably transformed: individuals have moved their money from savings accounts into money market funds, and institutional investors now keep their cash in the repo market, where Treasury securities are borrowed and lent, rather than as deposits in commercial banks. As a result, before the crisis, half of the credit provided in the United States was being channeled outside the commercial banking system. What regulatory changes do we need to ensure that our current financial system is as stable as the traditional banking system that served us so well from 1936 to 1996?***

Many of the financial innovations of the last 20 years have resulted in significant improvements in providing liquidity and transparency to the market and allowing for more efficient flow of funds between investors and borrowers. We believe that it is not the form in which the banking system is structured that matters as much as whether financial institutions are subject to an appropriate regulatory framework.

To ensure the stability of our financial system, we support the creation of a strong risk regulator with the ability to coordinate regulation across jurisdictions. We also believe there should be increased transparency in the derivatives market. In addition, we believe that no firm should be considered too big to fail, and we support a framework that would allow failures to happen in a way that minimizes instability to the system.

**4(l). *Why were Wall Street traders and other moneymen permitted to make bets - through the use of so-called credit-default swaps - on the long-term value of securities they didn't even own? (This is akin to everyone in your neighborhood being allowed to buy fire insurance on your house. Since the only way that bet can pay off is if your house burns down, it shouldn't be any surprise when that is exactly what happens.)***

Credit default swaps allow for the management and allocation of risk by spreading risk across various parties. They can also be an effective tool in creating price transparency to the mortgage market. While we believe that synthetic instruments such as credit default swaps can provide benefits to the financial markets, we also believe that to ensure the stability of our financial system there must be increased transparency in the derivatives market, strengthened risk management at individual financial institutions, and improved government oversight through a systemic risk regulator with the authority to prevent excessive risk-taking or other practices that threaten the stability of the financial system.

**4(m). *Why aren't bankers and traders required to have more skin in the game - that is, more of their own salary at risk - and not just a marginal part of one year's bonus? (In the old days, when investment banks were private partnerships, a partner's entire net worth was on the line, every day.)***

Our bankers, traders, and senior executives have always had a significant portion of their overall compensation "at risk" and tied to the overall long-term performance of the Firm to align

employee interests with those of shareholders. Over the past two years, however, the Firm has fundamentally restructured the way we pay our employees, consistent with regulatory guidance and industry best practices, to even more closely align compensation to long-term performance. For example, we instituted a "clawback" that allows the Firm to reclaim compensation if the Company realizes losses on certain trading positions, investments or holdings. We also have significantly increased the portion of year-end compensation that is deferred, the result of which is in line with the Financial Stability Board (FSB) and our regulators' principles. (Please see the response to question 3(b) for further detail on our compensation practices.)

**4(n). What, if any, changes do you contemplate making to your pay programs for executives and other high-level employees in light of recent events and related public concerns?**

Over the past two years, the Firm has fundamentally restructured the way we pay our employees, consistent with regulatory guidance and industry best practices, to even more closely align compensation to long-term performance. For example, we have substantially increased the portion of year-end compensation that is deferred. (Please see the response to question 3(b) for further detail on our compensation practices.)

**8. Please describe any changes in regulation since Morgan Stanley became a bank holding company and subject to regulation by the Federal Reserve. How is regulation by the Federal Reserve different than regulation by the SEC under the Consolidated Supervisory Entity Program?**

The SEC's Consolidated Supervisory Entity ("CSE") Program was created in 2004. It was a voluntary program designed to provide holding company level supervision for complex broker-dealers in order to satisfy international regulatory requirements. Morgan Stanley was one of the early firms to volunteer to be part of this program, and the program itself represented a step in the right direction for the financial services industry. SEC supervision under the CSE program consisted of four principal components: a review of firms' applications to be admitted to the program; a review of monthly, quarterly and annual filings; monthly meetings between the SEC staff and management at the holding company for the broker-dealer; and examination of the books and records of the holding company, its broker-dealer[s], and material broker-dealer affiliates that were not subject to supervision by a principal regulator such as a federal banking agency. Regulatory review of CSE operations by the SEC included review of capital computations for the holding company and broker-dealer, review of certain internal risk controls, and review of the internal audit function.

Since Morgan Stanley became a bank holding company, it is subject to regulation by the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") rather than the SEC under the CSE program. In general, Federal Reserve Board supervision is even more comprehensive, thorough and focused on the "safety and soundness" of the financial institution as a whole. Federal Reserve Board supervision differs from supervision under the CSE Program in the following principal ways. First, CSE supervision was voluntary, as the CSE Program was intended to allow U.S. investment banks to volunteer to be subject to holding company supervision in order to satisfy international regulatory requirements. As a bank holding company, Morgan Stanley is now subject to mandatory supervision and regulation by the Federal Reserve Board. Second, unlike SEC supervisors for large, complex broker-dealers under the CSE program, Federal Reserve examiners are located on-site at large, complex bank holding companies, and, as a practical matter, they look at a broader range of the holding company's operations, including by targeted examinations. Third, the Federal Reserve Board is recognized as the "umbrella supervisor" of bank holding companies, that is, the supervisor with recognized authority over a bank holding company's entire consolidated operations. Finally, because the CSE program only arose in 2004, there was much less written guidance and interpretation available to supervisors than there is under the Bank Holding Company Act, where the supervisory regime dates to 1956.

**9. You testified that there was no question Morgan Stanley did not put enough resources into risk management and strengthened risk management over the last two years after it experienced significant losses related to the decline in the value of securities and CDOs backed by residential mortgage loans. You also testified that Morgan Stanley named a new risk officer in early 2008 and added about 100 more people to the risk management process. Please describe the specifics of what Morgan Stanley learned that caused it to strengthen risk management, why it did not put enough resources into risk management and what changes have been made. Is there a report that includes the specific reasons for strengthening risk management and the specific changes to risk management? If there is such a report, please provide it.**

While we do not believe the 2007 subprime trading losses reflect any systemic failure of the Firm or its risk management systems, these losses were a powerful wake-up call and caused us to react quickly to identify and address any breakdowns that may have contributed to the losses. In late 2007 and early 2008, we moved aggressively to reduce leverage, trim our balance sheet, raise private capital and further strengthen risk management. We also made immediate personnel decisions within the chain of command responsible for the trading strategy that led to our losses, and have updated our stress test and scenario analyses to reflect the unprecedented increases in expected default rates that occurred during late 2007 and contributed to our losses.

As discussed in John Mack's written testimony, Morgan Stanley has devoted significant additional resources to strengthen our risk management policies and procedures over the past two years, including significantly strengthening staffing in the risk management function in the trading business, creating a new, additional risk monitoring function reporting to the head of Institutional Securities Sales and Trading, adding increased market knowledge and trading expertise to complement our risk models and scenario analysis, and establishing a new Risk Committee of the Board of Directors to further enhance oversight of risk management throughout the Firm. Additionally, Morgan Stanley is factoring risk-adjusted measures even more closely into compensation decisions for sales and trading teams, consistent with the recent Federal Reserve and G-20 guidelines.

Finally, in the wake of the 2007 losses the Audit Committee of the Board commissioned a third party to make prospective recommendations to improve risk management practices. We would be happy to discuss this review with the FCIC staff.

**25. If you had to identify one cause for the financial crisis what would it be?**

There is an active debate about the causes of the financial crisis, a debate which may never be definitively settled. We believe, however, that rather than there being one cause, the financial crisis more likely resulted from a complex confluence of factors that included, among others, the widespread availability of cheap credit to individuals and businesses, the development of new types of financial products, a lack of coordinated regulatory oversight, excess leverage in the financial services industry, lack of clarity about the level of risk-taking across the financial system, a shortfall in the U.S. savings rate, the shock to the financial system of a sharp drop in the residential housing market in the U.S. and other countries, and a global crisis of investor confidence in financial firms and the ability of regulators and central banks to manage the challenges facing the global financial system.

**27. Assuming that an increase in leverage represents an increase in risk-taking, please explain why, in your view, Morgan Stanley increased its risk-taking after 2004?**

Between 2004 and 2007, as Morgan Stanley continued to grow, we increased our leverage in an effort to increase the return on equity for our shareholders. We began decreasing our leverage significantly at the end of 2007. By the end of 2008, our leverage was 11.4 times. Today, Morgan Stanley remains focused on maintaining prudent levels of leverage by carefully targeting capital to those businesses that offer the most attractive risk-adjusted returns.

**28. In your answers to questions at the hearing, you said both that Morgan Stanley was not too big to fail, and that you agreed that there should be some method for resolving a failing financial firm like Morgan Stanley outside bankruptcy. How are these statements consistent? If Morgan Stanley is not too big to fail, why can't it simply be resolved in a bankruptcy proceeding?**

Morgan Stanley believes that no firm should be considered "too big to fail" – if a firm mismanages its risks, regulators need the authority to unwind it. However, for the benefit of the financial system, this unwinding should be done in an orderly way through a resolution authority that can minimize instability and provide a clear path with respect to dissolution.

**32. Since the repeal of the affiliation provisions of the Glass-Steagall Act, and until the financial crisis of 2008, the five large investment banks grew much faster than the commercial banks. Why did Morgan Stanley?**

Morgan Stanley's growth during this period was largely unrelated to the repeal of the affiliation provisions of the Glass-Steagall Act. Morgan Stanley was created in 1935 because Glass-Steagall's affiliation provisions prohibited JP Morgan & Company from engaging in investment banking. As a result, Morgan Stanley has historically been focused on investment banking, trading and other non-commercial banking activities. The repeal of the affiliation provisions of the Glass-Steagall Act did not significantly change the focus of Morgan Stanley's business model or our growth. Instead, Morgan Stanley's growth during this period was primarily the product of a number of other factors, including access to new capital, a sustained increase in asset values until the beginning of 2007, and an increase in leverage. Morgan Stanley did not grow as quickly as some of our peers. In addition, while the Firm did grow in the last decade, we have at the same time been diligent about exiting businesses that we do not believe are an appropriate fit for our Firm, and thereby have limited the overall size of our Firm. For example, in 2007, we spun off our credit card business to shareholders because we did not believe it was consistent with our strategic focus, and we have spun off or sold various other businesses as well. Today, Morgan Stanley remains focused on carefully targeting capital to those businesses that are consistent with our strategic focus and offer the most attractive risk-adjusted returns for our shareholders.

**33. Is there a competitive market for the services of traders in financial instruments, and does that account fully for their compensation levels? If so, does Morgan Stanley expect that it will lose the services of these traders with the institution of its new compensation policies? If not, why not?**

There is a highly competitive market for talent in the financial services industry, and the competition is not limited to traders. Morgan Stanley is competing for talent not just with other banks, but also with hedge funds and other unregulated financial entities. The market is also international in scope.

This competition has driven compensation levels higher across the financial services industry – particularly as unregulated financial entities have proliferated and created opportunities for top talent to earn more than they do at Morgan Stanley and other regulated institutions.

Our new compensation policies are designed to even more closely align the interests of our employees and our shareholders. It is possible that some employees may leave because of these policies, believing that they may be more highly compensated in other settings. Our compensation policies, however, balance various values, and are not designed only for retention purposes. In addition to retention, Morgan Stanley's executive compensation program is designed to drive company and individual performance, balance short- and long-term performance, align executive and shareholder interests, and avoid unnecessary or excessive risk-taking. We are hopeful that our compensation policies will continue to allow us to retain the necessary talent to remain competitive.

**34. Many people have argued that Morgan Stanley and other investment banks would have been more prudently managed if it had remained a partnership. Do you think this is true and, if so, what are the economic or financial benefits to society at large of allowing investment banks to become public companies?**

Given the size and scale of the modern financial markets and the size of transactions in those markets, we do not think it would be practical to manage as a partnership a company of the size necessary to participate in those markets and provide the services our clients seek from us. Among other things, to meet the diverse financial needs of the many U.S.-based multi-national companies who are our clients, we need the access to growth and capital which can only come through being a public company. We note that as a public company, we are subject to increased disclosure requirements regarding our structure, financial position and market activities, which provide the market with more transparency. Finally, we do not believe it is realistic or in the best interests of the U.S. economy to expect U.S. firms to operate in a form different than their international competitors, many of whom operate as publicly traded universal banks.

Although we are no longer a partnership, we continue to work to ensure that our employees' incentives are aligned with the long-term interests of our shareholders, which is a key goal of our compensation program, as discussed in response to question 3(b).

**36. Could Morgan Stanley have survived the financial crisis without government assistance? If so, why did Morgan Stanley become a bank holding company?**

It is difficult to speculate about a hypothetical situation, particularly given the many variables involved in the unprecedented circumstances that led the Federal Government to take the variety of steps it did to stabilize the financial system during the financial crisis. We believe that Morgan Stanley, like all financial institutions, benefitted from these actions, and our Firm is grateful that the Government acted aggressively and broadly to stabilize the system during that crisis.

When Lehman Brothers collapsed in September 2008, Morgan Stanley, along with many of our peers, experienced a classic run on the bank as the entire investment banking business model came under siege and the world's financial markets began to panic. When the financial crisis hit, our conversion to a bank holding company was among a number of steps – which also included raising \$9 billion from Mitsubishi UFJ Financial Group – that Morgan Stanley took that were significant in preventing the spread of panic and protecting our Firm. Our conversion provided the marketplace more certainty about the strength of the Firm's financial position, the rigor of our regulatory oversight, and our access to funding, thereby helping ensure that the Firm would possess the stability and flexibility necessary to engage our counterparties and support and serve our clients.

# Davis Polk

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**Raul F. Yanes**

Davis Polk & Wardwell LLP 202 962 7122 tel  
901 15<sup>th</sup> Street, N.W. 202 962 7091 fax  
Washington, DC 20005 raul.yanes@davispolk.com



April 27, 2010

Re: Financial Crisis Inquiry Commission's ("FCIC") February 2, 2010 Letter

**NON-PUBLIC INFORMATION  
CONFIDENTIAL TREATMENT REQUESTED**

Christopher P. Seefer, Esq.  
Assistant Director and Deputy General Counsel  
Financial Crisis Inquiry Commission  
1717 Pennsylvania Avenue, NW, Suite 800  
Washington, DC 20006-4614

Dear Mr. Seefer:

On behalf of our client, Morgan Stanley (the "Firm"), enclosed please find the Firm's further response to the FCIC's February 2, 2010 letter. Also enclosed are exhibits A through D, which are referenced in the responses and bear bates-stamps MS0000029 through MS0000088. As we have discussed, Morgan Stanley will continue to provide responses to the FCIC's questions and requests on a rolling basis.

The enclosed documents contain non-public information. We request that this information be treated according to the confidentiality procedures agreed to in the March 8, 2010 letter from Gary Cohen to me regarding the treatment of Morgan Stanley non-public information. To that end, we have designated this letter and the enclosed materials "Non-Public Information – Confidential Treatment Requested." If any further steps are required to secure confidential treatment of this letter and the enclosed materials, please let me know. This letter and the enclosed materials are being made available to the FCIC without prejudice to any privileges that the Firm may have, including the attorney-client privilege and immunity from disclosure under the work product doctrine, which are expressly reserved.

Please do not hesitate to contact me if you have any questions regarding the foregoing.

Very truly yours,

A handwritten signature in blue ink that reads "Raul F. Yanes". The signature is written in a cursive style.

Raul F. Yanes

Enclosures

cc: Reginald Brown, Esq.

## **Response to Questions from the Financial Crisis Inquiry Commission**

**2. Please explain Morgan Stanley's due diligence practices regarding mortgage loans originated, acquired, securitized or sold, including any changes to those practices, following the September 2004 warning from the FBI about mortgage fraud.**

The bulk of Morgan Stanley's residential mortgage loan business concerned the purchase and securitization of residential loans originated by other companies. In that context, the primary purpose of Morgan Stanley's due diligence practices was to ascertain whether the loans Morgan Stanley was purchasing materially conformed with the seller's description of the loans being sold.

Morgan Stanley's mortgage loan due diligence practices varied according to a number of factors including, among others, the underwriting classification (e.g., whether prime, "Alt-A", subprime, or distressed loans), the channel through which the loans were acquired (e.g., whether purchased in bulk, mini-bulk, or via the correspondent conduit), and Morgan Stanley's historical experience with the loan seller.

These due diligence practices generally included "valuation" due diligence, "credit" due diligence and "compliance" due diligence. "Valuation" due diligence involved reviewing the reasonableness of the valuations of the properties securing the loans. Depending on the circumstances, this could involve reviewing individual appraisals, using automated valuation models to compare valuations against comparable properties and, in some instances, obtaining price opinions from local real estate professionals. "Credit" due diligence primarily involved reviewing information concerning whether the mortgages met the originator's underwriting guidelines or compensating factors supported an exception to the guidelines. "Compliance" due diligence involved reviewing information concerning the loans' compliance with federal, state and local laws. Due diligence was performed either on a sample basis or on all of the loans being purchased depending on the type of due diligence, the seller of the loans and other factors.

Morgan Stanley always had a strong incentive to avoid purchasing fraudulent loans, and had a number of procedures in place to minimize that risk both before and after the FBI's 2004 warning. In addition to the due diligence practices described above, Morgan Stanley generally required sellers to make certain representations and warranties concerning loans, and had the right to require sellers to repurchase loans if those representations and warranties were breached. In addition, Morgan Stanley generally had the right to require sellers to repurchase loans if the borrower defaulted on the initial payment or payments. Depending on the size and nature of the seller, Morgan Stanley would sometimes conduct corporate due diligence on sellers of the loans. Morgan Stanley also conducted training sessions designed to help its professionals identify and avoid purchasing potentially fraudulent loans.

**4(k). Why did Wall Street continue to package and sell as securities so many mortgages of questionable value and underwriting standards even as the housing market started to collapse?**

During the period when Morgan Stanley sponsored residential mortgage-backed securities, there were legitimate differences of opinion in the market about whether the housing market was experiencing a short-term downturn in the market or a more long-term phenomenon. These differences in opinion are necessary to the functioning of markets. We sponsored residential mortgage securitizations during this time because there were still buyers who felt that this was a short-term phenomenon, and these securities were priced according to what the market thought they were worth at the time.

**13. Please provide a list of every securitization (including mortgage-backed securities ("MBS"), collateralized debt obligations ("CDO"), or other structured products) organized, issued, arranged, sponsored, advised, managed, underwritten or sold by MS between 1/1/06 and the present ("MS Securitizations"), including the issuing entity, the date and type of the initial registration statement or private placement memorandum ("PPM"), the date of the final registration statement and prospectus or PPM, the dollar amount of the securitization, the types of securities being sold, and the performance of the securities from the date of issuance to the present, including the credit rating and market value as a percentage of issuance price.**

Attached as Exhibit A is a schedule listing every subprime securitization sponsored by Morgan Stanley from January 1, 2006 through December 31, 2007.<sup>1</sup> The schedule includes the name of the securitization, the closing date, the cusip number for each tranche, the tranche size, the original ratings and rating agencies, and the current ratings. Attached as Exhibit B is a schedule containing similar information for each Alt-A and "scratch and dent" securitization sponsored by Morgan Stanley during the same period.<sup>2</sup> Attached as Exhibit C is a schedule containing similar information for each fully tranching CDO underwritten by Morgan Stanley and backed by non-prime MBS during the same period.<sup>3</sup>

**14. Please provide the names of all entities that rated or were asked to rate the securitizations referenced above. Include the name and address of the entity and each securitization the entity rated or was asked to rate.**

See Exhibits A through C above for a list of rating agencies asked to rate the relevant securitizations. Each rating agency has multiple offices, the addresses for which can be found on the agencies' respective websites.

**15. Please provide a list of all warehouse lines or other funding Morgan Stanley provided to any mortgage originator from January 2001 to the present that includes the date of the warehouse line; the entity that received the warehouse line; the balance of the warehouse line at the end of each quarter; the number and dollar amount of loans originated by the entity; and the number and dollar amount of the loans acquired by Morgan Stanley from the entity.**

Attached as Exhibit D is a chart listing each of the residential mortgage originators to which Morgan Stanley provided warehouse lines. For the period November 2003 forward, the chart shows the dates during which Morgan Stanley provided a warehouse line to each of these originators; the name of the originator receiving the warehouse line; and the quarter-end "funded" balance for each warehouse line.

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<sup>1</sup> The information contained in Exhibits A through D, attached hereto, is limited to deals transacted within the United States.

<sup>2</sup> Exhibit B does not include the size of each tranche, but this information can be provided upon request.

<sup>3</sup> Question 13 is extremely broad, and Exhibits A, B and C do not include all of the transactions and information potentially within its scope. For example, these exhibits do not include information regarding: (a) commercial mortgage-backed securitizations or collateralized loan obligations; (b) residential mortgage-backed securitizations sponsored by other financial institutions where Morgan Stanley acted as an underwriter, adviser or initial purchaser; (c) securitizations, CDOs or other structured products that Morgan Stanley bought or sold in the secondary market; or (d) transactions created or repackaged on a bespoke basis at the request of specific counterparties. If the FCIC staff wants more information regarding particular types of transactions not included in the attached charts, Morgan Stanley would be willing to discuss this with the FCIC staff.

**16. List all third party due diligence firms used by Morgan Stanley with respect to Morgan Stanley Securitizations identifying the deal on which the firm worked from January 1, 2006 to December 31, 2009.**

Morgan Stanley used a combination of internal and external due diligence resources when it purchased residential loans. Some, but not all, of these loans were subsequently included in Morgan Stanley sponsored securitizations, which could occur months later and could include loans purchased from different sellers at different points in time. Since the loan-level due diligence for Morgan Stanley sponsored securitizations was conducted when Morgan Stanley acquired the loans and not when they were subsequently securitized, the third party due diligence firms retained by Morgan Stanley did not work on particular Morgan Stanley sponsored securitization deals. Morgan Stanley used a number of providers, including Clayton Holdings Co. and Hansen Quality LLC, to conduct due diligence on the purchase of loans. When Morgan Stanley was acting as the underwriter for securitizations sponsored by a different company, Morgan Stanley would generally use Clayton Holdings Co. to assist it with its underwriting due diligence on these deals.

**17. List all MS officers responsible for due diligence or supervising third party due diligence firms, with respect to Morgan Stanley Securitizations identifying the deal on which they exercised responsibility from January 1, 2006 to December 31, 2009.**

As noted above, Morgan Stanley generally performed due diligence when it purchased residential loans, not when it subsequently securitized some of them in Morgan Stanley sponsored securitizations. Accordingly, Morgan Stanley did not assign responsibility for conducting or supervising due diligence for individual Morgan Stanley sponsored securitization deals to particular Morgan Stanley officers. With respect to securitizations sponsored by other companies which were underwritten by Morgan Stanley, the Morgan Stanley officers responsible for underwriting the deal would also have been responsible for conducting and supervising the due diligence associated with that securitization. The names of these officers can be made available to the FCIC staff for specific securitizations upon request.

**18. Please explain Morgan Stanley's due diligence practices or disclosures to investors regarding mortgage loans originated, acquired, securitized or sold, including any changes to those practices and disclosures, following the September 2004 warning from the FBI about mortgage fraud.**

This question appears similar to the Commission's Question No. 2 except insofar as it references Morgan Stanley's disclosures to investors regarding the residential mortgage loans contained in trusts sponsored by Morgan Stanley.

Morgan Stanley provided detailed disclosures to the investors who purchased mortgage pass-through certificates issued by trusts sponsored by Morgan Stanley regarding the characteristics of the loans included in those trusts. These disclosures included information concerning, among other things, the FICO scores and debt-to-income ratios of the borrowers obligated to repay the loans; the structure, terms and nature of the loans; the level of documentation required from the borrowers; the nature of the properties securing the loans; the loan-to-value ratios for the loans; geographic concentrations and other information.

These disclosures also contained extensive risk factors. For example, the disclosures for subprime residential mortgage loan securitizations disclosed the potential risks associated with subprime loans, borrowers and the subprime mortgage market, including, among others, the risks that: higher delinquency rates might be associated with loan-to-value ratios exceeding 80-percent, interest-only loans, and balloon terms; the originator might be unable to repurchase collateral found to be in breach of representation and warranties; a decline in property value may have a greater effect on the delinquency, foreclosure and loss

**Non-Public Information – Confidential Treatment Requested**

experience for subprime loans than for loans originated in a more traditional manner; the appraisal or review used to originate the loan might value the property at more than its actual worth; and originators granted exceptions to underwriting guidelines.

**19. Please provide a list of all transactions by Morgan Stanley from January 1, 2006 and December 31, 2009 in which the firm hedged or otherwise reduced its exposure to mortgage assets or a downturn in the housing market. Please provide a list of all transactions by Morgan Stanley between January 1, 2006 and December 31, 2009 that would have generated profits for the firm if any of the Morgan Stanley Securitizations declined in value.**

Please see Morgan Stanley's response to question 20.

**20. Please provide a list of all transactions from January 1, 2006 to December 31, 2009 where Morgan Stanley (1) sold any housing or mortgage-related assets, (2) purchased CDS related to any Morgan Stanley Securitizations, (3) purchased CDS related to any Morgan Stanley Securitization and (4) shorted any mortgage-related index including, but not limited to, the ABS [sic] index.**

Morgan Stanley was an active participant in the market for residential mortgages, residential mortgage-backed securitizations, CDOs backed by residential mortgages, CDS-referenced residential mortgage-backed securitizations and CDOs and other mortgage-related assets throughout this time period, and repeatedly took both long and short positions in these markets. In connection with those various roles, Morgan Stanley routinely engaged in numerous transactions that may have had the effect of increasing or decreasing its exposure to residential mortgage-related assets. It would not be practical to list all of these transactions over a four year period. Morgan Stanley's aggregate exposure to various residential mortgage-related assets is discussed in Morgan Stanley's public filings. During fiscal year 2007, the aggregate losses on Morgan Stanley's long positions substantially outweighed the gains on Morgan Stanley's short positions. As a result, Morgan Stanley recognized substantial losses on its residential mortgage-related positions during fiscal year 2007. While most of these losses occurred in the fourth quarter of 2007, some additional losses extended into 2008 as the market for residential mortgage-related assets continued to decline in value.

**29. Did Morgan Stanley acquire subprime mortgages, create pools of these mortgages and sell securities backed by these pools? If so, please (1) provide data on the value of securities sold, (2) explain whether or not Morgan Stanley retained any interest in these pools, and (3) the nature of these interests and their respective dollar amounts?**

Morgan Stanley, like many other financial institutions, acquired subprime mortgages, created pools of mortgages and sold mortgage pass-through certificates backed by those pools. (1) A list of the Morgan Stanley sponsored securitizations backed by non-prime mortgages sponsored in 2006 and 2007 is attached as Exhibits A through C, above. (2) The Firm generally retained an interest in the mortgage collateral pools backing these securitizations. (3) The retained interests included the residual cash flows of securitizations, and in some cases mortgage pass-through certificates that were not sold to third-parties.

**30. Did Morgan Stanley engage in rating-shopping -- that is, restructuring the pools of mortgages according to the specifications of rating agencies?**

As an ordinary part of the securitization process, Morgan Stanley would structure pools of loans and other features of the transactions in accordance with various parameters set by ratings agencies. Those parameters were generally known by market participants, and Morgan Stanley does not believe that structuring pools in accordance with ratings agencies' parameters can or should be fairly described as "rating-shopping."

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**31. *When did Morgan Stanley first become aware of the deterioration of value in subprime mortgages, and was any decision made at that time to reduce Morgan Stanley's holdings or to purchase credit default swap coverage for the mortgage-backed securities Morgan Stanley then held?***

There is an active market for trading subprime mortgages and securitizations backed by subprime mortgages and CDS referencing those instruments. Morgan Stanley was one of a large number of financial firms that participated in that market and, collectively, that market set the value for subprime mortgages and the securities backed by them. There are various sources of public information concerning that market, including the ABX index. As the value of subprime-backed securitizations declined during 2007, Morgan Stanley, like many other market participants, actively sought to manage the risks associated with its subprime-related positions. However, all market participants had access to the same basic information concerning the prevailing market values of the securities, and it became more costly to hedge against these risks as the market declined and became more volatile. As the market continued to deteriorate, Morgan Stanley marked its subprime-related trading positions to the prevailing market values and recognized approximately \$9.4 billion subprime-related losses during the fourth quarter of its 2007 fiscal year.



EXHIBIT A							RATING INFO AS OF 1/13/10		
Closing Date	Name of Securitization	Amount of Total Offering	Tranche	CUSIP	Tranche Size (\$MM)	Original Tranche Rating	Current Moodys rating	Current S&P rating	Current Fitch rating
1/26/2006	MSAC 2006-WMC1	1,091,989,000				Moody's, S&P, Fitch			
1/26/2006	MSAC 2006-WMC1		A1	61744CXJ0	284,575,000	Aaa/AAA/AAA	Aa3	BB	CCC
1/26/2006	MSAC 2006-WMC1		A2A	61744CXK7	376,590,000	Aaa/AAA/AAA	WR	NR	PIF
1/26/2006	MSAC 2006-WMC1		A2B	61744CXL5	124,930,000	Aaa/AAA/AAA	A2	AAA	CCC
1/26/2006	MSAC 2006-WMC1		A2C	61744CXM3	91,611,000	Aaa/AAA/AAA	Ba1	B-	CC
1/26/2006	MSAC 2006-WMC1		M1	61744CXN1	43,428,000	Aa1/AA+/AA+	B1	CCC	CC
1/26/2006	MSAC 2006-WMC1		M2	61744CXP6	39,428,000	Aa2/AA+/AA+	Caa3	CCC	C
1/26/2006	MSAC 2006-WMC1		M3	61744CXQ4	29,143,000	Aa3/AA/AA	C	CC	C
1/26/2006	MSAC 2006-WMC1		M4	61744CXR2	19,428,000	A1/AA-/AA-	C	D	C
1/26/2006	MSAC 2006-WMC1		M5	61744CXS0	19,428,000	A2/AA-/A+	C	D	D
1/26/2006	MSAC 2006-WMC1		M6	61744CXT8	17,143,000	A3/A+/A	C	D	D
1/26/2006	MSAC 2006-WMC1		B1	61744CXU5	18,286,000	Baa1/A/A-	C	D	D
1/26/2006	MSAC 2006-WMC1		B2	61744CXV3	14,285,000	Baa2/A-/BBB+	C	D	D
1/26/2006	MSAC 2006-WMC1		B3	61744CXW1	13,714,000	Baa3/BBB+/BBB	C	D	D
1/26/2006	MSHEL 2006-1	1,167,490,000				Moody's, S&P, Fitch			
1/26/2006	MSHEL 2006-1		A1	61744CXH4	438,149,000	Aaa/AAA/AAA	Aa3	AAA	BBB
1/26/2006	MSHEL 2006-1		A2A	61744CWV4	324,770,000	Aaa/AAA/AAA	WR	NR	PIF
1/26/2006	MSHEL 2006-1		A2B	61744CWW2	104,850,000	Aaa/AAA/AAA	Aa3	AAA	AA
1/26/2006	MSHEL 2006-1		A2C	61744CWX0	77,401,000	Aaa/AAA/AAA	A2	AAA	B
1/26/2006	MSHEL 2006-1		M1	61744CWY8	44,833,000	Aa1/AA+/AA+	Ba2	AA+	CCC
1/26/2006	MSHEL 2006-1		M2	61744CWZ5	41,147,000	Aa2/AA+/AA+	Ba3	BBB+	CC
1/26/2006	MSHEL 2006-1		M3	61744CXA9	25,180,000	Aa3/AA/AA	Caa2	B	CC
1/26/2006	MSHEL 2006-1		M4	61744CXB7	22,109,000	A1/AA/AA	C	CCC	C
1/26/2006	MSHEL 2006-1		M5	61744CXC5	20,881,000	A2/AA-/AA-	C	CCC	C
1/26/2006	MSHEL 2006-1		M6	61744CXD3	18,424,000	A3/A+/A+	C	CC	C
1/26/2006	MSHEL 2006-1		B1	61744CXE1	18,424,000	Baa1/A/A	C	D	D
1/26/2006	MSHEL 2006-1		B2	61744CXF8	16,582,000	Baa2/A-/A-	C	D	D
1/26/2006	MSHEL 2006-1		B3	61744CXG6	14,740,000	Baa3/BBB+/BBB+	C	D	D
1/27/2006	MSAC 2006-NC1	1,239,709,000				Moody's, S&P, Fitch			
1/27/2006	MSAC 2006-NC1		A1	61744CXX9	512,080,000	Aaa/AAA/AAA	WR	NR	PIF

Closing Date	Name of Securitization	Amount of Total Offering	Tranche	CUSIP	Tranche Size (\$MM)	Original Tranche Rating	Current Moodys rating	Current S&P rating	Current Fitch rating
1/27/2006	MSAC 2006-NC1		A2	61744CX7	156,440,000	Aaa/AAA/AAA	WR	NR	PIF
1/27/2006	MSAC 2006-NC1		A3	61744CXZ4	217,370,000	Aaa/AAA/AAA	A1	AAA	A
1/27/2006	MSAC 2006-NC1		A4	61744CYA8	136,726,000	Aaa/AAA/AAA	A3	AAA	CCC
1/27/2006	MSAC 2006-NC1		M1	61744CYB6	44,067,000	Aa1/AA+/AA+	Ba3	A+	CC
1/27/2006	MSAC 2006-NC1		M2	61744CYC4	40,827,000	Aa2/AA/AA+	B2	B+	CC
1/27/2006	MSAC 2006-NC1		M3	61744CYD2	23,977,000	Aa3/AA/AA	Caa3	B-	C
1/27/2006	MSAC 2006-NC1		M4	61744CYE0	20,737,000	A1/AA-/AA-	C	CCC	C
1/27/2006	MSAC 2006-NC1		M5	61744CYF7	20,737,000	A2/A+/A+	C	CCC	C
1/27/2006	MSAC 2006-NC1		M6	61744CYG5	18,793,000	A3/A	C	CC	C
1/27/2006	MSAC 2006-NC1		B1	61744CYH3	18,145,000	Baa1/A-/A-	C	D	D
1/27/2006	MSAC 2006-NC1		B2	61744CYJ9	16,201,000	Baa2/BBB+/BBB+	C	D	D
1/27/2006	MSAC 2006-NC1		B3	61744CYK6	13,609,000	Baa3/BBB/BBB	C	D	D
2/28/2006	MSAC 2006-HE1	1,167,178,000				Moody's, S&P, Fitch			
2/28/2006	MSAC 2006-HE1		A1	617451DN6	490,920,000	Aaa/AAA/AAA	WR	NR	PIF
2/28/2006	MSAC 2006-HE1		A2	617451DP1	135,080,000	Aaa/AAA/AAA	WR	NR	PIF
2/28/2006	MSAC 2006-HE1		A3	617451DQ9	207,750,000	Aaa/AAA/AAA	Baa2	B-	CCC
2/28/2006	MSAC 2006-HE1		A4	617451DR7	123,421,000	Aaa/AAA/AAA	Baa3	CCC	CC
2/28/2006	MSAC 2006-HE1		M1	617451DS5	42,487,000	Aa1/AA+/AA+	Ba3	CCC	CC
2/28/2006	MSAC 2006-HE1		M2	617451DT3	40,059,000	Aa2/AA/AA	Caa2	CCC	C
2/28/2006	MSAC 2006-HE1		M3	617451DU0	23,064,000	Aa3/AA/AA	C	CC	C
2/28/2006	MSAC 2006-HE1		M4	617451DV8	20,637,000	A1/AA-/AA-	C	CC	C
2/28/2006	MSAC 2006-HE1		M5	617451DW6	20,030,000	A2/A+/A+	C	D	C
2/28/2006	MSAC 2006-HE1		M6	617451DX4	17,602,000	A3/A+/A	C	D	D
2/28/2006	MSAC 2006-HE1		B1	617451DY2	17,601,000	Baa1/A/BBB+	C	D	D
2/28/2006	MSAC 2006-HE1		B2	617451DZ9	16,388,000	Baa2/A-/BBB	C	D	D
2/28/2006	MSAC 2006-HE1		B3	617451EA3	12,139,000	Baa3/BBB+/BBB-	WR	D	D
3/30/2006	MSC 2006-NC2	1,375,297,000				S&P, Fitch, DBRS, Moody's			
3/30/2006	MSC 2006-NC2		A1	617451EB1	430,640,000	AAA/AAA/AAA/Aaa	Ba1	B-	CC
3/30/2006	MSC 2006-NC2		A2A	617451EC9	352,800,000	AAA/AAA/AAA/Aaa	WR	AAA	PIF
3/30/2006	MSC 2006-NC2		A2B	617451ED7	102,230,000	AAA/AAA/AAA/Aaa	WR	NR	PIF
3/30/2006	MSC 2006-NC2		A2C	617451EE5	156,030,000	AAA/AAA/AAA/Aaa	Ba2	B	CCC
3/30/2006	MSC 2006-NC2		A2D	617451EF2	100,004,000	AAA/AAA/AAA/Aaa	Ba3	B-	CC

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3/30/2006	MSC 2006-NC2		M1	617451EG0	53,961,000	AA+/AA+/AA(high)/Aa1	Caa2	CCC	CC
3/30/2006	MSC 2006-NC2		M2	617451EH8	41,181,000	AA/AA+/AA/Aa2	C	CCC	C
3/30/2006	MSC 2006-NC2		M3	617451EJ4	24,851,000	AA-/AA/AA(low)/Aa3	C	CC	C
3/30/2006	MSC 2006-NC2		M4	617451EK1	22,010,000	A+/A+/A(high)/A1	C	CC	C
3/30/2006	MSC 2006-NC2		M5	617451EL9	22,010,000	A/A/AA(high)/A2	C	D	D
3/30/2006	MSC 2006-NC2		M6	617451EM7	19,880,000	A-/A-/A/A3	C	D	D
3/30/2006	MSC 2006-NC2		B1	617451EN5	19,880,000	BBB+/BBB+/BBB(high)/Baa1	C	D	D
3/30/2006	MSC 2006-NC2		B2	617451EP0	15,620,000	BBB/BBB/BBB/Baa2	C	D	D
3/30/2006	MSC 2006-NC2		B3	617451EQ8	14,200,000	BBB-/BBB-/BBB(low)/Baa3	C	D	D
3/30/2006	MSHEL 2006-2	954,402,000				Moody's, S&P, Fitch			
3/30/2006	MSHEL 2006-2		A1	61744CYL4	401,660,000	Aaa/AAA/AAA	WR	NR	PIF
3/30/2006	MSHEL 2006-2		A2	61744CYM2	111,040,000	Aaa/AAA/AAA	WR	NR	PIF
3/30/2006	MSHEL 2006-2		A3	61744CYN0	163,635,000	Aaa/AAA/AAA	A3	AA	B
3/30/2006	MSHEL 2006-2		A4	61744CYP5	92,765,000	Aaa/AAA/AAA	Baa1	A-	CCC
3/30/2006	MSHEL 2006-2		M1	61744CYQ3	37,857,000	Aa1/AA+/AA+	Ba3	B	CC
3/30/2006	MSHEL 2006-2		M2	61744CYR1	34,869,000	Aa2/AA/AA	Caa1	CCC	CC
3/30/2006	MSHEL 2006-2		M3	61744CYS9	20,921,000	Aa3/AA/AA	C	CCC	C
3/30/2006	MSHEL 2006-2		M4	61744CYT7	18,431,000	A1/AA-/AA-	C	CCC	C
3/30/2006	MSHEL 2006-2		M5	61744CYU4	16,936,000	A2/A+/A+	C	CC	C
3/30/2006	MSHEL 2006-2		M6	61744CYV2	16,438,000	A3/A/A	C	D	D
3/30/2006	MSHEL 2006-2		B1	61744CYW0	14,944,000	Baa1/A-/A-	C	D	D
3/30/2006	MSHEL 2006-2		B2	61744CYX8	14,446,000	Baa2/BBB+/BBB+	C	D	D
3/30/2006	MSHEL 2006-2		B3	61744CYY6	10,460,000	Baa3/BBB/BBB	C	D	D
4/28/2006	MSAC 2006-HE2	2,163,707,000				Moody's, S&P, Fitch			
4/28/2006	MSAC 2006-HE2		A1	617451ER6	435,720,000	Aaa/AAA/AAA	Baa1	CCC	CC
4/28/2006	MSAC 2006-HE2		A2A	617451ES4	690,310,000	Aaa/AAA/AAA	WR	NR	PIF
4/28/2006	MSAC 2006-HE2		A2B	617451ET2	196,890,000	Aaa/AAA/AAA	Aaa	NR	PIF
4/28/2006	MSAC 2006-HE2		A2C	617451EU9	295,470,000	Aaa/AAA/AAA	B1	CCC	CC
4/28/2006	MSAC 2006-HE2		A2D	617451EV7	183,755,000	Aaa/AAA/AAA	B2	CCC	CC
4/28/2006	MSAC 2006-HE2		M1	617451EW5	78,206,000	Aa1/AA+/AA+	Ca	CCC	C
4/28/2006	MSAC 2006-HE2		M2	617451EX3	71,406,000	Aa2/AA/AA	C	CC	C
4/28/2006	MSAC 2006-HE2		M3	617451EY1	43,070,000	Aa3/AA/AA-	C	D	C

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4/28/2006	MSAC 2006-HE2		M4	617451EZ8	37,403,000	A1/AA-/A+	C	D	D
4/28/2006	MSAC 2006-HE2		M5	617451FA2	36,270,000	A2/A+/A	C	D	D
4/28/2006	MSAC 2006-HE2		M6	617451FB0	32,869,000	A3/A/A-	C	D	D
4/28/2006	MSAC 2006-HE2		B1	617451FC8	32,869,000	Baa1/A-/BBB+	C	D	D
4/28/2006	MSAC 2006-HE2		B2	617451FD6	29,469,000	Baa2/BBB+/BBB	C	D	D
4/28/2006	MSAC 2006-HE2		B3	617451FE4	23,802,000	Baa3/BBB/BBB-			
4/28/2006	MSAC 2006-NC3	1,357,193,000				Moody's, S&P, Fitch			
4/28/2006	MSAC 2006-NC3		A1	61744CYZ3	426,670,000	Aaa/AAA/AAA	Baa2	B+	CC
4/28/2006	MSAC 2006-NC3		A2A	61744CZA7	340,600,000	Aaa/AAA/AAA	WR	NR	PIF
4/28/2006	MSAC 2006-NC3		A2B	61744CZB5	104,800,000	Aaa/AAA/AAA	Aaa	NR	PIF
4/28/2006	MSAC 2006-NC3		A2C	61744CZC3	149,625,000	Aaa/AAA/AAA	Ba1	BB+	CCC
4/28/2006	MSAC 2006-NC3		A2D	61744CZD1	97,605,000	Aaa/AAA/AAA	Ba2	B+	CC
4/28/2006	MSAC 2006-NC3		M1	61744CZE9	54,035,000	Aa1/AA+/AA+	Caa2	CCC	C
4/28/2006	MSAC 2006-NC3		M2	61744CZF6	44,912,000	Aa2/AA/AA	C	CCC	C
4/28/2006	MSAC 2006-NC3		M3	61744CZG4	25,263,000	Aa3/AA-/AA	C	CCC	C
4/28/2006	MSAC 2006-NC3		M4	61744CZH2	22,456,000	A1/A+/A+	C	D	D
4/28/2006	MSAC 2006-NC3		M5	61744CZJ8	21,754,000	A2/A/A	C	D	D
4/28/2006	MSAC 2006-NC3		M6	61744CZK5	20,351,000	A3/A-/A-	C	D	D
4/28/2006	MSAC 2006-NC3		B1	61744CZL3	18,947,000	Baa1/BBB+/BBB+	C	D	D
4/28/2006	MSAC 2006-NC3		B2	61744CZM1	16,140,000	Baa2/BBB/BBB	C	D	D
4/28/2006	MSAC 2006-NC3		B3	61744CZN9	14,035,000	Baa3/BBB-/BBB-	C	D	D
5/25/2006	MSAC 2006-HE3	2,025,219,000				Moody's, S&P, Fitch			
5/25/2006	MSAC 2006-HE3		A1	61749HAA8	381,635,000	Aaa/AAA/AAA	Baa3	CCC	CC
5/25/2006	MSAC 2006-HE3		A2A	61749HAB6	635,940,000	Aaa/AAA/AAA	WR	NR	PIF
5/25/2006	MSAC 2006-HE3		A2B	61749HAC4	194,410,000	Aaa/AAA/AAA	Aaa	NR	PIF
5/25/2006	MSAC 2006-HE3		A2C	61749HAD2	272,540,000	Aaa/AAA/AAA	B1	CCC	CC
5/25/2006	MSAC 2006-HE3		A2D	61749HAE0	176,175,000	Aaa/AAA/AAA	B2	CCC	CC
5/25/2006	MSAC 2006-HE3		M1	61749HAF7	91,913,000	Aa1/AA+/AA+	Ca	CCC	C
5/25/2006	MSAC 2006-HE3		M2	61749HAG5	62,668,000	Aa2/AA/AA	C	CC	C
5/25/2006	MSAC 2006-HE3		M3	61749HAH3	37,601,000	Aa3/AA-/AA-	C	D	C
5/25/2006	MSAC 2006-HE3		M4	61749HAJ9	33,423,000	A1/A+/A+	C	D	D
5/25/2006	MSAC 2006-HE3		M5	61749HAK6	33,423,000	A2/A/A	C	D	D

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5/25/2006	MSAC 2006-HE3		M6	61749HAL4	29,245,000	A3/A-/A-	C	D	D
5/25/2006	MSAC 2006-HE3		B1	61749HAM2	29,245,000	Baa1/BBB+/BBB+	C	D	D
5/25/2006	MSAC 2006-HE3		B2	61749HAN0	26,112,000	Baa2/BBB/BBB	C	D	D
5/25/2006	MSAC 2006-HE3		B3	61749HAP5	20,889,000	Baa3/BBB-/BBB-	C	D	D
5/25/2006	MSHEL 2006-3	1,080,866,000				Moody's, S&P, Fitch			
5/25/2006	MSHEL 2006-3		A1	61749GAA0	447,220,000	Aaa/AAA/AAA	WR	NR	PIF
5/25/2006	MSHEL 2006-3		A2	61749GAB8	132,380,000	Aaa/AAA/AAA	Aaa	NR	PIF
5/25/2006	MSHEL 2006-3		A3	61749GAC6	184,880,000	Aaa/AAA/AAA	B2	CCC	CC
5/25/2006	MSHEL 2006-3		A4	61749GAD4	111,760,000	Aaa/AAA/AAA	B3	CCC	CC
5/25/2006	MSHEL 2006-3		M1	61749GAE2	41,486,000	Aa1/AA+/AA+	C	CCC	C
5/25/2006	MSHEL 2006-3		M2	61749GAF9	38,683,000	Aa2/AA/AA	C	D	C
5/25/2006	MSHEL 2006-3		M3	61749GAG7	22,425,000	Aa3/AA/AA	C	D	D
5/25/2006	MSHEL 2006-3		M4	61749GAH5	20,182,000	A1/AA-/A+	C	D	D
5/25/2006	MSHEL 2006-3		M5	61749GAJ1	19,061,000	A2/A+/A	C	D	D
5/25/2006	MSHEL 2006-3		M6	61749GAK8	17,379,000	A3/A-/A-	C	D	D
5/25/2006	MSHEL 2006-3		B1	61749GAL6	17,379,000	Baa1/A-/BBB+	C	D	D
5/25/2006	MSHEL 2006-3		B2	61749GAM4	15,697,000	Baa2/BBB/BBB	C	D	D
5/25/2006	MSHEL 2006-3		B3	61749GAN2	12,334,000	Baa3/BBB-/BBB	WR	D	D
6/23/2006	MSAC 2006-HE4	2,093,125,000				Moody's, S&P, Fitch			
6/23/2006	MSAC 2006-HE4		A1	61748BAA2	859,060,000	Aaa/AAA/AAA	WR	NR	PIF
6/23/2006	MSAC 2006-HE4		A2	61748BAB0	261,740,000	Aaa/AAA/AAA	Aaa	NR	PIF
6/23/2006	MSAC 2006-HE4		A3	61748BAC8	370,990,000	Aaa/AAA/AAA	B2	CCC	CC
6/23/2006	MSAC 2006-HE4		A4	61748BAD6	238,440,000	Aaa/AAA/AAA	B3	CCC	CC
6/23/2006	MSAC 2006-HE4		M1	61748BAE4	74,523,000	Aa1/AA+/AA+	C	CCC	C
6/23/2006	MSAC 2006-HE4		M2	61748BAF1	65,883,000	Aa2/AA/AA	C	CC	C
6/23/2006	MSAC 2006-HE4		M3	61748BAG9	39,962,000	Aa3/AA-/AA-	C	CC	C
6/23/2006	MSAC 2006-HE4		M4	61748BAH7	34,561,000	A1/A+/A+	C	D	C
6/23/2006	MSAC 2006-HE4		M5	61748BAJ3	35,642,000	A2/A/A	C	D	D
6/23/2006	MSAC 2006-HE4		M6	61748BAK0	32,401,000	A3/A-/A-	C	D	D
6/23/2006	MSAC 2006-HE4		B1	61748BAL8	30,241,000	Baa1/BBB+/BBB+	C	D	D
6/23/2006	MSAC 2006-HE4		B2	61748BAM6	28,081,000	Baa2/BBB/BBB	C	D	D
6/23/2006	MSAC 2006-HE4		B3	61748BAN4	21,601,000	Baa3/BBB-/BBB-	C	D	D

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6/23/2006	MSAC 2006-NC4	2,091,346,000				Moody's, S&P, Fitch			
6/23/2006	MSAC 2006-NC4		A1	61748LAA0	536,150,000	Aaa/AAA/AAA	Ba2	CCC	CC
6/23/2006	MSAC 2006-NC4		A2A	61748LAB8	575,060,000	Aaa/AAA/AAA	WR	NR	PIF
6/23/2006	MSAC 2006-NC4		A2B	61748LAC6	182,020,000	Aaa/AAA/AAA	Aaa	AAA	AA/*-
6/23/2006	MSAC 2006-NC4		A2C	61748LAD4	234,060,000	Aaa/AAA/AAA	B2	CCC	CC
6/23/2006	MSAC 2006-NC4		A2D	61748LAE2	145,570,000	Aaa/AAA/AAA	B3	CCC	CC
6/23/2006	MSAC 2006-NC4		M1	61748LAF9	102,464,000	Aa1/AA+/AA+	Ca	CCC	C
6/23/2006	MSAC 2006-NC4		M2	61748LAG7	100,307,000	Aa2/AA/AA	C	CC	C
6/23/2006	MSAC 2006-NC4		M3	61748LAH5	34,514,000	Aa3/AA-/AA-	C	CC	C
6/23/2006	MSAC 2006-NC4		M4	61748LAJ1	38,829,000	A1/A+/A+	C	D	D
6/23/2006	MSAC 2006-NC4		M5	61748LAK8	34,514,000	A2/A/A	C	D	D
6/23/2006	MSAC 2006-NC4		M6	61748LAL6	30,200,000	A3/A-/A-	C	D	D
6/23/2006	MSAC 2006-NC4		B1	61748LAM4	31,279,000	Baa1/BBB+/BBB+	C	D	D
6/23/2006	MSAC 2006-NC4		B2	61748LAN2	23,729,000	Baa2/BBB/BBB	C	D	D
6/23/2006	MSAC 2006-NC4		B3	61748LAP7	22,650,000	Baa3/BBB-/BBB-	C	D	D
6/28/2006	MSAC 2006-WMC2	2,531,401,000				Moody's, S&P, Fitch			
6/28/2006	MSAC 2006-WMC2		A1	61749KAA1	581,960,000	Aaa/AAA/AAA	Caa2	CCC	C
6/28/2006	MSAC 2006-WMC2		A2FPT	61749KAB9	500,000,000	Aaa/AAA/AAA	Ca	CCC	CC
6/28/2006	MSAC 2006-WMC2		A2A	61749KAC7	340,525,000	Aaa/AAA/AAA	WR	NR	PIF
6/28/2006	MSAC 2006-WMC2		A2B	61749KAD5	115,885,000	Aaa/AAA/AAA	Ca	CCC	CC
6/28/2006	MSAC 2006-WMC2		A2C	61749KAE3	335,030,000	Aaa/AAA/AAA	Ca	CCC	C
6/28/2006	MSAC 2006-WMC2		A2D	61749KAF0	242,825,000	Aaa/AAA/AAA	Ca	CCC	C
6/28/2006	MSAC 2006-WMC2		M1	61749KAG8	89,803,000	Aa1/AA+/AA+	C	D	D
6/28/2006	MSAC 2006-WMC2		M2	61749KAH6	72,884,000	Aa2/AA/AA	C	D	D
6/28/2006	MSAC 2006-WMC2		M3	61749KAJ2	45,552,000	Aa3/AA-/AA-	C	D	D
6/28/2006	MSAC 2006-WMC2		M4	61749KAK9	41,648,000	A1/A+/A+	C	D	D
6/28/2006	MSAC 2006-WMC2		M5	61749KAL7	40,346,000	A2/A/A	C	D	D
6/28/2006	MSAC 2006-WMC2		M6	61749KAM5	36,442,000	A3/A-/A-	C	D	D
6/28/2006	MSAC 2006-WMC2		B1	61749KAN3	35,140,000	Baa1/BBB+/BBB+	WR	D	D
6/28/2006	MSAC 2006-WMC2		B2	61749KAP8	27,331,000	Baa2/BBB/BBB	WR	NR	D
6/28/2006	MSAC 2006-WMC2		B3	61749KAQ6	26,030,000	Baa3/BBB-/BBB-	WR	NR	D

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6/30/2006	MSAC 2006-HE5	1,539,995,000				Moody's, S&P, Fitch			
6/30/2006	MSAC 2006-HE5		A1	61749NAA5	319,485,000	Aaa/AAA/AAA	Ba2	B-	CC
6/30/2006	MSAC 2006-HE5		A2A	61749NAB3	446,170,000	Aaa/AAA/AAA	WR	NR	PIF
6/30/2006	MSAC 2006-HE5		A2B	61749NAC1	164,570,000	Aaa/AAA/AAA	Aa2	AAA	CCC
6/30/2006	MSAC 2006-HE5		A2C	61749NAD9	181,870,000	Aaa/AAA/AAA	B2	B-	CC
6/30/2006	MSAC 2006-HE5		A2D	61749NAE7	123,900,000	Aaa/AAA/AAA	B3	B-	CC
6/30/2006	MSAC 2006-HE5		M1	61749NAF4	75,200,000	Aa1/AA+/AA+	C	CCC	C
6/30/2006	MSAC 2006-HE5		M2	61749NAG2	59,200,000	Aa2/AA/AA	C	CCC	C
6/30/2006	MSAC 2006-HE5		M3	61749NAH0	29,600,000	Aa3/AA-/AA-	C	CC	C
6/30/2006	MSAC 2006-HE5		M4	61749NAJ6	27,200,000	A1/A+/A+	C	CC	C
6/30/2006	MSAC 2006-HE5		M5	61749NAK3	26,400,000	A2/A/A	C	D	C
6/30/2006	MSAC 2006-HE5		M6	61749NAL1	24,800,000	A3/A-/A-	C	D	D
6/30/2006	MSAC 2006-HE5		B1	61749NAM9	23,200,000	Baa1/BBB+/BBB+	C	D	D
6/30/2006	MSAC 2006-HE5		B2	61749NAN7	21,600,000	Baa2/BBB/BBB	C	D	D
6/30/2006	MSAC 2006-HE5		B3	61749NAP2	16,800,000	Baa3/BBB-/BBB-	C	D	D
6/30/2006	MSIX 2006-1	1,242,430,000				Moody's, S&P, Fitch			
6/30/2006	MSIX 2006-1		AFPT	61749QAA8	350,000,000	Aaa/AAA/AAA	Aaa	AAA	BB
6/30/2006	MSIX 2006-1		A1	61749QAB6	251,995,000	Aaa/AAA/AAA	WR	NR	PIF
6/30/2006	MSIX 2006-1		A2	61749QAC4	64,435,000	Aaa/AAA/AAA	Aaa	AAA	BB
6/30/2006	MSIX 2006-1		A3	61749QAD2	219,255,000	Aaa/AAA/AAA	B3	CCC	CC
6/30/2006	MSIX 2006-1		A4	61749QAE0	121,500,000	Aaa/AAA/AAA	Caa1	CCC	C
6/30/2006	MSIX 2006-1		M1	61749QAF7	47,563,000	Aa1/AA+/AA+	C	CC	C
6/30/2006	MSIX 2006-1		M2	61749QAG5	43,707,000	Aa2/AA/AA	C	D	C
6/30/2006	MSIX 2006-1		M3	61749QAH3	25,710,000	Aa3/AA-/AA-	C	D	D
6/30/2006	MSIX 2006-1		M4	61749QAJ9	23,139,000	A1/A+/A+	C	D	D
6/30/2006	MSIX 2006-1		M5	61749QAK6	21,853,000	A2/A/A	C	D	D
6/30/2006	MSIX 2006-1		M6	61749QAL4	21,211,000	A3/A-/A-	C	D	D
6/30/2006	MSIX 2006-1		B1	61749QAM2	19,282,000	Baa1/BBB+/BBB+	C	D	D
6/30/2006	MSIX 2006-1		B2	61749QAN0	18,640,000	Baa2/BBB/BBB	C	D	D
6/30/2006	MSIX 2006-1		B3	61749QAP5	14,140,000	Baa3/BBB-/BBB-	WR	D	D
9/27/2006	MSAC 2006-HE6	1,429,051,000				Moody's, S&P, Fitch			

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9/27/2006	MSAC 2006-HE6		A1	61750FAA8	324,649,000	Aaa/AAA/AAA	B2	CCC	CC
9/27/2006	MSAC 2006-HE6		A2FPT	61750FAB6	250,000,000	Aaa/AAA/AAA	Ba2	B-	CCC
9/27/2006	MSAC 2006-HE6		A2A	61750FAC4	223,540,000	Aaa/AAA/AAA	Aaa	AAA	AAA/*-
9/27/2006	MSAC 2006-HE6		A2B	61750FAD2	69,010,000	Aaa/AAA/AAA	Ba3	B-	CCC
9/27/2006	MSAC 2006-HE6		A2C	61750FAE0	174,080,000	Aaa/AAA/AAA	Caa2	CCC	CC
9/27/2006	MSAC 2006-HE6		A2D	61750FAF7	111,086,000	Aaa/AAA/AAA	Caa3	CCC	C
9/27/2006	MSAC 2006-HE6		M1	61750FAG5	64,020,000	Aa1/AA+/AA+	C	CCC	C
9/27/2006	MSAC 2006-HE6		M2	61750FAH3	62,549,000	Aa2/AA/AA	C	CCC	C
9/27/2006	MSAC 2006-HE6		M3	61750FAJ9	22,812,000	Aa3/AA-/AA-	C	CC	C
9/27/2006	MSAC 2006-HE6		M4	61750FAK6	30,906,000	A1/A+/A+	C	CC	C
9/27/2006	MSAC 2006-HE6		M5	61750FAL4	23,548,000	A2/A/A	C	D	C
9/27/2006	MSAC 2006-HE6		M6	61750FAM2	21,340,000	A3/A-/A-	C	D	D
9/27/2006	MSAC 2006-HE6		B1	61750FAN0	21,340,000	Baa1/BBB+/BBB+	C	D	D
9/27/2006	MSAC 2006-HE6		B2	61750FAP5	12,510,000	Baa2/BBB/BBB	C	D	D
9/27/2006	MSAC 2006-HE6		B3	61750FAQ3	17,661,000	Baa3/BBB-/BBB-	C	D	D
10/31/2006	MSAC 2006-HE7	1,247,798,000				Moody's, S&P			
10/31/2006	MSAC 2006-HE7		A1	61750MAA3	239,180,000	Aaa/AAA	B3	B	
10/31/2006	MSAC 2006-HE7		A2FPT	61750MAB1	200,000,000	Aaa/AAA	Ba2	BB-	
10/31/2006	MSAC 2006-HE7		A2A	61750MAC9	234,925,000	Aaa/AAA	Aaa	AAA	
10/31/2006	MSAC 2006-HE7		A2B	61750MAD7	66,995,000	Aaa/AAA	Ba3	BB-	
10/31/2006	MSAC 2006-HE7		A2C	61750MAE5	163,170,000	Aaa/AAA	Caa2	B	
10/31/2006	MSAC 2006-HE7		A2D	61750MAF2	98,080,000	Aaa/AAA	Caa2	B	
10/31/2006	MSAC 2006-HE7		M1	61750MAG0	57,828,000	Aa1/AA+	C	CCC	
10/31/2006	MSAC 2006-HE7		M2	61750MAH8	56,543,000	Aa2/AA	C	CCC	
10/31/2006	MSAC 2006-HE7		M3	61750MAJ4	19,276,000	Aa3/AA-	C	CCC	
10/31/2006	MSAC 2006-HE7		M4	61750MAK1	27,629,000	A1/A+	C	CC	
10/31/2006	MSAC 2006-HE7		M5	61750MAL9	23,131,000	A2/A	C	CC	
10/31/2006	MSAC 2006-HE7		M6	61750MAM7	14,778,000	A3/A-	C	D	
10/31/2006	MSAC 2006-HE7		B1	61750MAN5	17,991,000	Baa1/BBB+	C	D	
10/31/2006	MSAC 2006-HE7		B2	61750MAP0	12,851,000	Baa2/BBB	C	D	
10/31/2006	MSAC 2006-HE7		B3	61750MAQ8	15,421,000	Baa3/BBB-	C	D	
11/28/2006	MSAC 2006-NC5	1,348,330,000				Moody's, S&P			

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11/28/2006	MSAC 2006-NC5		A1	61749BAA1	305,915,000	Aaa/AAA	B3	B	
11/28/2006	MSAC 2006-NC5		A2FPT	61749BAB9	200,000,000	Aaa/AAA	Ba2	B+	
11/28/2006	MSAC 2006-NC5		A2A	61749BAC7	236,020,000	Aaa/AAA	Aaa	AAA	
11/28/2006	MSAC 2006-NC5		A2B	61749BAD5	71,830,000	Aaa/AAA	Ba3	B+	
11/28/2006	MSAC 2006-NC5		A2C	61749BAE3	157,350,000	Aaa/AAA	Caa2	B	
11/28/2006	MSAC 2006-NC5		A2D	61749BAF0	94,600,000	Aaa/AAA	Caa2	B	
11/28/2006	MSAC 2006-NC5		M1	61749BAG8	54,295,000	Aa1/AA+	C	CCC	
11/28/2006	MSAC 2006-NC5		M2	61749BAH6	65,433,000	Aa2/AA	C	CCC	
11/28/2006	MSAC 2006-NC5		M3	61749BAJ2	20,187,000	Aa2/AA-	C	CCC	
11/28/2006	MSAC 2006-NC5		M4	61749BAK9	27,148,000	Aa3/A+	C	CCC	
11/28/2006	MSAC 2006-NC5		M5	61749BAL7	23,667,000	A1/A	C	CC	
11/28/2006	MSAC 2006-NC5		M6	61749BAM5	21,579,000	A2/A-	C	CC	
11/28/2006	MSAC 2006-NC5		B1	61749BAN3	20,187,000	A3/BBB+	C	CC	
11/28/2006	MSAC 2006-NC5		B2	61749BAP8	15,314,000	Baa1/BBB	C	D	
11/28/2006	MSAC 2006-NC5		B3	61749BAQ6	18,795,000	Baa2/BBB-	C	D	
11/28/2006	MSAC 2006-NC5		B4	61749BAR4	16,010,000	Baa3/BB+	C	D	
11/28/2006	MSIX 2006-2	1,341,471,000				Moody's, S&P			
11/28/2006	MSIX 2006-2		AFPT	617463AP9	350,000,000	Aaa/AAA/	B2	CCC	
11/28/2006	MSIX 2006-2		A1	617463AA2	283,340,000	Aaa/AAA/	Aa2	AAA	
11/28/2006	MSIX 2006-2		A2	617463AB0	80,280,000	Aaa/AAA/	B3	CCC	
11/28/2006	MSIX 2006-2		A3	617463AC8	231,470,000	Aaa/AAA/	Ca	CCC	
11/28/2006	MSIX 2006-2		A4	617463AD6	136,540,000	Aaa/AAA/	Ca	CCC	
11/28/2006	MSIX 2006-2		M1	617463AE4	55,433,000	Aa1/AA+/	C	CCC	
11/28/2006	MSIX 2006-2		M2	617463AF1	47,811,000	Aa2/AA/	C	D	
11/28/2006	MSIX 2006-2		M3	617463AG9	29,795,000	Aa3/AA-/	C	D	
11/28/2006	MSIX 2006-2		M4	617463AH7	26,331,000	A1/A+/	C	D	
11/28/2006	MSIX 2006-2		M5	617463AJ3	23,559,000	A2/A/	C	D	
11/28/2006	MSIX 2006-2		M6	617463AK0	22,866,000	A3/A-/	C	D	
11/28/2006	MSIX 2006-2		B1	617463AL8	21,480,000	Baa1/BBB+/	C	D	
11/28/2006	MSIX 2006-2		B2	617463AM6	12,472,000	Baa2/BBB/	C	D	
11/28/2006	MSIX 2006-2		B3	617463AN4	20,094,000	Baa3/BBB-/	C	D	
11/29/2006	MSAC 2006-HE8	1,465,227,000				Moody's, S&P			

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11/29/2006	MSAC 2006-HE8		A1	61750SAA0	226,710,000	Aaa/AAA	Caa1	CCC	
11/29/2006	MSAC 2006-HE8		A2FPT	61750SAB8	300,000,000	Aaa/AAA	Baa1	CCC	
11/29/2006	MSAC 2006-HE8		A2A	61750SAC6	249,680,000	Aaa/AAA	Aaa	AAA	
11/29/2006	MSAC 2006-HE8		A2B	61750SAD4	75,490,000	Aaa/AAA	Baa2	CCC	
11/29/2006	MSAC 2006-HE8		A2C	61750SAE2	201,880,000	Aaa/AAA	Caa1	CCC	
11/29/2006	MSAC 2006-HE8		A2D	61750SAF9	127,045,000	Aaa/AAA	Caa2	CCC	
11/29/2006	MSAC 2006-HE8		M1	61750SAG7	62,028,000	Aa1/AA+	C	CCC	
11/29/2006	MSAC 2006-HE8		M2	61750SAH5	65,054,000	Aa2/AA	C	CCC	
11/29/2006	MSAC 2006-HE8		M3	61750SAJ1	25,719,000	Aa3/AA-	C	CC	
11/29/2006	MSAC 2006-HE8		M4	61750SAK8	29,501,000	A1/A+	C	CC	
11/29/2006	MSAC 2006-HE8		M5	61750SAL6	24,963,000	A2/A	C	D	
11/29/2006	MSAC 2006-HE8		M6	61750SAM4	24,206,000	A3/A-	C	D	
11/29/2006	MSAC 2006-HE8		B1	61750SAN2	18,911,000	Baa1/BBB+	C	D	
11/29/2006	MSAC 2006-HE8		B2	61750SAP7	17,398,000	Baa2/BBB	C	D	
11/29/2006	MSAC 2006-HE8		B3	61750SAQ5	16,642,000	Baa3/BBB-	C	D	
1/26/2007	MSAC 2007-HE1	1,258,825,000				Moody's, S&P			
1/26/2007	MSAC 2007-HE1		A1	617526AA6	309,100,000	Aaa/AAA	B2	CCC	
1/26/2007	MSAC 2007-HE1		A2FPT	617526AB4	200,000,000	Aaa/AAA	Ba2	CCC	
1/26/2007	MSAC 2007-HE1		A2A	617526AC2	205,435,000	Aaa/AAA	Aaa	AAA	
1/26/2007	MSAC 2007-HE1		A2B	617526AD0	60,235,000	Aaa/AAA	Ba3	CCC	
1/26/2007	MSAC 2007-HE1		A2C	617526AE8	145,950,000	Aaa/AAA	Caa2	CCC	
1/26/2007	MSAC 2007-HE1		A2D	617526AF5	86,470,000	Aaa/AAA	Caa3	CCC	
1/26/2007	MSAC 2007-HE1		M1	617526AG3	54,108,000	Aa1/AA+	C	CCC	
1/26/2007	MSAC 2007-HE1		M2	617526AH1	60,627,000	Aa2/AA	C	CCC	
1/26/2007	MSAC 2007-HE1		M3	617526AJ7	22,165,000	Aa3/AA-	C	CC	
1/26/2007	MSAC 2007-HE1		M4	617526AK4	25,424,000	A1/A+	C	CC	
1/26/2007	MSAC 2007-HE1		M5	617526AL2	24,772,000	A2/A	C	D	
1/26/2007	MSAC 2007-HE1		M6	617526AM0	14,994,000	A3/A-	C	D	
1/26/2007	MSAC 2007-HE1		B1	617526AN8	21,513,000	Baa1/BBB+	C	D	
1/26/2007	MSAC 2007-HE1		B2	617526AP3	9,779,000	Baa2/BBB	C	D	
1/26/2007	MSAC 2007-HE1		B3	617526AQ1	18,253,000	Baa3/BBB-	C	D	
1/26/2007	MSAC 2007-NC1	1,214,379,000				Moody's, S&P			

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1/26/2007	MSAC 2007-NC1		A1	617505AA0	320,559,000	Aaa/AAA	B3	CCC	
1/26/2007	MSAC 2007-NC1		A2A	617505AB8	326,940,000	Aaa/AAA	Aaa	AAA	
1/26/2007	MSAC 2007-NC1		A2B	617505AC6	101,690,000	Aaa/AAA	Ba3	CCC	
1/26/2007	MSAC 2007-NC1		A2C	617505AD4	135,180,000	Aaa/AAA	Caa3	CCC	
1/26/2007	MSAC 2007-NC1		A2D	617505AE2	84,385,000	Aaa/AAA	Ca	CCC	
1/26/2007	MSAC 2007-NC1		M1	617505AF9	50,000,000	Aa1/AA+	C	CCC	
1/26/2007	MSAC 2007-NC1		M2	617505AG7	58,125,000	Aa2/AA	C	CC	
1/26/2007	MSAC 2007-NC1		M3	617505AH5	19,375,000	Aa3/AA-	C	CC	
1/26/2007	MSAC 2007-NC1		M4	617505AJ1	25,000,000	A1/A+	C	D	
1/26/2007	MSAC 2007-NC1		M5	617505AK8	23,750,000	A2/A	C	D	
1/26/2007	MSAC 2007-NC1		M6	617505AL6	13,750,000	A3/A-	C	D	
1/26/2007	MSAC 2007-NC1		B1	617505AM4	20,000,000	Baa1/BBB+	C	D	
1/26/2007	MSAC 2007-NC1		B2	617505AN2	9,375,000	Baa2/BBB	C	D	
1/26/2007	MSAC 2007-NC1		B3	617505AP7	15,625,000	Baa3/BBB-	C	D	
1/26/2007	MSAC 2007-NC1		B4	617505AQ5	10,625,000	Baa3/BB+	C	D	
2/28/2007	MSAC 2007-HE2	1,183,928,000				Moody's, S&P			
2/28/2007	MSAC 2007-HE2		A1	61753EAP5	255,270,000	Aaa/AAA	Caa1	CCC	
2/28/2007	MSAC 2007-HE2		A2A	61753EAA8	349,550,000	Aaa/AAA	A2	A+	
2/28/2007	MSAC 2007-HE2		A2B	61753EAB6	107,090,000	Aaa/AAA	B3	CCC	
2/28/2007	MSAC 2007-HE2		A2C	61753EAC4	144,060,000	Aaa/AAA	Caa3	CCC	
2/28/2007	MSAC 2007-HE2		A2D	61753EAD2	88,960,000	Aaa/AAA	Ca	CCC	
2/28/2007	MSAC 2007-HE2		M1	61753EAE0	54,681,000	Aa1/AA+	C	CCC	
2/28/2007	MSAC 2007-HE2		M2	61753EAF7	56,524,000	Aa2/AA	C	CCC	
2/28/2007	MSAC 2007-HE2		M3	61753EAG5	17,817,000	Aa3/AA-	C	CC	
2/28/2007	MSAC 2007-HE2		M4	61753EAH3	28,876,000	A1/A+	C	CC	
2/28/2007	MSAC 2007-HE2		M5	61753EAJ9	20,275,000	A2/A	C	D	
2/28/2007	MSAC 2007-HE2		M6	61753EAK6	17,203,000	A3/A-	C	D	
2/28/2007	MSAC 2007-HE2		B1	61753EAL4	17,203,000	Baa1/BBB+	C	D	
2/28/2007	MSAC 2007-HE2		B2	61753EAM2	9,830,000	Baa2/BBB	C	D	
2/28/2007	MSAC 2007-HE2		B3	61753EAN0	16,589,000	Baa3/BBB-	C	D	
2/28/2007	MSAC 2007-HE3	879,502,000				Moody's, S&P			
2/28/2007	MSAC 2007-HE3		A1	617525AA8	266,234,000	Aaa/AAA	Caa1	CCC	

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2/28/2007	MSAC 2007-HE3		A2A	617538AA1	223,300,000	Aaa/AAA	A2	B	
2/28/2007	MSAC 2007-HE3		A2B	617538AB9	68,390,000	Aaa/AAA	B3	CCC	
2/28/2007	MSAC 2007-HE3		A2C	617538AC7	89,910,000	Aaa/AAA	Caa3	CCC	
2/28/2007	MSAC 2007-HE3		A2D	617538AD5	53,921,000	Aaa/AAA	Ca	CCC	
2/28/2007	MSAC 2007-HE3		M1	617538AE3	41,551,000	Aa1/AA+	C	CCC	
2/28/2007	MSAC 2007-HE3		M2	617538AF0	43,860,000	Aa2/AA	C	CC	
2/28/2007	MSAC 2007-HE3		M3	617538AG8	15,236,000	Aa3/AA-	C	CC	
2/28/2007	MSAC 2007-HE3		M4	617538AH6	18,467,000	A1/A+	C	CC	
2/28/2007	MSAC 2007-HE3		M5	617538AJ2	17,544,000	A2/A	C	D	
2/28/2007	MSAC 2007-HE3		M6	617538AK9	8,772,000	A3/A-	C	D	
2/28/2007	MSAC 2007-HE3		B1	617538AL7	12,465,000	Baa1/BBB+	C	D	
2/28/2007	MSAC 2007-HE3		B2	617538AM5	8,310,000	Baa2/BBB	C	D	
2/28/2007	MSAC 2007-HE3		B3	617538AN3	11,542,000	Baa3/BBB-	C	D	
2/28/2007	MSHEL 2007-1	660,889,000				Moody's, S&P			
2/28/2007	MSHEL 2007-1		A1	61751QAA3	271,920,000	Aaa/AAA/	A2	BB-	
2/28/2007	MSHEL 2007-1		A2	61751QAB1	79,750,000	Aaa/AAA/	B3	CCC	
2/28/2007	MSHEL 2007-1		A3	61751QAC9	113,500,000	Aaa/AAA/	Ca	CCC	
2/28/2007	MSHEL 2007-1		A4	61751QAD7	68,770,000	Aaa/AAA/	Ca	CCC	
2/28/2007	MSHEL 2007-1		M1	61751QAE5	29,587,000	Aa1/AA+/	C	CCC	
2/28/2007	MSHEL 2007-1		M2	61751QAF2	25,459,000	Aa2/AA/	C	CC	
2/28/2007	MSHEL 2007-1		M3	61751QAG0	12,729,000	Aa3/AA-/	C	CC	
2/28/2007	MSHEL 2007-1		M4	61751QAH8	11,353,000	A1/A+/	C	CC	
2/28/2007	MSHEL 2007-1		M5	61751QAJ4	11,353,000	A2/A/	C	D	
2/28/2007	MSHEL 2007-1		M6	61751QAK1	10,321,000	A3/A-/	C	D	
2/28/2007	MSHEL 2007-1		B1	61751QAL9	9,977,000	Baa1/BBB+/	C	D	
2/28/2007	MSHEL 2007-1		B2	61751QAM7	8,601,000	Baa2/BBB/	C	D	
2/28/2007	MSHEL 2007-1		B3	61751QAN5	7,569,000	Baa3/BBB-/	C	D	
3/29/2007	MSAC 2007-HE4	684,388,000				Moody's, S&P			
3/29/2007	MSAC 2007-HE4		A1	61753VAA0	36,339,000	Aaa/AAA/	Caa2	CCC	
3/29/2007	MSAC 2007-HE4		A2A	61753VAB8	267,710,000	Aaa/AAA/	Baa2	B	
3/29/2007	MSAC 2007-HE4		A2B	61753VAC6	74,290,000	Aaa/AAA/	B3	CCC	
3/29/2007	MSAC 2007-HE4		A2C	61753VAD4	116,150,000	Aaa/AAA/	Caa3	CCC	

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3/29/2007	MSAC 2007-HE4		A2D	61753VAE2	70,921,000	Aaa/AAA/	Caa3	CCC	
3/29/2007	MSAC 2007-HE4		M1	61753VAF9	28,058,000	Aa1/AA+/	C	CCC	
3/29/2007	MSAC 2007-HE4		M2	61753VAG7	22,020,000	Aa2/AA/	C	CC	
3/29/2007	MSAC 2007-HE4		M3	61753VAH5	12,786,000	Aa3/AA-/	C	CC	
3/29/2007	MSAC 2007-HE4		M4	61753VAJ1	11,010,000	A1/A+/	C	D	
3/29/2007	MSAC 2007-HE4		M5	61753VAK8	11,010,000	A2/A/	C	D	
3/29/2007	MSAC 2007-HE4		M6	61753VAL6	9,944,000	A3/A-/	C	D	
3/29/2007	MSAC 2007-HE4		B1	61753VAM4	9,944,000	Baa1/BBB+/	C	D	
3/29/2007	MSAC 2007-HE4		B2	61753VAN2	7,103,000	Baa2/BBB/	C	D	
3/29/2007	MSAC 2007-HE4		B3	61753VAP7	7,103,000	Baa3/BBB-/	C	D	
4/3/2007	MSHEL 2007-2	846,247,000				Moody's, S&P			
4/3/2007	MSHEL 2007-2		A1	61752UAA3	344,180,000	Aaa/AAA/	A2	BBB	
4/3/2007	MSHEL 2007-2		A2	61752UAB1	105,880,000	Aaa/AAA/	B3	B-	
4/3/2007	MSHEL 2007-2		A3	61752UAC9	146,430,000	Aaa/AAA/	Caa2	B-	
4/3/2007	MSHEL 2007-2		A4	61752UAD7	90,890,000	Aaa/AAA/	Caa2	B-	
4/3/2007	MSHEL 2007-2		M1	61752UAE5	31,507,000	Aa1/AA+/	C	CCC	
4/3/2007	MSHEL 2007-2		M2	61752UAF2	28,844,000	Aa2/AA/	C	CCC	
4/3/2007	MSHEL 2007-2		M3	61752UAG0	18,194,000	Aa3/AA-/	C	CCC	
4/3/2007	MSHEL 2007-2		M4	61752UAH8	15,088,000	A1/A+/	C	CCC	
4/3/2007	MSHEL 2007-2		M5	61752UAJ4	15,088,000	A2/A/	C	CCC	
4/3/2007	MSHEL 2007-2		M6	61752UAK1	13,757,000	A3/A-/	C	CC	
4/3/2007	MSHEL 2007-2		B1	61752UAL9	13,313,000	Baa1/BBB+/	C	CC	
4/3/2007	MSHEL 2007-2		B2	61752UAM7	11,982,000	Baa2/BBB/	C	D	
4/3/2007	MSHEL 2007-2		B3	61752UAN5	11,094,000	Baa3/BBB-/	C	D	
4/26/2007	MSAC 2007-HE5	1,132,272,000				Moody's, S&P			
4/26/2007	MSAC 2007-HE5		A1	61753KAA4	119,919,000	Aaa/AAA/	B3	CCC	
4/26/2007	MSAC 2007-HE5		A2A	61753KAB2	408,820,000	Aaa/AAA/	A2	BB	
4/26/2007	MSAC 2007-HE5		A2B	61753KAC0	122,420,000	Aaa/AAA/	B3	CCC	
4/26/2007	MSAC 2007-HE5		A2C	61753KAD8	169,910,000	Aaa/AAA/	Caa2	CCC	
4/26/2007	MSAC 2007-HE5		A2D	61753KAE6	103,826,000	Aaa/AAA/	Ca	CCC	
4/26/2007	MSAC 2007-HE5		M1	61753KAF3	40,290,000	Aa1/AA+/	C	CCC	
4/26/2007	MSAC 2007-HE5		M2	61753KAG1	36,735,000	Aa2/AA/	C	CCC	

Closing Date	Name of Securitization	Amount of Total Offering	Tranche	CUSIP	Tranche Size (\$MM)	Original Tranche Rating	Current Moodys rating	Current S&P rating	Current Fitch rating
4/26/2007	MSAC 2007-HE5		M3	61753KAH9	23,108,000	Aa3/AA/	C	CCC	
4/26/2007	MSAC 2007-HE5		M4	61753KAJ5	20,145,000	A1/AA-/	C	CC	
4/26/2007	MSAC 2007-HE5		M5	61753KAK2	19,553,000	A2/A+/	C	CC	
4/26/2007	MSAC 2007-HE5		M6	61753KAL0	18,368,000	A3/A/	C	D	
4/26/2007	MSAC 2007-HE5		B1	61753KAM8	17,775,000	Baa1/A-/	C	D	
4/26/2007	MSAC 2007-HE5		B2	61753KAN6	16,590,000	Baa2/BBB+/	C	D	
4/26/2007	MSAC 2007-HE5		B3	61753KAP1	14,813,000	Baa3/BBB-/	C	D	
5/3/2007	MSAC 2007-NC2	1,025,267,000				Moody's, S&P			
5/3/2007	MSAC 2007-NC2		A1	61753NAA8	96,707,000	Aaa/AAA	Ba1	B-	
5/3/2007	MSAC 2007-NC2		A2FPT	61753NAB6	200,000,000	Aaa/AAA	Ba3	CCC	
5/3/2007	MSAC 2007-NC2		A2A	61753NAC4	227,615,000	Aaa/AAA	A2	BB+	
5/3/2007	MSAC 2007-NC2		A2B	61753NAD2	59,395,000	Aaa/AAA	B1	CCC	
5/3/2007	MSAC 2007-NC2		A2C	61753NAE0	146,350,000	Aaa/AAA	B2	CCC	
5/3/2007	MSAC 2007-NC2		A2D	61753NAF7	72,528,000	Aaa/AAA	B3	CCC	
5/3/2007	MSAC 2007-NC2		M1	61753NAG5	47,020,000	Aa1/AA+	C	CCC	
5/3/2007	MSAC 2007-NC2		M2	61753NAH3	47,021,000	Aa2/AA	C	CCC	
5/3/2007	MSAC 2007-NC2		M3	61753NAJ9	22,159,000	Aa3/AA-	C	CCC	
5/3/2007	MSAC 2007-NC2		M4	61753NAK6	19,997,000	A1/A+	C	CC	
5/3/2007	MSAC 2007-NC2		M5	61753NAL4	19,457,000	A2/A	C	CC	
5/3/2007	MSAC 2007-NC2		M6	61753NAM2	17,835,000	A3/A-	C	CC	
5/3/2007	MSAC 2007-NC2		B1	61753NAN0	18,376,000	Baa1/BBB+	C	D	
5/3/2007	MSAC 2007-NC2		B2	61753NAP5	15,133,000	Baa2/BBB	C	D	
5/3/2007	MSAC 2007-NC2		B3	61753NAQ3	15,674,000	Baa3/BBB-	C	D	
5/31/2007	MSAC 2007-HE6	1,180,665,000				Moody's, S&P			
5/31/2007	MSAC 2007-HE6		A1	61755CAA0	491,100,000	Aaa/AAA/	Baa2	BBB+	
5/31/2007	MSAC 2007-HE6		A2	61755CAB8	139,640,000	Aaa/AAA/	B3	B-	
5/31/2007	MSAC 2007-HE6		A3	61755CAC6	200,020,000	Aaa/AAA/	Caa2	B-	
5/31/2007	MSAC 2007-HE6		A4	61755CAD4	115,495,000	Aaa/AAA/	Caa2	B-	
5/31/2007	MSAC 2007-HE6		M1	61755CAE2	43,683,000	Aa1/AA+/	C	CCC	
5/31/2007	MSAC 2007-HE6		M2	61755CAF9	39,376,000	Aa2/AA/	C	CCC	
5/31/2007	MSAC 2007-HE6		M3	61755CAG7	25,225,000	Aa3/AA/	C	CCC	
5/31/2007	MSAC 2007-HE6		M4	61755CAH5	21,534,000	A1/AA-/	C	CCC	

Closing Date	Name of Securitization	Amount of Total Offering	Tranche	CUSIP	Tranche Size (\$MM)	Original Tranche Rating	Current Moodys rating	Current S&P rating	Current Fitch rating
5/31/2007	MSAC 2007-HE6		M5	61755CAJ1	20,918,000	A2/A+	C	CCC	
5/31/2007	MSAC 2007-HE6		M6	61755CAK8	19,688,000	A3/A-	C	CC	
5/31/2007	MSAC 2007-HE6		B1	61755CAL6	17,842,000	Baa1/A-	C	D	
5/31/2007	MSAC 2007-HE6		B2	61755CAM4	15,997,000	Baa2/BBB+	C	D	
5/31/2007	MSAC 2007-HE6		B3	61755CAN2	14,151,000	Baa3/BBB-	C	D	
5/31/2007	MSAC 2007-HE6		B4	61755CAP7	15,996,000	Ba1/BBB-	C	D	
5/31/2007	MSAC 2007-NC3	1,239,730,000				Moody's, S&P			
5/31/2007	MSAC 2007-NC3		A1	61755AAA4	218,730,000	Aaa/AAA	B2	CCC	
5/31/2007	MSAC 2007-NC3		A2A	61755AAB2	398,580,000	Aaa/AAA	Baa2	B-	
5/31/2007	MSAC 2007-NC3		A2B	61755AAC0	115,980,000	Aaa/AAA	B3	CCC	
5/31/2007	MSAC 2007-NC3		A2C	61755AAD8	149,110,000	Aaa/AAA	Caa1	CCC	
5/31/2007	MSAC 2007-NC3		A2D	61755AAE6	77,560,000	Aaa/AAA	Caa2	CCC	
5/31/2007	MSAC 2007-NC3		M1	61755AAF3	51,520,000	Aa1/AA+	C	CCC	
5/31/2007	MSAC 2007-NC3		M2	61755AAG1	48,259,000	Aa2/AA	C	CCC	
5/31/2007	MSAC 2007-NC3		M3	61755AAH9	28,694,000	Aa3/AA	C	CCC	
5/31/2007	MSAC 2007-NC3		M4	61755AAJ5	25,434,000	A1/AA-	C	CC	
5/31/2007	MSAC 2007-NC3		M5	61755AAK2	24,129,000	A2/A+	C	CC	
5/31/2007	MSAC 2007-NC3		M6	61755AAL0	22,825,000	A3/A	C	CC	
5/31/2007	MSAC 2007-NC3		B1	61755AAM8	22,173,000	Baa1/BBB+	C	D	
5/31/2007	MSAC 2007-NC3		B2	61755AAN6	19,564,000	Baa2/BBB+	C	D	
5/31/2007	MSAC 2007-NC3		B3	61755AAP1	17,608,000	Baa3/BBB	C	D	
5/31/2007	MSAC 2007-NC3		B4	61755AAQ9	19,564,000	Ba1/BBB-	C	D	
6/20/2007	MSAC 2007-NC4	990,361,000				Moody's, S&P, Fitch			
6/20/2007	MSAC 2007-NC4		A1	61755EAA6	208,600,000	Aaa/AAA	Caa2	CCC	C
6/20/2007	MSAC 2007-NC4		A2A	61755EAB4	337,200,000	Aaa/AAA/AAA	Caa2	CCC	C
6/20/2007	MSAC 2007-NC4		A2B	61755EAC2	68,250,000	Aaa/AAA/AAA	Ca	CCC	C
6/20/2007	MSAC 2007-NC4		A2C	61755EAD0	165,000,000	Aaa/AAA/AAA	Ca	CCC	C
6/20/2007	MSAC 2007-NC4		A2D	61755EAE8	96,775,000	Aaa/AAA/AAA	Ca	CCC	C
6/20/2007	MSAC 2007-NC4		M1	61755EAF5	12,609,000	A2/AA-/AA-	C	D	C
6/20/2007	MSAC 2007-NC4		M2	61755EAG3	19,965,000	A3/A+/A+	C	D	D
6/20/2007	MSAC 2007-NC4		B1	61755EAH1	18,389,000	Baa1/A/A	C	D	D
6/20/2007	MSAC 2007-NC4		B2	61755EAJ7	9,457,000	Baa1/A-/A-	C	D	D

Closing Date	Name of Securitization	Amount of Total Offering	Tranche	CUSIP	Tranche Size (\$MM)	Original Tranche Rating	Current Moodys rating	Current S&P rating	Current Fitch rating
6/20/2007	MSAC 2007-NC4		B3	61755EAK4	21,016,000	Baa3/BBB+/BBB+	C	D	D
6/20/2007	MSAC 2007-NC4		B4	61755EAL2	13,135,000	Ba1/BBB/BBB	C	D	D
6/20/2007	MSAC 2007-NC4		B5	61755EAM0	19,965,000	Ba2/BBB-/BBB-	C	D	D
9/28/2007	MSAC 2007-HE7	1,376,624,000				Moody's, S&P			
9/28/2007	MSAC 2007-HE7		A1	61756YAA1	670,205,000	Aaa/AAA/	Baa1	B-	
9/28/2007	MSAC 2007-HE7		A2A	61756YAB9	181,345,000	Aaa/AAA/	Baa1	AAA	
9/28/2007	MSAC 2007-HE7		A2B	61756YAC7	52,485,000	Aaa/AAA/	Baa2	B-	
9/28/2007	MSAC 2007-HE7		A2C	61756YAD5	45,710,000	Aaa/AAA/	Baa3	B-	
9/28/2007	MSAC 2007-HE7		M1	61756YAE3	24,192,000	Aa1/AA+/	Ba2	CCC	
9/28/2007	MSAC 2007-HE7		M2	61756YAF0	135,790,000	Aa2/AA/	B3	CCC	
9/28/2007	MSAC 2007-HE7		M3	61756YAG8	24,192,000	A1/A+/	Caa2	CCC	
9/28/2007	MSAC 2007-HE7		M4	61756YAH6	99,111,000	A2/A/	C	CCC	
9/28/2007	MSAC 2007-HE7		M5	61756YAJ2	36,679,000	A3/A-/	C	CCC	
9/28/2007	MSAC 2007-HE7		B1	61756YAK9	31,996,000	Baa1/BBB+/	C	CC	
9/28/2007	MSAC 2007-HE7		B2	61756YAL7	36,679,000	Baa2/BBB/	C	CC	
9/28/2007	MSAC 2007-HE7		B3	61756YAM5	38,240,000	Baa3/BBB-/	C	CC	



<b>EXHIBIT B</b>			
<b>Aggregate-Deal Size</b>			
<b>Series</b>	<b>Closing Date</b>	<b>Orig Balance at Issue</b>	
MSM 2006 - 1AR	1/31/2006	612,056,395	
MSM 2006 - 2	1/31/2006	533,840,879	
MSM 2006 - 3AR	2/28/2006	800,218,993	
MSM 2006 - 4SL	3/30/2006	303,460,867	
MSM 2006 - 5AR	3/31/2006	556,422,690	
MSM 2006 - 6AR	4/28/2006	1,037,398,613	
MSM 2006 - 7	5/31/2006	548,035,116	
MSM 2006 - 8AR	5/31/2006	791,945,629	
MSM 2006 - 9AR	7/31/2006	652,221,992	
MSM 2006 - 10SL	7/28/2006	298,543,237	
MSM 2006 - 11	7/31/2006	682,377,191	
MSM 2006 - 12XS	9/29/2006	521,285,533	
MSM 2006 - 13ARX	9/29/2006	608,919,208	
MSM 2006 - 14SL	10/31/2006	353,987,132	
MSM 2006 - 15XS	10/31/2006	671,388,000	
MSM 2006 - 16AX	10/31/2006	956,299,494	
MSM 2006 - 17XS	12/28/2006	529,543,212	
MSM 2007 - 1XS	1/31/2007	506,807,290	
MSM 2007 - 2AX	1/31/2007	650,647,609	
MSM 2007 - 3XS	2/28/2007	531,110,606	
MSM 2007 - 4SL	2/28/2007	304,711,427	
MSM 2007 - 5AX	2/28/2007	572,618,882	
MSM 2007 - 6XS	3/30/2007	546,797,892	
MSM 2007 - 7AX	4/30/2007	1,128,564,993	
MSM 2007 - 8XS	5/31/2007	580,349,698	
MSM 2007 - 9SL	6/28/2007	313,255,378	
MSM 2007 - 10XS	6/29/2007	557,458,143	
MSM 2007 - 11AR	6/29/2007	406,053,662	
MSM 2007 - 12	7/31/2007	516,180,002	
MSM 2007 - 13	9/28/2007	601,030,677	
MSM 2007 - 14AR	10/31/2007	1,234,833,990	
MSM 2007 - 15AR	11/30/2007	708,897,161	
MSAC 2007-SEA1	11/9/2007	504,170,000	
		Total (Alt- A first liens)	18,547,473,550
		Total (Alt- A second liens)	1,573,958,041
		Total (Scratch and Dent)	504,170,000
		Total	20,121,431,591

<b>MSAC 2007-SEA1</b>					
<b>Class</b>	<b>Cusip</b>	<b>SP Rating</b>	<b>Fitch Rating</b>	<b>SP Initial Rating</b>	<b>Fitch Initial Rating</b>
MSAC 2007 - SEA1 1A1	61757MAA6	AAA	AAA	AAA	AAA
MSAC 2007 - SEA1 1A2	61757MAB4	AAA	AA	AAA	AAA
MSAC 2007 - SEA1 1A3	61757MBC1	AAA	AA	AAA	AAA
MSAC 2007 - SEA1 2A1	61757MAC2	AAA	AAA	AAA	AAA
MSAC 2007 - SEA1 2A2	61757MAD0	AAA	AAA	AAA	AAA
MSAC 2007 - SEA1 2A3	61757MAE8	AAA	AAA	AAA	AAA
MSAC 2007 - SEA1 2A4	61757MAF5	AAA	AA	AAA	AAA
MSAC 2007 - SEA1 2A5	61757MAG3	AAA	AA	AAA	AAA
MSAC 2007 - SEA1 2A6	61757MAH1	AAA	AAA	AAA	AAA
MSAC 2007 - SEA1 2A7	61757MAJ7	AAA	AAA	AAA	AAA
MSAC 2007 - SEA1 2A8	61757MAK4	AAA	AA	AAA	AAA
MSAC 2007 - SEA1 2A9	61757MAL2	AAA	AA	AAA	AAA
MSAC 2007 - SEA1 A1	61757MBD9	AAA	AA	AAA	AAA
MSAC 2007 - SEA1 M1	61757MAT5	AA+	AA	AA+	AA+
MSAC 2007 - SEA1 M2	61757MAU2	AA	A	AA	AA+
MSAC 2007 - SEA1 M3	61757MAV0	AA-	BBB	AA-	AA
MSAC 2007 - SEA1 M4	61757MAW8	A+	BBB	A+	AA-
MSAC 2007 - SEA1 M5	61757MAX6	A	BB	A	A+
MSAC 2007 - SEA1 M6	61757MAY4	A-	BB	A-	A
MSAC 2007 - SEA1 B1	61757MAZ1	BBB+	BB	BBB+	A-
MSAC 2007 - SEA1 B2	61757MBA5	BBB	B	BBB	BBB+
MSAC 2007 - SEA1 B3	61757MBB3		CCC	BBB-	BBB
MSAC 2007 - SEA1 X	BCC119FN1				
MSAC 2007 - SEA1 P	BCC119FP6				
MSAC 2007 - SEA1 R	BCC119FQ4				

<b>MSM 2006-1AR</b>					
<b>Class</b>	<b>Cusip</b>	<b>SP Rating</b>	<b>Moody Rating</b>	<b>SP Initial Rating</b>	<b>Moody Initial Rating</b>
MSM 2006 - 1AR 1A1	61748HUF6	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 1AR 1A2	61748HUG4	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 1AR 1A3	61748HUH2	CCC	Ca/*-	AAA	Aa1
MSM 2006 - 1AR 1AX	61748HUI8	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 1AR 2A	61748HUK5	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 1AR 3A	61748HUL3	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 1AR 4A1	61748HUM1	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 1AR 4A2	61748HUN9	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 1AR 4A3	61748HUP4	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 1AR 1MX	61748HUQ2	CC	C	AAA	Aa1
MSM 2006 - 1AR 1M1	61748HUR0	CC	C	AA+	Aa1
MSM 2006 - 1AR 1M2	61748HUS8	CC	C	AA	Aa2
MSM 2006 - 1AR 1M3	61748HUT6	D	C	AA-	Aa3
MSM 2006 - 1AR 1M4	61748HUU3	D	C	A+	A1
MSM 2006 - 1AR 1M5	61748HUV1	D	C	A	A2
MSM 2006 - 1AR 1M6	61748HUV9	D	C	A-	A3
MSM 2006 - 1AR 1B1	61748HUX7	D	C	BBB+	Baa1
MSM 2006 - 1AR 1B2	61748HUY5	D	C	BBB	Baa2
MSM 2006 - 1AR 1B3	61748HUZ2	D	C	BBB-	Baa3
MSM 2006 - 1AR B1	61748HVA6	D	C	AA	Aa2
MSM 2006 - 1AR B2	61748HVB4	D	C	A	A2
MSM 2006 - 1AR B3	61748HVC2	D	C	BBB	Baa2
MSM 2006 - 1AR AR	61748HVD0	NR	WR	AAA	Aaa
MSM 2006 - 1AR 1B4	61748HTW1	D	NR	BB	NR
MSM 2006 - 1AR 1B5	61748HTX9	D	NR	B	NR
MSM 2006 - 1AR 1B6	61748HTY7		NR		NR
MSM 2006 - 1AR B4	61748HTZ4	D	NR	BB	NR
MSM 2006 - 1AR B5	61748HUA7	D	NR	B	NR
MSM 2006 - 1AR B6	61748HUB5		NR		NR
MSM 2006 - 1AR P1	61748HUC3		NR		NR
MSM 2006 - 1AR P2	61748HUD1		NR		NR
MSM 2006 - 1AR C	61748HUE9				

<b>MSM 2006-2</b>					
<b>Class</b>	<b>Cusip</b>	<b>SP Rating</b>	<b>Moody Rating</b>	<b>SP Initial Rating</b>	<b>Moody Initial Rating</b>
MSM 2006 - 2 1A	61748HVE8	B	B3/*-	AAA	Aaa
MSM 2006 - 2 1AX	61748HVF5	B	B3/*-	AAA	Aaa
MSM 2006 - 2 1AP	61748HVG3	B	Caa1/*-	AAA	Aaa
MSM 2006 - 2 2A1	61748HWH1	B	Caa1/*-	AAA	Aaa
MSM 2006 - 2 2A2	61748HVJ7	B	Caa1/*-	AAA	Aaa
MSM 2006 - 2 2A3	61748HVK4	B	Caa1/*-	AAA	Aaa
MSM 2006 - 2 2A4	61748HVL2	B	Caa1/*-	AAA	Aaa
MSM 2006 - 2 2AX	61748HVM0	B	Caa1/*-	AAA	Aaa
MSM 2006 - 2 2AP	61748HVN8	B	Caa1/*-	AAA	Aaa
MSM 2006 - 2 3A	61748HVP3	B	Caa1/*-	AAA	Aaa
MSM 2006 - 2 4A	61748HVQ1	B	Caa1/*-	AAA	Aaa
MSM 2006 - 2 4AX	61748HVR9	B	Caa1/*-	AAA	Aaa
MSM 2006 - 2 5A1	61748HVS7	B	Caa1/*-	AAA	Aaa
MSM 2006 - 2 5A2	61748HVT5	BB	Aa2/*-	AAA	Aaa
MSM 2006 - 2 5A3	61748HVU2	B	Caa1/*-	AAA	Aaa
MSM 2006 - 2 5A4	61748HVW0	B	Caa1/*-	AAA	Aaa
MSM 2006 - 2 6A	61748HVW8	B	Caa1/*-	AAA	Aaa
MSM 2006 - 2 6AX	61748HVX6	B	Caa1/*-	AAA	Aaa
MSM 2006 - 2 7A1	61748HVV4	AAA	B3/*-	AAA	Aaa
MSM 2006 - 2 7A2	61748HVZ1	B	Ca/*-	AAA	Aaa
MSM 2006 - 2 M1	61748HWA5	CCC	C	AA	Aa2
MSM 2006 - 2 M2	61748HWB3	CC	C	AA-	Aa3
MSM 2006 - 2 M3	61748HWC1	D	C	A	A2
MSM 2006 - 2 M4	61748HWD9	D	C	A-	A3
MSM 2006 - 2 M5	61748HWE7	D	C	BBB	Baa2
MSM 2006 - 2 M6	61748HWF4	D	C	BBB-	Baa3
MSM 2006 - 2 AR	61748HWG2	NR	WR	AAA	Aaa
MSM 2006 - 2 B1	61748HWH0	D	NR	BB	NR
MSM 2006 - 2 B2	61748HWJ6	D	NR	B	NR
MSM 2006 - 2 B3	61748HWK3		NR		NR
MSM 2006 - 2 P	61748HWL1		NR		NR

MSM 2006 - 3AR					
Class	Cusip	SP Rating	Moody Rating	SP Initial Rating	Moody Initial Rating
MSM 2006 - 3AR 1A1	61748HWM9	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 3AR 1A2	61748HWN7	CCC	Ca/*-	AAA	Aa1
MSM 2006 - 3AR 1A3	61748HWP2	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 3AR 1AX	61748HWQ0	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 3AR 2A1	61748HWR8	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 3AR 2A2	61748HWS6	CC	Ca/*-	AAA	Aaa
MSM 2006 - 3AR 2A3	61748HWT4	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 3AR 2A4	61748HWU1	CC	Ca/*-	AAA	Aa1
MSM 2006 - 3AR 3A1	61748HVV9	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 3AR 3A2	61748HVV7	CC	Ca/*-	AAA	Aa1
MSM 2006 - 3AR 1MX	61748HWX5	CC	C	AAA	Aa1
MSM 2006 - 3AR 1M1	61748HWY3	CC	C	AA+	Aa1
MSM 2006 - 3AR 1M2	61748HWZ0	CC	C	AA	Aa2
MSM 2006 - 3AR 1M3	61748HXA4	D	C	AA	Aa3
MSM 2006 - 3AR 1M4	61748HXB2	D	C	AA-	A1
MSM 2006 - 3AR 1M5	61748HXC0	D	C	A+	A2
MSM 2006 - 3AR 1M6	61748HXD8	D	C	D	A3
MSM 2006 - 3AR 1M7	61748HXE6	D	C	BBB+	Baa1
MSM 2006 - 3AR 1M8	61748HXF3	D	C	BBB	Baa2
MSM 2006 - 3AR 1M9	61748HXC1	D	C	BBB-	Baa3
MSM 2006 - 3AR M1	61748HXH9	D	C	AA	Aa2
MSM 2006 - 3AR M2	61748HXJ5	D	C	AA-	Aa3
MSM 2006 - 3AR M3	61748HXX2	D	C	A	A2
MSM 2006 - 3AR M4	61748HXL0	D	C	A-	A3
MSM 2006 - 3AR M5	61748HXM8	D	C	BBB	Baa2
MSM 2006 - 3AR M6	61748HXX6	D	C	BBB-	Baa3
MSM 2006 - 3AR AR	61748HXP1	NR	WR	AAA	Aaa
MSM 2006 - 3AR 1B1	61748HXQ9	D	C	BB+	Ba1
MSM 2006 - 3AR 1B2	61748HXR7	D		BB	
MSM 2006 - 3AR 1B3	61748HXS5	D		B	
MSM 2006 - 3AR 1B4	61748HXT3				
MSM 2006 - 3AR B1	61748HXU0	D	C	BB	Ba2
MSM 2006 - 3AR B2	61748H XV8	D		B	
MSM 2006 - 3AR B3	61748H XW6				
MSM 2006 - 3AR P1	61748H XX4				
MSM 2006 - 3AR P2	61748H XY2				
MSM 2006 - 3AR C	61748H XZ9				

<b>MSM 2006 - 4SL</b>					
<b>Class</b>	<b>Cusip</b>	<b>SP Rating</b>	<b>Moody Rating</b>	<b>SP Initial Rating</b>	<b>Moody Initial Rating</b>
MSM 2006 - 4SL A1	61748HYC9	CCC	Caa2	AAA	Aaa
MSM 2006 - 4SL M1	61748HYD7	D	C	AA	Aa2
MSM 2006 - 4SL M2	61748HYE5	D	C	A	A2
MSM 2006 - 4SL M3	61748HYF2	D	WR	A-	A3
MSM 2006 - 4SL B1	61748HYG0	D	WR	BBB+	Baa1
MSM 2006 - 4SL B2	61748HYH8	D	WR	BBB	Baa2
MSM 2006 - 4SL B3	61748HYJ4	NR	WR	BBB-	Baa3
MSM 2006 - 4SL OC	61748HZF1		NR		NR
MSM 2006 - 4SL B4	61748HYA3	NR	WR	BB+	Ba1
MSM 2006 - 4SL B5	61748HYB1	NR	WR	BB	Ba2
MSM 2006 - 4SL P	61748HZD6		NR		NR
MSM 2006 - 4SL R	61748HZE4		NR		NR

MSM 2006 - 5AR							
Class	Cusip	SP Rating	Moody Rating	Fitch Rating	SP Initial Rating	Moody Initial Rating	Fitch Initial Rating
MSM 2006 - 5AR AR	61748HZC8	NR	WR	PIF	AAA	Aaa	AAA
MSM 2006 - 5AR A	61748HYQ8	CCC	Caa1/*-	C	AAA	Aaa	AAA
MSM 2006 - 5AR M1	61748HYT2	D	C	C	AA+	Aa1	AA+
MSM 2006 - 5AR M2	61748HYU9	D	C	D	AA	Aa2	AA
MSM 2006 - 5AR M3	61748HYV7	D	C	D	AA-	Aa3	AA
MSM 2006 - 5AR M4	61748HYW5	D	C	D	A+	A1	A+
MSM 2006 - 5AR M5	61748HYX3	D	C	D	A	A2	A
MSM 2006 - 5AR M6	61748HYY1	D	C	D	A-	A3	A
MSM 2006 - 5AR M7	61748HYZ8	D	C	D	BBB+	Baa1	A-
MSM 2006 - 5AR M8	61748HZA2	D	C	D	BBB	Baa2	BBB+
MSM 2006 - 5AR M9	61748HZB0	D	C	D	BBB-	Baa3	BBB
MSM 2006 - 5AR B1	61748HYK1		NR	D		NR	BB
MSM 2006 - 5AR B2	61748HYL9	NR	NR	D	B	NR	B
MSM 2006 - 5AR B3	61748HYM7		NR	NR		NR	NR
MSM 2006 - 5AR AX	61748HYR6	CCC	Caa1/*-	C	AAA	Aaa	AAA
MSM 2006 - 5AR MX	61748HYS4	CC	C	C	AAA	Aa1	AA+
MSM 2006 - 5AR P	61748HYN5		NR			NR	NR
MSM 2006 - 5AR C	61748HYP0		NR			NR	NR

MSM 2006 - 6AR					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2006 - 6AR 1A1	61749CAA9	CC	Caa2/*-	AAA	Aaa
MSM 2006 - 6AR 1A2	61749CAB7	NR	WR	AAA	Aaa
MSM 2006 - 6AR 1A3	61749CAC5	CC	Caa2/*-	AAA	Aaa
MSM 2006 - 6AR 1A4	61749CAD3	CC	Caa1/*-	AAA	Aaa
MSM 2006 - 6AR 1A5	61749CAE1	CC	Ca/*-	AAA	Aaa
MSM 2006 - 6AR 2A	61749CAF8	CC	Caa2/*-	AAA	Aaa
MSM 2006 - 6AR 3A1	61749CAG6	CC	Caa3/*-	AAA	Aaa
MSM 2006 - 6AR 3A2	61749CAH4	CC	Caa2/*-	AAA	Aaa
MSM 2006 - 6AR 3A3	61749CAJ0	CC	Ca/*-	AAA	Aa1
MSM 2006 - 6AR 3A4	61749CAK7	CC	Caa2/*-	AAA	Aaa
MSM 2006 - 6AR 3A5	61749CAL5	CC	Caa2/*-	AAA	Aaa
MSM 2006 - 6AR 4A1	61749CAM3	CC	Caa1/*-	AAA	Aaa
MSM 2006 - 6AR 4A2	61749CAN1	CC	Ca/*-	AAA	Aa1
MSM 2006 - 6AR 4A3	61749CAP6	CC	Caa1/*-	AAA	Aaa
MSM 2006 - 6AR 1M1	61749CAQ4	D	C	AA+	Aa1
MSM 2006 - 6AR 1M2	61749CAR2	D	C	AA+	Aa2
MSM 2006 - 6AR 1M3	61749CAS0	D	C	AA	Aa3
MSM 2006 - 6AR 1M4	61749CAT8	D	C	AA	A1
MSM 2006 - 6AR 1M5	61749CAU5	D	C	AA-	A2
MSM 2006 - 6AR 1M6	61749CAV3	D	C	A+	A3
MSM 2006 - 6AR 1B1	61749CAW1	D	C	A	Baa1
MSM 2006 - 6AR 1B2	61749CAX9	D	C	A-	Baa2
MSM 2006 - 6AR 1B3	61749CAY7	D	C	BBB	Baa3
MSM 2006 - 6AR B1	61749CAZ4	D	C	AA	Aa2
MSM 2006 - 6AR B2	61749CBA8	D	C	A	A2
MSM 2006 - 6AR B3	61749CBB6	D	C	BBB	Baa2
MSM 2006 - 6AR AR	61749CBC4	NR	WR	AAA	Aaa
MSM 2006 - 6AR OC	61749CBD2		NR		NR
MSM 2006 - 6AR B4	61749CBE0	D	NR	BB	NR
MSM 2006 - 6AR B5	61749CBF7	D	NR	B	NR
MSM 2006 - 6AR B6	61749CBG5		NR		NR
MSM 2006 - 6AR P1	61749CBH3		NR		NR
MSM 2006 - 6AR P2	61749CBJ9		NR		NR

MSM 2006 - 7					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2006 - 7 1A	61749JAA4	CCC	B3/*-	AAA	Aaa
MSM 2006 - 7 1AP	61749JAB2	CCC	B3/*-	AAA	Aaa
MSM 2006 - 7 2A	61749JAC0	CCC	B3/*-	AAA	Aaa
MSM 2006 - 7 2AX	61749JAD8	CCC	B3/*-	AAA	Aaa
MSM 2006 - 7 3A	61749JAE6	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 7 4A1	61749JAF3	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 7 4A2	61749JAG1	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 7 4A3	61749JAH9	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 7 4A4	61749JAJ5	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 7 4A5	61749JAK2	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 7 4A6	61749JAL0	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 7 4A7	61749JAM8	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 7 4A8	61749JAN6	CCC	Ca/*-	AAA	Aa1
MSM 2006 - 7 4AX	61749JAP1	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 7 4AP	61749JAP9	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 7 5A1	61749JAR7	B	Ba2/*-	AAA	Aaa
MSM 2006 - 7 5A2	61749JAS5	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 7 5A3	61749JAT3	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 7 5A4	61749JAU0	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 7 5A5	61749JAV8	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 7 B1	61749JAW6	CC	C	AA	Aa2
MSM 2006 - 7 B2	61749JAX4	D	C	A	A2
MSM 2006 - 7 B3	61749JAY2	D	C	BBB	Baa2
MSM 2006 - 7 5M1	61749JAZ9	CC	C	AA	Aa2
MSM 2006 - 7 5M2	61749JBA3	CC	C	A+	A2
MSM 2006 - 7 5B1	61749JBB1	D	C	BBB	Baa2
MSM 2006 - 7 AR	61749JBC9	NR	WR	AAA	Aaa
MSM 2006 - 7 OC	61749JBD7		NR		NR
MSM 2006 - 7 B4	61749JBE5	D	NR	BB	NR
MSM 2006 - 7 B5	61749JBF2	D	NR	B	NR
MSM 2006 - 7 B6	61749JBG0		NR		NR
MSM 2006 - 7 P1	61749JBH8		NR		NR
MSM 2006 - 7 P2	61749JBH4		NR		NR

MSM 2006 - 8AR					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2006 - 8AR 1A1	61749LAA9	CCC	Caa3/*-	AAA	Aaa
MSM 2006 - 8AR 1A2	61749LAB7	CCC	B1/*-	AAA	Aaa
MSM 2006 - 8AR 1A3	61749LAC5	CCC	Caa3/*-	AAA	Aaa
MSM 2006 - 8AR 1A4	61749LAD3	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 8AR 1A5	61749LAE1	CCC	Ca/*-	AAA	Aaa
MSM 2006 - 8AR 2A1	61749LAF8	CC	Caa3/*-	AAA	Aaa
MSM 2006 - 8AR 2A2	61749LAG6	CC	Ca/*-	AAA	Aa1
MSM 2006 - 8AR 3A	61749LAH4	CC	Caa3/*-	AAA	Aaa
MSM 2006 - 8AR 4A1	61749LAJ0	AAA	Aa1/*-	AAA	Aaa
MSM 2006 - 8AR 4A2	61749LAK7	AAA	Baa2/*-	AAA	Aa1
MSM 2006 - 8AR 5A1	61749LAL5	AAA	Baa1/*-	AAA	Aaa
MSM 2006 - 8AR 5A2	61749LAM3	AAA	A1/*-	AAA	Aaa
MSM 2006 - 8AR 5A3	61749LAN1	AAA	A1/*-	AAA	Aaa
MSM 2006 - 8AR 5A4	61749LAP6	AAA	A1/*-	AAA	Aaa
MSM 2006 - 8AR 5A5	61749LAQ4	AAA	Baa2/*-	AAA	Aa1
MSM 2006 - 8AR 6A1	61749LAR2	AAA	Aa1/*-	AAA	Aaa
MSM 2006 - 8AR 6A2	61749LBM2	AAA	Baa2/*-	AAA	Aa1
MSM 2006 - 8AR 1M1	61749LBN0	CC	C	AA+	Aa1
MSM 2006 - 8AR 1M2	61749LBP5	D	C	AA+	Aa2
MSM 2006 - 8AR 1M3	61749LBQ3	D	C	AA+	Aa3
MSM 2006 - 8AR 1M4	61749LAS0	D	C	AA	A1
MSM 2006 - 8AR 1M5	61749LAT8	D	C	AA-	A2
MSM 2006 - 8AR 1M6	61749LAU5	D	C	A+	A3
MSM 2006 - 8AR 1B1	61749LAV3	D	C	A	Baa1
MSM 2006 - 8AR 1B2	61749LAW1	D	C	A-	Baa2
MSM 2006 - 8AR 1B3	61749LAX9	D	C	BBB+	Baa3
MSM 2006 - 8AR 2B1	61749LAY7	D	C	AA	Aa2
MSM 2006 - 8AR 2B2	61749LAZ4	D	C	A	A2
MSM 2006 - 8AR 2B3	61749LBA8	D	C	BBB	Baa2
MSM 2006 - 8AR 3B1	61749LBR1	BB	NR	AA	NR
MSM 2006 - 8AR 3B2	61749LBS9	CCC	NR	A	NR
MSM 2006 - 8AR 3B3	61749LBT7	CCC	NR	BBB	NR
MSM 2006 - 8AR AR	61749LBB6	NR	WR	AAA	Aaa
MSM 2006 - 8AR OC	61749LBC4		NR		NR
MSM 2006 - 8AR 2B4	61749LBD2	D	NR	BB	NR
MSM 2006 - 8AR 2B5	61749LBE0	D	NR	B	NR
MSM 2006 - 8AR 2B6	61749LBF7		NR		NR
MSM 2006 - 8AR 3B4	61749LBG5	CC	NR	BB	NR
MSM 2006 - 8AR 3B5	61749LBH3	D	NR	B	NR
MSM 2006 - 8AR 3B6	61749LBJ9		NR		NR
MSM 2006 - 8AR P1	61749LBK6		NR		NR
MSM 2006 - 8AR P2	61749LBL4		NR		NR

MSM 2006 - 9AR					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2006 - 9AR A1	61748JAA5	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 9AR A2	61748JAB3	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 9AR A3	61748JAC1	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 9AR A4	61748JAD9	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 9AR A5	61748JAE7	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 9AR A6	61748JAF4	CCC	Ca/*-	AAA	Aaa
MSM 2006 - 9AR M1	61748JAG2	D	C	AA+	Aa1
MSM 2006 - 9AR M2	61748JAH0	D	C	AA+	Aa2
MSM 2006 - 9AR M3	61748JAJ6	D	C	AA	Aa3
MSM 2006 - 9AR M4	61748JAK3	D	C	AA	A1
MSM 2006 - 9AR M5	61748JAL1	D	C	AA	A2
MSM 2006 - 9AR M6	61748JAM9	D	C	AA-	A3
MSM 2006 - 9AR B1	61748JAN7	D	C	A	Baa1
MSM 2006 - 9AR B2	61748JAP2	D	C	A	Baa2
MSM 2006 - 9AR B3	61748JAQ0	D	C	BBB+	Baa3
MSM 2006 - 9AR AR	61748JAR8	NR	WR	AAA	Aaa
MSM 2006 - 9AR OC	61748JAS6		NR		NR
MSM 2006 - 9AR P	61748JAT4		NR		NR

<b>MSM 2006 - 10SL</b>					
<b>Class</b>	<b>Cusip</b>	<b>RTG_SP</b>	<b>RTG_MOODY</b>	<b>RTG_SP_INITIAL</b>	<b>RTG_MDY_INITIAL</b>
MSM 2006 - 10SL A1	61749TAA2	CCC	Ca	AAA	Aaa
MSM 2006 - 10SL M1	61749TAB0	D	C	AA	Aa2
MSM 2006 - 10SL M2	61749TAC8	D	C	A	A2
MSM 2006 - 10SL M3	61749TAD6	D	C	A-	A3
MSM 2006 - 10SL B1	61749TAE4	D	WR	BBB+	Baa1
MSM 2006 - 10SL B2	61749TAF1	D	WR	BBB	Baa2
MSM 2006 - 10SL B3	61749TAG9	D	WR	BBB-	Baa3
MSM 2006 - 10SL OC	BCC0S9BS7				
MSM 2006 - 10SL B4	61749TAH7	D	WR	BB+	Ba1
MSM 2006 - 10SL B5	61749TAJ3	NR	WR	BB	Ba2
MSM 2006 - 10SL P	BCC0S9BV0				
MSM 2006 - 10SL R	BCC0S9BW8				

MSM 2006 - 11					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2006 - 11 1A1	61749WAG2	NR	Aaa/*-	AAA	Aaa
MSM 2006 - 11 1A2	61749WAH0	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 11 1A3	61749WAJ6	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 11 1A4	61749WAK3	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 11 1A5	61749WAL1	CCC	Ca/*-	AAA	Aaa
MSM 2006 - 11 1A6	61749WAM9	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 11 2A1	61749WAN7	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 11 2A2	61749WAP2	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 11 2A3	61749WAQ0	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 11 2A4	61749WAR8	CCC	Ca/*-	AAA	Aa1
MSM 2006 - 11 2AP	61749WAS6	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 11 3A1	61749WAT4	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 11 3A2	61749WAU1	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 11 3A3	61749WAV9	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 11 3A4	61749WAW7	CCC	Ca/*-	AAA	Aa1
MSM 2006 - 11 3AP	61749WAX5	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 11 4A1	61749WAY3	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 11 4A2	61749WAZ0	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 11 1M1	61749WBA4	D	C	AA+	Aa1
MSM 2006 - 11 1M2	61749WBB2	D	C	AA	Aa2
MSM 2006 - 11 1M3	61749WBC0	D	C	AA	Aa3
MSM 2006 - 11 1M4	61749WBD8	D	C	AA-	A1
MSM 2006 - 11 1M5	61749WBE6	D	C	A+	A2
MSM 2006 - 11 1M6	61749WBF3	D	C	A+	A3
MSM 2006 - 11 1B1	61749WBG1	D	C	A	Baa1
MSM 2006 - 11 1B2	61749WBH9	D	C	A-	Baa2
MSM 2006 - 11 1B3	61749WBJ5	D	C	BBB	Baa3
MSM 2006 - 11 B1	61749WBK2	CC	C	AA	Aa2
MSM 2006 - 11 B2	61749WBL0	D	C	A	A2
MSM 2006 - 11 B3	61749WBM8	D	C	BBB	Baa2
MSM 2006 - 11 AR	61749WBN6	NR	WR	AAA	Aaa
MSM 2006 - 11 OC	61749WAA5		NR		NR
MSM 2006 - 11 B4	61749WAB3	D	NR	BB	NR
MSM 2006 - 11 B5	61749WAC1	D	NR	B	NR
MSM 2006 - 11 B6	61749WAD9		NR		NR
MSM 2006 - 11 P1	61749WAE7		NR		NR
MSM 2006 - 11 P2	61749WAF4		NR		NR

MSM 2006 - 12XS					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2006 - 12XS A1	61749EAA5	AAA	A2/*-	AAA	Aaa
MSM 2006 - 12XS A2A	61749EAB3	B-	Ba2/*-	AAA	Aaa
MSM 2006 - 12XS A2B	61749EAC1	CCC	Ca/*-	AAA	Aaa
MSM 2006 - 12XS A3	61749EAD9	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 12XS A4	61749EAE7	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 12XS A5A	61749EAF4	CCC	B3/*-	AAA	Aaa
MSM 2006 - 12XS A5B	61749EAG2	CCC	Ca/*-	AAA	Aaa
MSM 2006 - 12XS A6A	61749EAH0	CCC	B3/*-	AAA	Aaa
MSM 2006 - 12XS A6B	61749EAJ6	CCC	Ca/*-	AAA	Aaa
MSM 2006 - 12XS M1	61749EAK3	CCC	C	AA+	Aa1
MSM 2006 - 12XS M2	61749EAL1	CC	C	AA+	Aa2
MSM 2006 - 12XS M3	61749EAM9	CC	C	AA	Aa3
MSM 2006 - 12XS M4	61749EAN7	D	C	AA	A1
MSM 2006 - 12XS M5	61749EAP2	D	C	AA	A2
MSM 2006 - 12XS M6	61749EAQ0	D	C	AA	A3
MSM 2006 - 12XS B1	61749EAR8	D	C	A	Baa1
MSM 2006 - 12XS B2	61749EAS6	D	C	A	Baa2
MSM 2006 - 12XS B3	61749EAT4	D	C	BBB+	Baa3
MSM 2006 - 12XS AR	61749EAU1	NR	WR	AAA	Aaa
MSM 2006 - 12XS OC	61749EAV9		NR		NR
MSM 2006 - 12XS P	61749EAW7		NR		NR

<b>MSM 2006 - 13ARX</b>					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2006 - 13AX AR	61750PAP3	NR	WR	AAA	Aaa
MSM 2006 - 13AX A1	61750PAA6	CCC	B3/*-	AAA	Aaa
MSM 2006 - 13AX A2	61750PAB4	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 13AX A3	61750PAC2	CCC	Caa2/*-	AAA	Aaa
MSM 2006 - 13AX A4	61750PAD0	CC	Ca/*-	AAA	Aaa
MSM 2006 - 13AX M1	61750PAE8	D	C	AA+	Aa1
MSM 2006 - 13AX M2	61750PAF5	D	C	AA	Aa2
MSM 2006 - 13AX M3	61750PAG3	D	C	AA	Aa3
MSM 2006 - 13AX M4	61750PAH1	D	C	AA	A1
MSM 2006 - 13AX M5	61750PAJ7	D	C	A+	A2
MSM 2006 - 13AX M6	61750PAK4	D	C	A+	A3
MSM 2006 - 13AX B1	61750PAL2	D	C	A-	Baa1
MSM 2006 - 13AX B2	61750PAM0	D	WR	A-	Baa2
MSM 2006 - 13AX B3	61750PAN8	D	WR	BBB	Baa3
MSM 2006 - 13AX OC	61750PAQ1		NR		NR
MSM 2006 - 13AX P	61750PAR9		NR		NR

MSM 2006 - 14SL					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2006 - 14SL A1	61749SAC0	CCC	Caa2	AAA	Aaa
MSM 2006 - 14SL M1	61749SAD8	D	C	AA	Aa2
MSM 2006 - 14SL M2	61749SAE6	D	C	AA-	Aa3
MSM 2006 - 14SL M3	61749SAF3	D	C	A	A2
MSM 2006 - 14SL M4	61749SAG1	D	C	A-	A3
MSM 2006 - 14SL B1	61749SAH9	D	WR	BBB+	Baa1
MSM 2006 - 14SL B2	61749SAJ5	D	WR	BBB	Baa2
MSM 2006 - 14SL B3	61749SAK2	D	WR	BBB-	Baa3
MSM 2006 - 14SL OC	BCC0TVLV9				
MSM 2006 - 14SL B4	61749SAA4	D	WR	BB+	Ba1
MSM 2006 - 14SL B5	61749SAB2	D	WR	BB	Ba2
MSM 2006 - 14SL P	BCC0TVLY3				
MSM 2006 - 14SL R	BCC0TVLZ0				

MSM 2006 - 15XS					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2006 - 15XS A1	61750YAA7	BB	Baa2/*-	AAA	Aaa
MSM 2006 - 15XS A2A	61750YAB5	CCC	B3/*-	AAA	Aaa
MSM 2006 - 15XS A2B	61750YAC3	BB+	B3	AAA	Aaa
MSM 2006 - 15XS A3	61750YAD1	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 15XS A4A	61750YAE9	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 15XS A4B	61750YAF6	BB+	B3	AAA	Aaa
MSM 2006 - 15XS A5A	61750YAG4	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 15XS A5B	61750YAH2	BB+	B3	AAA	Aaa
MSM 2006 - 15XS A6A	61750YAJ8	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 15XS A6B	61750YAK5	BB+	B3	AAA	Aaa
MSM 2006 - 15XS M1	61750YAL3	CCC	Ca/*-	AA+	Aa1
MSM 2006 - 15XS M2	61750YAM1	CCC	Ca/*-	AA	Aa2
MSM 2006 - 15XS M3	61750YAN9	CC	C	AA	Aa3
MSM 2006 - 15XS M4	61750YAP4	CC	C	A+	A1
MSM 2006 - 15XS M5	61750YAQ2	CC	C	A+	A2
MSM 2006 - 15XS M6	61750YAR0	D	C	A	A3
MSM 2006 - 15XS B1	61750YAS8	D	C	A-	Baa1
MSM 2006 - 15XS B2	61750YAT6	D	C	BBB+	Baa2
MSM 2006 - 15XS B3	61750YAU3	D	C	BBB	Baa3
MSM 2006 - 15XS AR	61750YAV1	NR	WR	AAA	Aaa
MSM 2006 - 15XS OC	61750YAW9		NR		NR
MSM 2006 - 15XS P	61750YAX7		NR		NR

MSM 2006 - 16AX						
Class	Cusip	RTG_SP	RTG_MOODY	RTG_FITCH	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2006 - 16AX 1A	617487AA1	CCC	Caa2/*-		AAA	Aaa
MSM 2006 - 16AX 2A1	617487AB9	CCC	Ba3/*-		AAA	Aaa
MSM 2006 - 16AX 2A2	617487AC7	CCC	Caa2/*-		AAA	Aaa
MSM 2006 - 16AX 2A3	617487AD5	CCC	Caa2/*-		AAA	Aaa
MSM 2006 - 16AX 2A4	617487AE3	CCC	Ca/*-		AAA	Aaa
MSM 2006 - 16AX 3A1	617487AF0	CCC	Caa2/*-		AAA	Aaa
MSM 2006 - 16AX 3A2	617487AG8	CCC	C		AAA	Aaa
MSM 2006 - 16AX M1	617487AH6	D	C		AA+	Aa1
MSM 2006 - 16AX M2	617487AJ2	D	C		AA+	Aa2
MSM 2006 - 16AX M3	617487AK9	D	C		AA	Aa3
MSM 2006 - 16AX M4	617487AL7	D	C		AA	A1
MSM 2006 - 16AX M5	617487AM5	D	C		A+	A2
MSM 2006 - 16AX M6	617487AN3	D	C		A+	A3
MSM 2006 - 16AX B1	617487AP8	D	C		A	Baa1
MSM 2006 - 16AX B2	617487AQ6	D	C		A	Baa2
MSM 2006 - 16AX B3	617487AR4	D	C		BBB+	Baa3
MSM 2006 - 16AX 3M1	617487AS2	CCC	C		AA	Aa2
MSM 2006 - 16AX 3M2	617487AT0	D	C		AA-	A2
MSM 2006 - 16AX 3B1	617487AU7	D	C		A-	Baa2
MSM 2006 - 16AX 3B2	617487AV5	D	C		BBB+	Baa3
MSM 2006 - 16AX AR	617487AW3	NR	WR		AAA	Aaa
MSM 2006 - 16AX 1OC	617487AX1		NR			NR
MSM 2006 - 16AX 3OC	617487AY9		NR			NR
MSM 2006 - 16AX 1P	BCC0TZ0M3					
MSM 2006 - 16AX 3P	617487AZ6		NR			NR

<b>MSM 2006 - 17XS</b>					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2006 - 17XS A1	61751DAA2	CC	Ba3/*-	AAA	Aaa
MSM 2006 - 17XS A2A	61751DAB0	CCC	B3/*-	AAA	Aaa
MSM 2006 - 17XS A2B	61751DAC8	CC	Ca/*-	AAA	Aaa
MSM 2006 - 17XS A2W	61751DAD6	BB+	B3	AAA	Aaa
MSM 2006 - 17XS A3A	61751DAE4	CCC	Caa1/*-	AAA	Aaa
MSM 2006 - 17XS A3B	61751DAF1	CC	Ca/*-	AAA	Aaa
MSM 2006 - 17XS A4	61751DAG9	CC	Caa2/*-	AAA	Aaa
MSM 2006 - 17XS A5W	61751DAH7	BB+	B3	AAA	Aaa
MSM 2006 - 17XS A6	61751DAJ3	CC	Caa2/*-	AAA	Aaa
MSM 2006 - 17XS M1	61751DAK0	CC	C	AA+	Aa1
MSM 2006 - 17XS M2	61751DAL8	CC	C	AA	Aa2
MSM 2006 - 17XS M3	61751DAM6	CC	C	AA	Aa3
MSM 2006 - 17XS M4	61751DAN4	D	C	A+	A1
MSM 2006 - 17XS M5	61751DAP9	D	C	A+	A2
MSM 2006 - 17XS M6	61751DAQ7	D	C	A	A3
MSM 2006 - 17XS B1	61751DAR5	D	C	A-	Baa1
MSM 2006 - 17XS B2	61751DAS3	D	C	BBB+	Baa2
MSM 2006 - 17XS B3	61751DAT1	D	C	BBB	Baa3
MSM 2006 - 17XS AR	61751DAU8	NR	WR	AAA	Aaa
MSM 2006 - 17XS OC	61751DAV6		NR		NR
MSM 2006 - 17XS P	61751DAW4		NR		NR

MSM 2007 - 1XS					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2007 - 1XS 1A1	61752JAA8	CCC	Caa2/*-	AAA	Aaa
MSM 2007 - 1XS 1A2	61752JAB6	CCC	Caa2/*-	AAA	Aaa
MSM 2007 - 1XS 2A1	61752JAC4	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 1XS 2A2	61752JAD2	CCC	Caa2/*-	AAA	Aaa
MSM 2007 - 1XS 2A3	61752JAE0	CCC	Caa2/*-	AAA	Aaa
MSM 2007 - 1XS 2A4A	61752JAF7	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 1XS 2A4B	61752JAG5	CCC	Ca/*-	AAA	Aaa
MSM 2007 - 1XS 2A4C	61752JAJ9	CCC	Caa2/*-	AAA	Aaa
MSM 2007 - 1XS 2A5	61752JAK6	CCC	Caa2/*-	AAA	Aaa
MSM 2007 - 1XS 2A6	61752JAL4	CCC	Caa2/*-	AAA	Aaa
MSM 2007 - 1XS M1	61752JAM2	CC	C	AA+	Aa1
MSM 2007 - 1XS M2	61752JAN0	D	C	AA	Aa2
MSM 2007 - 1XS M3	61752JAP5	D	C	AA	Aa3
MSM 2007 - 1XS M4	61752JAQ3	D	C	AA-	A1
MSM 2007 - 1XS M5	61752JAR1	D	C	AA-	A2
MSM 2007 - 1XS M6	61752JAS9	D	C	A	A3
MSM 2007 - 1XS B1	61752JAT7	D	C	A-	Baa1
MSM 2007 - 1XS B2	61752JAU4	D	C	BBB+	Baa2
MSM 2007 - 1XS B3	61752JAV2	D	C	BBB-	Baa3
MSM 2007 - 1XS AR	61752JAW0	NR	WR	AAA	Aaa
MSM 2007 - 1XS OC	61752JAX8		NR		NR
MSM 2007 - 1XS P	61752JAY6		NR		NR

MSM 2007 - 2AX					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2007 - 2AX 1A	61751TAA7	CCC	Caa3/*-	AAA	Aaa
MSM 2007 - 2AX 2A1	61751TAB5	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 2AX 2A2	61751TAC3	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 2AX 2A3	61751TAD1	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 2AX 2A4	61751TAE9	CCC	Ca/*-	AAA	Aaa
MSM 2007 - 2AX M1	61751TAF6	D	C	AA+	Aa1
MSM 2007 - 2AX M2	61751TAG4	D	C	AA	Aa2
MSM 2007 - 2AX M3	61751TAH2	D	C	AA	Aa3
MSM 2007 - 2AX M4	61751TAJ8	D	C	AA-	A1
MSM 2007 - 2AX M5	61751TAK5	D	C	A+	A2
MSM 2007 - 2AX M6	61751TAL3	D	C	A	A3
MSM 2007 - 2AX B1	61751TAM1	D	C	A	Baa1
MSM 2007 - 2AX B2	61751TAN9	D	C	A-	Baa2
MSM 2007 - 2AX B3	61751TAP4	D	C	BBB	Baa3
MSM 2007 - 2AX AR	61751TAQ2	NR	WR	AAA	Aaa
MSM 2007 - 2AX OC	61751TAR0		NR		NR
MSM 2007 - 2AX P	61751TAS8		NR		NR

<b>MSM 2007 - 3XS</b>					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2007 - 3XS 1A1	61752RAA0	CCC	Caa2/*-	AAA	Aaa
MSM 2007 - 3XS 1A2A	61752RAB8	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 3XS 1A2B	61752RAC6	CCC	Ca/*-	AAA	Aaa
MSM 2007 - 3XS 1A3A	61752RAD4	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 3XS 1A3B	61752RAE2	CCC	Ca/*-	AAA	Aaa
MSM 2007 - 3XS 2A1A	61752RAF9	AA	Baa2/*-	AAA	Aaa
MSM 2007 - 3XS 2A1B	61752RAG7	CCC	Caa3/*-	AAA	Aaa
MSM 2007 - 3XS 2A2S	61752RAH5	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 3XS 2A3S	61752RAJ1	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 3XS 2A4S	61752RAK8	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 3XS 2A5	61752RAL6	CCC	Caa2/*-	AAA	Aaa
MSM 2007 - 3XS 2A6	61752RAM4	CCC	Caa2/*-	AAA	Aaa
MSM 2007 - 3XS 2A7M	61752RAN2	CCC	Ca/*-	AAA	Aaa
MSM 2007 - 3XS M1	61752RAP7	CC	C	AA+	Aa1
MSM 2007 - 3XS M2	61752RAQ5	CC	C	AA	Aa2
MSM 2007 - 3XS M3	61752RAR3	CC	C	AA	Aa3
MSM 2007 - 3XS M4	61752RAS1	CC	C	AA	A1
MSM 2007 - 3XS M5	61752RAT9	D	C	AA-	A2
MSM 2007 - 3XS M6	61752RAU6	D	C	AA-	A3
MSM 2007 - 3XS B1	61752RAV4	D	C	A	Baa1
MSM 2007 - 3XS B2	61752RAW2	D	C	A	Baa2
MSM 2007 - 3XS B3	61752RAX0	D	C	BBB+	Baa3
MSM 2007 - 3XS AR	61752RAY8	NR	WR	AAA	Aaa
MSM 2007 - 3XS OC	61752RAZ5		NR		NR
MSM 2007 - 3XS P	61752RBA9		NR		NR

<b>MSM 2007 - 4SL</b>					
<b>Class</b>	<b>Cusip</b>	<b>RTG_SP</b>	<b>RTG_MOODY</b>	<b>RTG_SP_INITIAL</b>	<b>RTG_MDY_INITIAL</b>
MSM 2007 - 4SL A	61751PAA5	B	Ca	AAA	Aaa
MSM 2007 - 4SL M1	61751PAB3	D	C	AA+	Aa1
MSM 2007 - 4SL M2	61751PAC1	D	C	AA	Aa1
MSM 2007 - 4SL M3	61751PAD9	D	C	AA-	Aa2
MSM 2007 - 4SL M4	61751PAE7	D	C	A	A1
MSM 2007 - 4SL M5	61751PAF4	D	C	A-	A2
MSM 2007 - 4SL B1	61751PAG2	D	C	BBB+	A3
MSM 2007 - 4SL B2	61751PAH0	D	WR	BBB	Baa1
MSM 2007 - 4SL B3	61751PAJ6	NR	WR	BBB-	Baa2
MSM 2007 - 4SL OC	BCC0WIZ64				
MSM 2007 - 4SL B4	61751PAK3	NR	WR	BB+	Ba1
MSM 2007 - 4SL B5	61751PAL1	NR	WR	BB	Ba2
MSM 2007 - 4SL P	BCC0WIZ98				
MSM 2007 - 4SL R	BCC0WIZA5				

MSM 2007 - 5AX					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2007 - 5AX 1A	61751GAA5	CCC	Caa2/*-	AAA	Aaa
MSM 2007 - 5AX 2A1	61751GAB3	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 5AX 2A2	61751GAC1	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 5AX 2A3	61751GAD9	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 5AX 2A4	61751GAE7	CCC	Ca/*-	AAA	Aaa
MSM 2007 - 5AX M1	61751GAF4	D	C	AA+	Aa1
MSM 2007 - 5AX M2	61751GAG2	D	C	AA	Aa2
MSM 2007 - 5AX M3	61751GAH0	D	C	AA	Aa3
MSM 2007 - 5AX M4	61751GAJ6	D	C	AA-	A1
MSM 2007 - 5AX M5	61751GAK3	D	C	A+	A2
MSM 2007 - 5AX M6	61751GAL1	D	C	A+	A3
MSM 2007 - 5AX B1	61751GAM9	D	C	A	Baa1
MSM 2007 - 5AX B2	61751GAN7	D	C	A	Baa2
MSM 2007 - 5AX B3	61751GAP2	D	C	BBB+	Baa3
MSM 2007 - 5AX AR	61751GAQ0	NR	WR	AAA	Aaa
MSM 2007 - 5AX OC	61751GAR8		NR		NR
MSM 2007 - 5AX P	61751GAS6		NR		NR

MSM 2007 - 6XS					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2007 - 6XS 1A1	61751JAA9	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 6XS 1A2S	61751JAB7	B-	B3/*-	AAA	Aaa
MSM 2007 - 6XS 1A2M	61751JAC5	CCC	Ca/*-	AAA	Aaa
MSM 2007 - 6XS 1A3S	61751JAD3	CCC	B3/*-	AAA	Aaa
MSM 2007 - 6XS 1A3M	61751JAE1	CCC	Ca/*-	AAA	Aaa
MSM 2007 - 6XS 2A1S	61751JAF8	AA	Ba3/*-	AAA	Aaa
MSM 2007 - 6XS 2A1M	61751JAG6	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 6XS 2A2S	61751JAH4	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 6XS 2A3S	61751JAJ0	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 6XS 2A4S	61751JAK7	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 6XS 2A5S	61751JAL5	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 6XS 2A6S	61751JAM3	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 6XS 2A6M	61751JAN1	CCC	Ca/*-	AAA	Aaa
MSM 2007 - 6XS 2A7M	61751JAP6	CCC	Ca/*-	AAA	Aaa
MSM 2007 - 6XS M1	61751JAQ4	CCC	C	AA+	Aa1
MSM 2007 - 6XS M2	61751JAR2	CCC	C	AA	Aa2
MSM 2007 - 6XS M3	61751JAS0	CC	C	AA	Aa3
MSM 2007 - 6XS M4	61751JAT8	CC	C	AA-	A1
MSM 2007 - 6XS M5	61751JAU5	CC	C	AA-	A2
MSM 2007 - 6XS M6	61751JAV3	CC	C	A	A3
MSM 2007 - 6XS B1	61751JAW1	CC	C	A-	Baa1
MSM 2007 - 6XS B2	61751JAX9	D	C	BBB+	Baa2
MSM 2007 - 6XS B3	61751JAY7	D	C	BBB	Baa3
MSM 2007 - 6XS AR	61751JAZ4	NR	WR	AAA	Aaa
MSM 2007 - 6XS OC	61751JBA8		NR		NR
MSM 2007 - 6XS P	61751JBB6		NR		NR

<b>MSM 2007 - 7AX</b>					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2007 - 7AX 1A	61754HAA0	CCC	Caa3/*-	AAA	Aaa
MSM 2007 - 7AX 2A1	61754HAB8	CCC	Caa2/*-	AAA	Aaa
MSM 2007 - 7AX 2A2	61754HAC6	CCC	Caa2/*-	AAA	Aaa
MSM 2007 - 7AX 2A3	61754HAD4	CCC	Caa3/*-	AAA	Aaa
MSM 2007 - 7AX 2A4	61754HAE2	CCC	Ca/*-	AAA	Aaa
MSM 2007 - 7AX 2A5	61754HAF9	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 7AX 2A6	61754HAG7	CCC	Ca/*-	AAA	Aaa
MSM 2007 - 7AX M1	61754HAH5	D	C	AA+	Aa1
MSM 2007 - 7AX M2	61754HAJ1	D	C	AA	Aa2
MSM 2007 - 7AX M3	61754HAK8	D	C	AA	Aa3
MSM 2007 - 7AX M4	61754HAL6	D	C	AA-	A1
MSM 2007 - 7AX M5	61754HAM4	D	C	A+	A2
MSM 2007 - 7AX M6	61754HAN2	D	C	A+	A3
MSM 2007 - 7AX B1	61754HAP7	D	C	A-	Baa1
MSM 2007 - 7AX B2	61754HAQ5	D	C	A-	Baa2
MSM 2007 - 7AX B3	61754HAR3	D	WR	BBB+	Baa3
MSM 2007 - 7AX AR	61754HAS1	NR	WR	AAA	Aaa
MSM 2007 - 7AX OC	61754HAT9		NR		NR
MSM 2007 - 7AX P	61754HAU6		NR		NR

MSM 2007 - 8XS					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2007 - 8XS A1	61754PAA2	CCC	B3/*-	AAA	Aaa
MSM 2007 - 8XS A1M	61754PBK9	CCC	Ca/*-	AAA	Aaa
MSM 2007 - 8XS A1W	61754PAB0	BB+	B3	AAA	Aaa
MSM 2007 - 8XS A2	61754PAC8	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 8XS A3W	61754PAD6	BB+	B3	AAA	Aaa
MSM 2007 - 8XS A4	61754PAE4	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 8XS A5	61754PAF1	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 8XS A6	61754PAG9	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 8XS A7	61754PAH7	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 8XS A8	61754PAJ3	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 8XS A9	61754PAX2	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 8XS A10	61754PAY0	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 8XS A11	61754PAZ7	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 8XS A12	61754PBA1	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 8XS A13	61754PBB9	CCC	B3/*-	AAA	Aaa
MSM 2007 - 8XS A14	61754PBC7	CCC	B3/*-	AAA	Aaa
MSM 2007 - 8XS A15	61754PBD5	CCC	Ca/*-	AAA	Aaa
MSM 2007 - 8XS A16	61754PBE3	CCC	Ca/*-	AAA	Aaa
MSM 2007 - 8XS A17	61754PBF0	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 8XS A18	61754PBG8	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 8XS A19	61754PBH6	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 8XS A20	61754PBJ2	CCC	Caa3/*-	AAA	Aaa
MSM 2007 - 8XS M1	61754PAK0	CC	C	AA+	Aa1
MSM 2007 - 8XS M2	61754PAL8	CC	C	AA	Aa2
MSM 2007 - 8XS M3	61754PAM6	D	C	AA-	Aa3
MSM 2007 - 8XS M4	61754PAN4	D	C	A+	A1
MSM 2007 - 8XS M5	61754PAP9	D	C	A	A2
MSM 2007 - 8XS M6	61754PAQ7	D	C	A-	A3
MSM 2007 - 8XS B1	61754PAR5	D	C	BBB+	Baa1
MSM 2007 - 8XS B2	61754PAS3	D	C	BBB	Baa2
MSM 2007 - 8XS B3	61754PAT1	D	C	BBB-	Baa3
MSM 2007 - 8XS AR	BCC0YFDU9	NR	WR	AAA	Aaa
MSM 2007 - 8XS OC	BCC0YFFC7				
MSM 2007 - 8XS P	BCC0YFFD5				

<b>MSM 2007 - 9SL</b>					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2007 - 9SL A	61754TAA4	BB+	B3	AAA	Aaa
MSM 2007 - 9SL M1	61754TAB2	D	C	AA-	Aa3
MSM 2007 - 9SL M2	61754TAC0	D	C	A	A2
MSM 2007 - 9SL M3	61754TAD8	D	C	A-	A3
MSM 2007 - 9SL B1	61754TAE6	D	C	BBB+	Baa1
MSM 2007 - 9SL B2	61754TAF3	D	C	BBB	Baa2
MSM 2007 - 9SL B3	61754TAG1	D	C	BBB-	Baa3
MSM 2007 - 9SL OC	BCC0Z6PN1				
MSM 2007 - 9SL B4	61754TAH9	D	C	BB+	Ba1
MSM 2007 - 9SL B5	61754TAJ5	D	WR	BB	Ba2
MSM 2007 - 9SL P	BCC0Z6PR2				
MSM 2007 - 9SL R	BCC0Z6PS0				
MSM 2007 - 9SL LIO	61754TAK2				

MSM 2007 - 10XS					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2007 - 10XS A1	61751MAA2	CCC	B2/*-	AAA	Aaa
MSM 2007 - 10XS A1W	61751MAB0	BB+	B3	AAA	Aaa
MSM 2007 - 10XS A2	61751MAC8	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A3W	61751MAD6	BB+	B3	AAA	Aaa
MSM 2007 - 10XS A4	61751MAE4	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A5	61751MAF1	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A6	61751MAG9	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A7	61751MAH7	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A8	61751MAJ3	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A9	61751MAK0	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A10	61751MAL8	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A11	61751MAM6	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A12	61751MAN4	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A13	61751MAP9	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A14	61751MAQ7	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A15	61751MAR5	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A16	61751MAS3	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A17	61751MAT1	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A18	61751MAU8	B+	B3/*-	AAA	Aaa
MSM 2007 - 10XS A19	61751MAV6	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A20	61751MAW4	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A21	61751MAX2	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A22	61751MAY0	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS A23	61751MAZ7	CCC	B3/*-	AAA	Aaa
MSM 2007 - 10XS M1	61751MBA1	CCC	C	AA+	Aa1
MSM 2007 - 10XS M2	61751MBB9	CC	C	AA+	Aa2
MSM 2007 - 10XS M3	61751MBC7	CC	C	AA	Aa3
MSM 2007 - 10XS M4	61751MBD5	CC	C	AA	A1
MSM 2007 - 10XS M5	61751MBE3	CC	C	AA-	A2
MSM 2007 - 10XS M6	61751MBF0	CC	C	A+	A3
MSM 2007 - 10XS B1	61751MBG8	D	C	A+	Baa1
MSM 2007 - 10XS B2	61751MBH6	D	C	A-	Baa2
MSM 2007 - 10XS B3	61751MBJ2	D	C	BBB+	Baa3
MSM 2007 - 10XS AR	61751MBK9	NR	WR	AAA	Aaa
MSM 2007 - 10XS OC	61751MBL7		NR		NR
MSM 2007 - 10XS P	61751MBM5		NR		NR
MSM 2007 - 10XS LIO	61751MBN3		NR		NR

MSM 2007 - 11AR					
Class	Cusip	RTG_SP	RTG_MOODY	RTG_SP_INITIAL	RTG_MDY_INITIAL
MSM 2007 - 11AR 1A1	61754VAA9	CCC	Caa2/*-	AAA	Aaa
MSM 2007 - 11AR 1A2	61754VAB7	CC	Ca/*-	AAA	Aaa
MSM 2007 - 11AR 2A1	61754VAC5	CC	Caa2/*-	AAA	Aaa
MSM 2007 - 11AR 2A2	61754VAD3	CC	Ca/*-	AAA	Aaa
MSM 2007 - 11AR 2A3	61754VAE1	CCC	Caa1/*-	AAA	Aaa
MSM 2007 - 11AR 2A4	61754VAF8	CC	Ca/*-	AAA	Aaa
MSM 2007 - 11AR 2A5	61754VAG6	CC	Caa2/*-	AAA	Aaa
MSM 2007 - 11AR 2A6	61754VAH4	CC	Ca/*-	AAA	Aaa
MSM 2007 - 11AR 2A7	61754VAJ0	CC	Caa2/*-	AAA	Aaa
MSM 2007 - 11AR 2A8	61754VAK7	CC	Ca/*-	AAA	Aaa
MSM 2007 - 11AR 2X	61754VAL5	CC	Caa2/*-	AAA	Aaa
MSM 2007 - 11AR B1	61754VAM3	D	C	AA	Aa2
MSM 2007 - 11AR B2	61754VAN1	D	C	A	A2
MSM 2007 - 11AR B3	61754VAP6	D	C	BBB	Baa2
MSM 2007 - 11AR AR	61754VAQ4	NR	WR	AAA	Aaa
MSM 2007 - 11AR B4	61754VAR2	D	C	BB	Ba2
MSM 2007 - 11AR B5	61754VAS0	D	NR	B	NR
MSM 2007 - 11AR B6	61754VAT8		NR		NR
MSM 2007 - 11AR P	61754VAU5		NR		NR
MSM 2007 - 11AR 1LIO	61754VAV3		NR		NR
MSM 2007 - 11AR 2LIO	61754VAW1		NR		NR

MSM 2007 - 12				
Class	Cusip	RTG_SP	RTG_FITCH	RTG_SP_INITIAL
MSM 2007 - 12 1A1	61755GAA1	CC	CC	AAA
MSM 2007 - 12 1A2	61755GAB9	CCC	CCC	AAA
MSM 2007 - 12 1A3	61755GAC7	CC	CC	AAA
MSM 2007 - 12 1AP	61755GAD5	CC	CC	AAA
MSM 2007 - 12 2A1	61755GAE3	CC	CC	AAA
MSM 2007 - 12 2A2	61755GAF0	CCC	CCC	AAA
MSM 2007 - 12 2A3	61755GAG8	CC	CC	AAA
MSM 2007 - 12 2AX	61755GAH6	CCC	CCC	AAA
MSM 2007 - 12 3A1	61755GAJ2	CCC	CCC	AAA
MSM 2007 - 12 3A2	61755GAK9	CC	CC	AAA
MSM 2007 - 12 3A3	61755GAL7	CCC	CCC	AAA
MSM 2007 - 12 3A4	61755GAM5	CC	CC	AAA
MSM 2007 - 12 3A5	61755GAN3	NR	PIF	AAA
MSM 2007 - 12 3A6	61755GAP8	CCC	BB	AAA
MSM 2007 - 12 3A7	61755GAQ6	CCC	CCC	AAA
MSM 2007 - 12 3A8	61755GAR4	CCC	CC	AAA
MSM 2007 - 12 3A9	61755GAS2	CCC	CCC	AAA
MSM 2007 - 12 3A10	61755GAT0	CC	CC	AAA
MSM 2007 - 12 3A11	61755GAU7	CCC	CC	AAA
MSM 2007 - 12 3A12	61755GAV5	CCC	BB	AAA
MSM 2007 - 12 3A13	61755GAW3	CCC	CC	AAA
MSM 2007 - 12 3A14	61755GAX1	CCC	CC	AAA
MSM 2007 - 12 3A15	61755GAY9	CCC	CC	AAA
MSM 2007 - 12 3A16	61755GAZ6	CCC	CC	AAA
MSM 2007 - 12 3A17	61755GBA0	CCC	CC	AAA
MSM 2007 - 12 3A18	61755GBB8	CCC	CC	AAA
MSM 2007 - 12 3A19	61755GBC6	CCC	CC	AAA
MSM 2007 - 12 3A20	61755GBD4	CCC	CC	AAA
MSM 2007 - 12 3A21	61755GBE2	CCC	CC	AAA
MSM 2007 - 12 3A22	61755GBF9	CCC	CC	AAA
MSM 2007 - 12 3A23	61755GBG7	CCC	CC	AAA
MSM 2007 - 12 3A24	61755GBH5	CCC	CCC	AAA
MSM 2007 - 12 3A25	61755GBJ1	CCC	CCC	AAA
MSM 2007 - 12 3A26	61755GBK8	CCC	CC	AAA
MSM 2007 - 12 3A27	61755GBL6	CCC	CC	AAA
MSM 2007 - 12 3A28	61755GBM4	CCC	CC	AAA

MSM 2007 - 12 3A29	61755GBN2	CCC	CC	AAA
MSM 2007 - 12 3A30	61755GBP7	CCC	CC	AAA
MSM 2007 - 12 3A31	61755GBQ5	CCC	CC	AAA
MSM 2007 - 12 3A32	61755GBR3	CCC	CC	AAA
MSM 2007 - 12 3A33	61755GBS1	CCC	CC	AAA
MSM 2007 - 12 3A34	61755GBT9	CCC	CC	AAA
MSM 2007 - 12 3A35	61755GBU6	CCC	CC	AAA
MSM 2007 - 12 3A36	61755GBV4	CCC	CC	AAA
MSM 2007 - 12 3A37	61755GBW2	CCC	CC	AAA
MSM 2007 - 12 3A38	61755GBX0	CCC	CC	AAA
MSM 2007 - 12 3A39	61755GBY8	CCC	CC	AAA
MSM 2007 - 12 3A40	61755GBZ5	CCC	CC	AAA
MSM 2007 - 12 3A41	61755GCA9	CCC	CC	AAA
MSM 2007 - 12 3A42	61755GCB7	CCC	CC	AAA
MSM 2007 - 12 3AP	61755GCC5	CC	CC	AAA
MSM 2007 - 12 4A1	61755GCD3	CC	CC	AAA
MSM 2007 - 12 4A2	61755GCE1	CC	CC	AAA
MSM 2007 - 12 4A3	61755GCF8	CCC	CC	AAA
MSM 2007 - 12 4A4	61755GCG6	CC	CC	AAA
MSM 2007 - 12 4A5	61755GCH4	CC	CC	AAA
MSM 2007 - 12 4AX	61755GCJ0	CCC	CC	AAA
MSM 2007 - 12 B1	61755GCK7	CC	NR	AA
MSM 2007 - 12 B2	61755GCL5	CC	NR	A
MSM 2007 - 12 B3	61755GCM3	D	NR	BBB
MSM 2007 - 12 AR	61755GCN1	NR	PIF	AAA
MSM 2007 - 12 B4	61755GCP6	D	NR	BB
MSM 2007 - 12 B5	61755GCQ4	D	NR	B
MSM 2007 - 12 B6	61755GCR2		NR	
MSM 2007 - 12 P	61755GCS0		NR	

MSM 2007 - 13					
Class	Cusip	RTG_SP	RTG_FITCH	RTG_SP_INITIAL	RTG_FITCH_INITIAL
MSM 2007 - 13 1A1	61756HAA8	CCC	CCC	AAA	AAA
MSM 2007 - 13 1A2	61756HAB6	BB	AAA/*-	AAA	AAA
MSM 2007 - 13 1A3	61756HAC4	CCC	CCC	AAA	AAA
MSM 2007 - 13 1AP	61756HAD2	CCC	CC	AAA	AAA
MSM 2007 - 13 1AX	61756HAE0	BB	AAA/*-	AAA	AAA
MSM 2007 - 13 2A1	61756HAF7	CCC	CC	AAA	AAA
MSM 2007 - 13 2A2	61756HAG5	BB	CCC	AAA	AAA
MSM 2007 - 13 2A3	61756HAH3	CCC	CCC	AAA	AAA
MSM 2007 - 13 2AP	61756HAJ9	CCC	CC	AAA	AAA
MSM 2007 - 13 3A1	61756HAK6	CCC	CCC	AAA	AAA
MSM 2007 - 13 3A2	61756HAL4	CC	CC	AAA	AAA
MSM 2007 - 13 4A1	61756HAM2	CCC	CC	AAA	AAA
MSM 2007 - 13 4A2	61756HAN0	CC	CC	AAA	AAA
MSM 2007 - 13 4A3	61756HAP5	CCC	CCC	AAA	AAA
MSM 2007 - 13 4A4	61756HAQ3	BB	CCC	AAA	AAA
MSM 2007 - 13 4A5	61756HAR1	CCC	CCC	AAA	AAA
MSM 2007 - 13 4A6	61756HAS9	BB	CCC	AAA	AAA
MSM 2007 - 13 4A7	61756HAT7	CCC	CCC	AAA	AAA
MSM 2007 - 13 4A8	61756HAU4	BB	CCC	AAA	AAA
MSM 2007 - 13 4A9	61756HAV2	CCC	CCC	AAA	AAA
MSM 2007 - 13 4A10	61756HAW0	CCC	CCC	AAA	AAA
MSM 2007 - 13 4A11	61756HAX8	CCC	CCC	AAA	AAA
MSM 2007 - 13 4A12	61756HAY6	CCC	CCC	AAA	AAA
MSM 2007 - 13 4A13	61756HAZ3	CCC	CCC	AAA	AAA
MSM 2007 - 13 4A14	61756HBA7	CCC	CCC	AAA	AAA
MSM 2007 - 13 4A15	61756HBB5	CCC	CCC	AAA	AAA
MSM 2007 - 13 4A16	61756HBC3	CCC	CCC	AAA	AAA
MSM 2007 - 13 4A17	61756HBD1	CCC	CCC	AAA	AAA
MSM 2007 - 13 4A18	61756HBE9	CCC	CCC	AAA	AAA
MSM 2007 - 13 4A19	61756HBF6	CCC	CCC	AAA	AAA
MSM 2007 - 13 4AX	61756HBG4	BB	CCC	AAA	AAA
MSM 2007 - 13 5A1	61756HBH2	CCC	CC	AAA	AAA
MSM 2007 - 13 5A2	61756HBJ8	CCC	C	AAA	AAA

MSM 2007 - 13 5A3	61756HBK5	B	CC	AAA	AAA
MSM 2007 - 13 5A4	61756HBL3	CCC	C	AAA	AAA
MSM 2007 - 13 5AP	61756HBM1	CCC	C	AAA	AAA
MSM 2007 - 13 6A1	61756HBN9	CCC	C	AAA	AAA
MSM 2007 - 13 6A2	61756HBP4	CCC	C	AAA	AAA
MSM 2007 - 13 6A3	61756HBQ2	CCC	C	AAA	AAA
MSM 2007 - 13 6A4	61756HBR0	CCC	CC	AAA	AAA
MSM 2007 - 13 6A5	61756HBS8	CCC	C	AAA	AAA
MSM 2007 - 13 7A1	61756HBT6	CCC	C	AAA	AAA
MSM 2007 - 13 7A2	61756HBU3	CCC	C	AAA	AAA
MSM 2007 - 13 7A3	61756HBV1	CCC	C	AAA	AAA
MSM 2007 - 13 7A4	61756HBW9	B	C	AAA	AAA
MSM 2007 - 13 7A5	61756HBX7	CCC	C	AAA	AAA
MSM 2007 - 13 7A6	61756HBY5	CCC	C	AAA	AAA
MSM 2007 - 13 7A7	61756HBZ2	CCC	C	AAA	AAA
MSM 2007 - 13 7A8	61756HCA6	B	C	AAA	AAA
MSM 2007 - 13 7A9	61756HCB4	CCC	C	AAA	AAA
MSM 2007 - 13 7A10	61756HCC2	CCC	C	AAA	AAA
MSM 2007 - 13 7A11	61756HCD0	B	C	AAA	AAA
MSM 2007 - 13 7A12	61756HCE8	CCC	C	AAA	AAA
MSM 2007 - 13 7A13	61756HCF5	CCC	C	AAA	AAA
MSM 2007 - 13 7A14	61756HCG3	CC	C	AAA	AAA
MSM 2007 - 13 7A15	61756HCH1	CCC	C	AAA	AAA
MSM 2007 - 13 7A16	61756HCJ7	CCC	C	AAA	AAA
MSM 2007 - 13 7A17	61756HCK4	CCC	C	AAA	AAA
MSM 2007 - 13 7A18	61756HCL2	CCC	C	AAA	AAA
MSM 2007 - 13 7AX	61756HCM0	B	C	AAA	AAA
MSM 2007 - 13 B1	61756HCN8	CC		AA	
MSM 2007 - 13 B2	61756HCP3	CC		A	
MSM 2007 - 13 B3	61756HCQ1	D		BBB	
MSM 2007 - 13 3B1	61756HCR9	CC		AA	
MSM 2007 - 13 3B2	61756HCS7	D		A	
MSM 2007 - 13 3B3	61756HCT5	D		BBB	
MSM 2007 - 13 AR	61756HCU2	NR	PIF	AAA	AAA
MSM 2007 - 13 B4	61756HCV0	D		BB	
MSM 2007 - 13 B5	61756HCW8	D		B	
MSM 2007 - 13 B6	61756HCX6				

MSM 2007 - 13 3B4	61756HCY4	D		BB	
MSM 2007 - 13 3B5	61756HCZ1	D		B	
MSM 2007 - 13 3B6	61756HDA5				
MSM 2007 - 13 P1	61756HDB3				
MSM 2007 - 13 P2	61756HDC1				

MSM 2007 - 14AR							
Class	Cusip	RTG_SP	RTG_MOODY	RTG_FITCH	RTG_SP_INITIAL	RTG_MDY_INITIAL	RTG_FITCH_INITIAL
MSM 2007 - 14AR 1A1	61756VAA7	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 1A2	61756VAB5	CCC	NR	CC	AAA	NR	AAA
MSM 2007 - 14AR 1A3	61756VAC3	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 1A4	61756VAD1	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 2A1	61756VAE9	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 2A2	61756VAF6	CCC	NR	CC	AAA	NR	AAA
MSM 2007 - 14AR 2A3	61756VAG4	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 2A4	61756VAH2	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 2A5	61756VAJ8	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 2A6	61756VAK5	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 2A7	61756VAL3	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 2A8	61756VAM1	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 2A9	61756VAN9	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 2A10	61756VAP4	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 2A11	61756VAQ2	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 2A12	61756VAR0	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 3A1	61756VAS8	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 3A2	61756VAT6	CCC	NR	CC	AAA	NR	AAA
MSM 2007 - 14AR 3A3	61756VAU3	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 3A4	61756VAV1	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 4A1	61756VAW9	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 4A2	61756VAX7	CCC	NR	CC	AAA	NR	AAA
MSM 2007 - 14AR 4A3	61756VAY5	CCC	NR	B	AAA	NR	AAA
MSM 2007 - 14AR 4A4	61756VAZ2	CCC	NR	CCC	AAA	NR	AAA
MSM 2007 - 14AR 5A1	61756VBA6	CCC	NR	C	AAA	NR	AAA
MSM 2007 - 14AR 5A2	61756VBB4	CCC	NR	C	AAA	NR	AAA
MSM 2007 - 14AR 5A3	61756VBC2	CCC	NR	C	AAA	NR	AAA
MSM 2007 - 14AR 5A4	61756VBD0	CCC	NR	C	AAA	NR	AAA
MSM 2007 - 14AR 6A1	61756VBE8	CCC	Caa2/*-	CC	AAA	Aaa	AAA
MSM 2007 - 14AR 6A2	61756VBF5	CCC	NR	C	AAA	NR	AAA
MSM 2007 - 14AR 6A3	61756VBG3	CCC	NR	C	AAA	NR	AAA
MSM 2007 - 14AR 6A4	61756VBH1	CCC	NR	CC	AAA	NR	AAA
MSM 2007 - 14AR 6A5	61756VBJ7	CCC	NR	C	AAA	NR	AAA

MSM 2007 - 14AR 6A6	61756VBK4	CCC	NR	CC	AAA	NR	AAA
MSM 2007 - 14AR 7A1	61756VBL2	CCC	NR	CC	AAA	NR	AAA
MSM 2007 - 14AR 7A2	61756VBM0	CCC	NR	C	AAA	NR	AAA
MSM 2007 - 14AR 7A3	61756VBN8	CCC	NR	C	AAA	NR	AAA
MSM 2007 - 14AR 7A4	61756VBP3	CCC	NR	CC	AAA	NR	AAA
MSM 2007 - 14AR 8A1	61756VBQ1	CCC	NR	C	AAA	NR	AAA
MSM 2007 - 14AR 8A2	61756VBR9	CCC	NR	C	AAA	NR	AAA
MSM 2007 - 14AR 8A3	61756VBS7	CCC	NR	C	AAA	NR	AAA
MSM 2007 - 14AR 8A4	61756VBT5	CCC	NR	C	AAA	NR	AAA
MSM 2007 - 14AR 1B1	61756VBU2	CC	NR	NR	AA	NR	NR
MSM 2007 - 14AR 1B2	61756VBV0	D	NR	NR	A	NR	NR
MSM 2007 - 14AR 1B3	61756VBW8	D	NR	NR	BBB	NR	NR
MSM 2007 - 14AR 2B1	61756VBX6	CC	NR	NR	AA	NR	NR
MSM 2007 - 14AR 2B2	61756VBY4	D	NR	NR	A	NR	NR
MSM 2007 - 14AR 2B3	61756VBZ1	D	NR	NR	BBB	NR	NR
MSM 2007 - 14AR AR	61756VCA5	NR	NR	PIF	AAA	NR	AAA
MSM 2007 - 14AR 1B4	61756VCB3		NR	D		NR	BB
MSM 2007 - 14AR 1B5	61756VCC1		NR	D		NR	B
MSM 2007 - 14AR 1B6	61756VCD9		NR	NR		NR	NR
MSM 2007 - 14AR 2B4	61756VCE7	D	NR	NR	BB	NR	NR
MSM 2007 - 14AR 2B5	61756VCF4	D	NR	NR	B	NR	NR
MSM 2007 - 14AR 2B6	61756VCG2		NR	NR		NR	NR
MSM 2007 - 14AR P1	61756VCH0		NR			NR	
MSM 2007 - 14AR P2	61756VCJ6		NR			NR	

MSM 2007 - 15AR					
Class	Cusip	RTG_SP	RTG_FITCH	RTG_SP_INITIAL	RTG_FITCH_INITIAL
MSM 2007 - 15AR 1A1	61756XAA3	CCC	CC	AAA	AAA
MSM 2007 - 15AR 1A2	61756XAB1	CCC	C	AAA	AAA
MSM 2007 - 15AR 1A3	61756XAC9	CCC	CC	AAA	AAA
MSM 2007 - 15AR 1A4	61756XAD7	CCC	C	AAA	AAA
MSM 2007 - 15AR 1A5	61756XAE5	CCC	C	AAA	AAA
MSM 2007 - 15AR 1A6	61756XAF2	CCC	CC	AAA	AAA
MSM 2007 - 15AR 2A1	61756XAG0	CCC	CC	AAA	AAA
MSM 2007 - 15AR 2A2	61756XAH8	CCC	C	AAA	AAA
MSM 2007 - 15AR 2A3	61756XAJ4	CCC	C	AAA	AAA
MSM 2007 - 15AR 2A4	61756XAK1	CCC	C	AAA	AAA
MSM 2007 - 15AR 2A5	61756XAL9	CCC	C	AAA	AAA
MSM 2007 - 15AR 2A6	61756XAM7	CCC	C	AAA	AAA
MSM 2007 - 15AR 2A7	61756XAN5	CCC	C	AAA	AAA
MSM 2007 - 15AR 2A8	61756XAP0	CCC	CC	AAA	AAA
MSM 2007 - 15AR 2A9	61756XAQ8	CCC	C	AAA	AAA
MSM 2007 - 15AR 2A10	61756XAR6	CCC	C	AAA	AAA
MSM 2007 - 15AR 2A11	61756XAS4	CCC	C	AAA	AAA
MSM 2007 - 15AR 2A12	61756XAT2	CCC	C	AAA	AAA
MSM 2007 - 15AR 2A13	61756XAU9	CCC	C	AAA	AAA
MSM 2007 - 15AR 2A14	61756XAV7	CCC	CC	AAA	AAA
MSM 2007 - 15AR 2A15	61756XAW5	CCC	CC	AAA	AAA
MSM 2007 - 15AR 2A16	61756XAX3	CCC	CC	AAA	AAA
MSM 2007 - 15AR 2A17	61756XAY1	CCC	CC	AAA	AAA
MSM 2007 - 15AR 2A18	61756XAZ8	CCC	C	AAA	AAA
MSM 2007 - 15AR 2A19	61756XBA2	CCC	CC	AAA	AAA
MSM 2007 - 15AR 2A20	61756XBB0	CCC	C	AAA	AAA
MSM 2007 - 15AR 2A21	61756XBC8	CCC	CC	AAA	AAA
MSM 2007 - 15AR 3A1	61756XBD6	CCC	CC	AAA	AAA
MSM 2007 - 15AR 3A2	61756XBE4	CCC	C	AAA	AAA
MSM 2007 - 15AR 3A3	61756XBF1	CCC	CC	AAA	AAA
MSM 2007 - 15AR 3A4	61756XBG9	CCC	C	AAA	AAA
MSM 2007 - 15AR 3A5	61756XBH7	CCC	CC	AAA	AAA
MSM 2007 - 15AR 3A6	61756XBJ3	CCC	CC	AAA	AAA

MSM 2007 - 15AR 4A1	61756XBK0	CCC	C	AAA	AAA
MSM 2007 - 15AR 4A2	61756XBL8	CCC	C	AAA	AAA
MSM 2007 - 15AR 4A3	61756XBM6	CCC	CC	AAA	AAA
MSM 2007 - 15AR 4A4	61756XBN4	CCC	C	AAA	AAA
MSM 2007 - 15AR 4A5	61756XBP9	CCC	C	AAA	AAA
MSM 2007 - 15AR 4A6	61756XBQ7	CCC	C	AAA	AAA
MSM 2007 - 15AR 4A7	61756XBR5	CCC	C	AAA	AAA
MSM 2007 - 15AR 4A8	61756XBS3	CCC	C	AAA	AAA
MSM 2007 - 15AR 5A1	61756XBT1	CCC	CCC	AAA	AAA
MSM 2007 - 15AR 5A2	61756XBU8	CCC	CC	AAA	AAA
MSM 2007 - 15AR 5A3	61756XBV6	CCC	B	AAA	AAA
MSM 2007 - 15AR 5A4	61756XBW4	CCC	CCC	AAA	AAA
MSM 2007 - 15AR 5A5	61756XBX2	CCC	BB	AAA	AAA
MSM 2007 - 15AR 5A6	61756XBY0	CCC	CCC	AAA	AAA
MSM 2007 - 15AR 5A7	61756XBZ7	CCC	A	AAA	AAA
MSM 2007 - 15AR 5A8	61756XCA1	CCC	CCC	AAA	AAA
MSM 2007 - 15AR 6A1	61756XCB9	B-	CCC	AAA	AAA
MSM 2007 - 15AR 6A2	61756XCC7	CCC	CC	AAA	AAA
MSM 2007 - 15AR 6A3	61756XCD5	AA+	AAA	AAA	AAA
MSM 2007 - 15AR 6A4	61756XCE3	B-	CCC	AAA	AAA
MSM 2007 - 15AR 6A5	61756XCF0	AAA	AAA	AAA	AAA
MSM 2007 - 15AR 6A6	61756XCG8	B-	CCC	AAA	AAA
MSM 2007 - 15AR 1B1	61756XCH6		C		AA
MSM 2007 - 15AR 1B2	61756XCJ2		C		A
MSM 2007 - 15AR 1B3	61756XCK9		C		BBB
MSM 2007 - 15AR 2B1	61756XCL7		CC		AA
MSM 2007 - 15AR 2B2	61756XCM5		C		A
MSM 2007 - 15AR 2B3	61756XCN3		C		BBB
MSM 2007 - 15AR AR	61756XCP8	NR	PIF	AAA	AAA
MSM 2007 - 15AR 1B4	61756XCQ6		D		BB
MSM 2007 - 15AR 1B5	61756XCR4		D		B
MSM 2007 - 15AR 1B6	61756XCS2		NR		NR
MSM 2007 - 15AR 2B4	61756XCT0		C		BB
MSM 2007 - 15AR 2B5	61756XCU7		D		B
MSM 2007 - 15AR 2B6	61756XCV5		NR		NR
MSM 2007 - 15AR P1	61756XCW3				
MSM 2007 - 15AR P2	61756XCX1				



EXHIBIT C									
Closing Date	Name of CDO	Amount of Offering	Tranche	CUSIP	Original Rating	Moodys rating as of 1/13/10	S&P rating as of 1/13/10	Fitch rating as of 1/13/10	Rating Agencies
1/26/2006	TABS 2005-4	264,000,000	A	87337UAA2	Aaa / AAA	Ca	CC		M / S
1/26/2006	TABS 2005-4	60,000,000	B	87337UAB0	Aaa / AAA	C	D		M / S
1/26/2006	TABS 2005-4	30,000,000	C	87337UAC8	Aa2 / AA	C	D		M / S
1/26/2006	TABS 2005-4	10,000,000	D	87337UAD6	A2 / A	C	CC		M / S
1/26/2006	TABS 2005-4	20,000,000	E	87337UAE4	Baa2 / BBB	C	CC		M / S
1/26/2006	TABS 2005-4	18,000,000	SUB	87337VAA0					
2/15/2006	Bayberry Funding	520,000,000	SSR	NA					
2/15/2006	Bayberry Funding	96,000,000	2	07272PAA8	Aaa / AAA / AAA	Liquidated	Liquidated	Liquidated	M / S / F
2/15/2006	Bayberry Funding	86,000,000	3	07272PAB6	Aa2 / AA / AA	Liquidated	Liquidated	Liquidated	M / S / F
2/15/2006	Bayberry Funding	17,250,000	4	07272PAC4	A2 / A / A	Liquidated	Liquidated	Liquidated	M / S / F
2/15/2006	Bayberry Funding	42,500,000	5	07272PAD2	Baa2 / BBB / BBB	Liquidated	Liquidated	Liquidated	M / S / F
2/15/2006	Bayberry Funding	38,250,000	SUB	07272RAA4					
6/8/2006	Tricadia 2006-5	200,000,000	A						
6/8/2006	Tricadia 2006-5	55,000,000	B	89608MAA8	Aa1 / AAA	Caa1 / *-	BB / *-		M / S
6/8/2006	Tricadia 2006-5	56,000,000	C	89608MAB6	Aa2 / AA	Caa2 / *-	CCC+ / *-		M / S
6/8/2006	Tricadia 2006-5	22,500,000	D	89608MAC4	A2 / A	C	CC		M / S
6/8/2006	Tricadia 2006-5	18,250,000	E	89608MAD2	Baa2 / BBB	C	CC		M / S
6/8/2006	Tricadia 2006-5	20,250,000	F	89608KAA2	Ba2 / BB	C	CC		M / S
6/8/2006	Tricadia 2006-5	28,000,000	SUB	89608KAC8					M / S
7/6/2006	Baldwin 2006-I	35,000,000	1	057760AA8	Aaa / AAA	C	AA / *-		M / S
7/6/2006	Baldwin 2006-I	25,500,000	2	057760AB6	Aa2 / AA	C	A+ / *-		M / S
7/6/2006	Baldwin 2006-I	18,000,000	3	057760AC4	Aa3 / AA-	C	A+ / *-		M / S
7/6/2006	Baldwin 2006-I	51,000,000	4	057760AD2	A1 / A	Liquidated	Liquidated		M / S
7/6/2006	Baldwin 2006-I	7,000,000	5	057760AE0	Baa1 / BBB	C	BBB- / *-		M / S
7/20/2006	Baldwin 2006-I	15,000,000	6	057764AA0	Baa1 / BBB	C	BBB- / *-		M / S
7/20/2006	Baldwin 2006-I	5,000,000	7A1	057765AA7	Aa3/AA-	C	D		M / S
7/20/2006	Baldwin 2006-I	10,000,000	7A2	057765AB5	A1/A	C	D		M / S
7/27/2006	STACK 2006-1	325,000,000	SSR						
7/27/2006	STACK 2006-1	55,000,000	2	85233TAA4	Aaa / AAA	Ca	CC		M / S
7/27/2006	STACK 2006-1	49,500,000	3	85233TAB2	Aa2 / AA	Ca	CC		M / S
7/27/2006	STACK 2006-1	11,000,000	4	85233TAC0	Aa3 / AA-	Ca	CC		M / S
7/27/2006	STACK 2006-1	11,500,000	5	85233TAD8	A2 / A	C	CC		M / S
7/27/2006	STACK 2006-1	24,000,000	6	85233TAE6	Baa2 / BBB	C	CC		M / S
7/27/2006	STACK 2006-1	5,000,000	7	85233YAA3	Ba1 / BB+	C	CC		M / S
7/27/2006	STACK 2006-1	17,000,000	SUB	85233YAC9					M / S
7/27/2006	STACK 2006-1	5,910,000	P	85233YAE5	Aaa	Aaa	CC		M / S
9/6/2006	Cairn Mezz	325,000,000	SSR						
9/6/2006	Cairn Mezz	55,000,000	2	12776YAA0	Aaa / AAA	Liquidated	Liquidated	Liquidated	M / S
9/6/2006	Cairn Mezz	49,000,000	3	12776YAB8	Aa2 / AA	Liquidated	Liquidated	Liquidated	M / S

Closing Date	Name of CDO	Amount of Offering	Tranche	CUSIP	Original Rating	Moody's rating as of 1/13/10	S&P rating as of 1/13/10	Fitch rating as of 1/13/10	Rating Agencies
9/6/2006	Cairn Mezz	11,000,000	4	12776YAC6	Aa3 / AA-	Liquidated	Liquidated	Liquidated	M / S
9/6/2006	Cairn Mezz	13,000,000	5	12776YAD4	A2 / A	Liquidated	Liquidated	Liquidated	M / S
9/6/2006	Cairn Mezz	20,500,000	6	12776YAE2	Baa2 / BBB	Liquidated	Liquidated	Liquidated	M / S
9/6/2006	Cairn Mezz	6,500,000	7	12776YAF9	Ba1 / BB+	Liquidated	Liquidated	Liquidated	M / S
9/6/2006	Cairn Mezz	20,000,000	SUB	12776YAG7					M / S
9/6/2006	Cairn Mezz	19,000,000	P	BCC0SECH9	A1	Liquidated	Liquidated	Liquidated	M / S
9/6/2006	Cairn Mezz	9,375,000	Q	12776YAK8	AAA	Liquidated	Liquidated	Liquidated	M / S
9/28/2006	Wadsworth	800,000,000	A1A	930313AA9	Aaa / AAA	Ca	CC		M / S
9/28/2006	Wadsworth	256,000,000	A1B	930313AB7	Aaa / AAA	Ca	CC		M / S
9/28/2006	Wadsworth	72,500,000	A2	930313AC5	Aaa / AAA	C	D		M / S
9/28/2006	Wadsworth	38,000,000	B	930313AD3	Aa2 / AA	C	D		M / S
9/28/2006	Wadsworth	15,000,000	C	930312AA1	A2 / A	C	CC		M / S
9/28/2006	Wadsworth	8,250,000	D	930312AB9	Baa2 / BBB	C	CC		M / S
9/28/2006	Wadsworth	1,375,000	S1A	930312AF0	Ba1 / BB+	C	CC		M / S
9/28/2006	Wadsworth	4,262,500	S1B	930312AG8					M / S
9/28/2006	Wadsworth	4,612,500	S2	930312AH6					M / S
9/28/2006	Wadsworth	5,000,000	P	930312AJ2	Aaa	Aaa			M / S
10/11/2006	Arca 2006-I	99,500,000	2	038787AA5	Aaa / AAA	Liquidated	Liquidated	Liquidated	M / S
10/11/2006	Arca 2006-I	59,500,000	3	038787AB3	Aa2 / AA	Liquidated	Liquidated	Liquidated	M / S
10/11/2006	Arca 2006-I	17,000,000	4	038787AC1	Aa3 / AA-	Liquidated	Liquidated	Liquidated	M / S
10/11/2006	Arca 2006-I	17,000,000	5	038787AD9	A2 / A	Liquidated	Liquidated	Liquidated	M / S
10/11/2006	Arca 2006-I	17,000,000	6	038787AE7	Baa2 / BBB	Liquidated	Liquidated	Liquidated	M / S
10/11/2006	Arca 2006-I	7,000,000	7	038787AF4	Baa3 / BBB-	Liquidated	Liquidated	Liquidated	M / S
10/11/2006	Arca 2006-I	7,000,000	8	038787AG2	Ba1 / BB+	Liquidated	Liquidated	Liquidated	M / S
10/11/2006	Arca 2006-I	24,500,000	SUB	038788AA3					M / S
12/14/2006	Kefton	435,000,000	SWP1	487520AA6					M / S
12/14/2006	Kefton	67,000,000	2	487520AC2	Aaa / AAA	Liquidated	Liquidated	Liquidated	M / S
12/14/2006	Kefton	70,000,000	3	487520AE8	Aa2 / AA	Liquidated	Liquidated	Liquidated	M / S
12/14/2006	Kefton	14,500,000	4	487520AG3	Aa3 / AA-	Liquidated	Liquidated	Liquidated	M / S
12/14/2006	Kefton	27,000,000	5	487520AJ7	A2 / A	Liquidated	Liquidated	Liquidated	M / S
12/14/2006	Kefton	24,000,000	6	487520AL2	Baa2 / BBB	Liquidated	Liquidated	Liquidated	M / S
12/14/2006	Kefton	8,000,000	7	48751RAA8	Ba1 / BB+	Liquidated	Liquidated	Liquidated	M / S
12/14/2006	Kefton	24,000,000	SUB	48751RAC4					M / S
12/19/2006	Arca 2006-II	455,000,000	SSS	03878WAC6					M / S
12/19/2006	Arca 2006-II	70,000,000	2	03878YAA6	Aaa / AAA	Liquidated	Liquidated	Liquidated	M / S
12/19/2006	Arca 2006-II	56,000,000	3	03878YAB4	Aa2 / AA	Liquidated	Liquidated	Liquidated	M / S
12/19/2006	Arca 2006-II	28,500,000	4A	03878YAC2	A2 / A	Liquidated	Liquidated	Liquidated	M / S
12/19/2006	Arca 2006-II	11,000,000	4B	03878YAF5	A2 / A	Liquidated	Liquidated	Liquidated	M / S
12/19/2006	Arca 2006-II	36,500,000	5	03878YAD0	Baa2 / BBB	Liquidated	Liquidated	Liquidated	M / S
12/19/2006	Arca 2006-II	7,000,000	6	03878YAE8	Baa3 / BBB-	Liquidated	Liquidated	Liquidated	M / S
12/19/2006	Arca 2006-II	10,000,000	7	03878WAA0	Ba1 / BB+	Liquidated	Liquidated	Liquidated	M / S
12/19/2006	Arca 2006-II	26,000,000	SUB	03878WAB8					M / S
2/8/2007	STACK 2006-2	585,000,000	SSR						
2/8/2007	STACK 2006-2	75,000,000	2	85234AAA4	Aaa / AAA	Liquidated	Liquidated	Liquidated	M / S
2/8/2007	STACK 2006-2	105,000,000	3	85234AAC0	Aa2 / AA	Liquidated	Liquidated	Liquidated	M / S
2/8/2007	STACK 2006-2	21,000,000	4	85234AAE6	Aa3 / AA-	Liquidated	Liquidated	Liquidated	M / S

Closing Date	Name of CDO	Amount of Offering	Tranche	CUSIP	Original Rating	Moody's rating as of 1/13/10	S&P rating as of 1/13/10	Fitch rating as of 1/13/10	Rating Agencies
2/8/2007	STACK 2006-2	27,000,000	5	85234AAG1	A2 / A	Liquidated	Liquidated	Liquidated	M / S
2/8/2007	STACK 2006-2	42,000,000	6	85234AAJ5	Baa2 / BBB	Liquidated	Liquidated	Liquidated	M / S
2/8/2007	STACK 2006-2	11,000,000	7	85234FAA3	Ba1 / BB+	Liquidated	Liquidated	Liquidated	M / S
2/8/2007	STACK 2006-2	34,000,000	SUB	85234FAC9					M / S
2/8/2007	STACK 2006-2	10,000,000	P	85234FAE5	Aa3	Liquidated	Liquidated	Liquidated	M / S
3/1/2007	Alpha Mezz	325,000,000	SSR						
3/1/2007	Alpha Mezz	70,000,000	2	02076YAA8	Aaa / AAA	Liquidated	Liquidated	Liquidated	M / S
3/1/2007	Alpha Mezz	30,000,000	3	02076YAC4	Aa2 / AA	Liquidated	Liquidated	Liquidated	M / S
3/1/2007	Alpha Mezz	5,000,000	4	02076YAE0	Aa3 / AA-	Liquidated	Liquidated	Liquidated	M / S
3/1/2007	Alpha Mezz	23,000,000	5	02076YAG5	A2 / A	Liquidated	Liquidated	Liquidated	M / S
3/1/2007	Alpha Mezz	22,500,000	6	02076YAJ9	Baa2 / BBB	Liquidated	Liquidated	Liquidated	M / S
3/1/2007	Alpha Mezz	7,000,000	7	02076NAA2	Ba1 / BB+	Liquidated	Liquidated	Liquidated	M / S
3/1/2007	Alpha Mezz	14,200,000	SUB	02076NAC8					M / S
3/1/2007	Alpha Mezz	10,000,000	PPN	02076NAE4	Aa3 / A+	Liquidated	Liquidated	Liquidated	M / S
3/22/2007	Libertas III	633,000,000	SSR						
3/22/2007	Libertas III	27,000,000	1J	53015TAS7	Aaa / AAA	Liquidated	Liquidated	Liquidated	M / S
3/22/2007	Libertas III	108,000,000	2	53015TAA6	Aaa / AAA	Liquidated	Liquidated	Liquidated	M / S
3/22/2007	Libertas III	120,000,000	3	53015TAC2	Aaa / AAA	Liquidated	Liquidated	Liquidated	M / S
3/22/2007	Libertas III	118,000,000	4	53015TAE8	Aa2 / AA	Liquidated	Liquidated	Liquidated	M / S
3/22/2007	Libertas III	10,000,000	5	53015TAG3	A1 / A+	Liquidated	Liquidated	Liquidated	M / S
3/22/2007	Libertas III	45,000,000	6	53015TAJ7	A2 / A	Liquidated	Liquidated	Liquidated	M / S
3/22/2007	Libertas III	55,000,000	7	53015TAN8	Baa2 / BBB	Liquidated	Liquidated	Liquidated	M / S
3/22/2007	Libertas III	24,000,000	8	53015TAQ1	Baa3 / BBB-	Liquidated	Liquidated	Liquidated	M / S
3/22/2007	Libertas III	60,000,000	SUB	53015TAL2					M / S
3/22/2007	Libertas III	633,000,000	SS	BCC0WIW00	Aaa / AAA	Liquidated	Liquidated	Liquidated	M / S



<b>Exhibit D</b>															
	November 2003	February 2004	May 2004	August 2004	November 2004	February 2005	May 2005	August 2005	November 2005	February 2006	May 2006	August 2006	November 2006	February 2007	May 2007
Ames Capital Corporation	\$ 121,183,658	\$ 169,726,742	\$ 165,933,118	\$ 214,244,772	\$ 276,560,100	\$ 77,135,465	\$ 17,768,367	\$ 285,504,068	\$ 137,047,488	\$ 186,095,198	\$ 95,898,194	\$ 100,123,398	\$ -	\$ -	
Accredited Home Lenders	\$ 55,251,011	\$ 186,915,371	\$ 399,374,497	\$ 245,021,202	\$ 410,620,347	\$ 314,241,003	\$ 53,317,369	\$ 119,450,777	\$ 493,040,493	\$ 790,626,736	0	\$ 281,625,620	\$ 227,058,659	\$ 224,623,663	\$ 18,028,489
Aegis	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,659,600	\$ 90,485,075	\$ 155,808,825	\$ 98,886,994	\$ 56,320,692	\$ -
American Home	\$ 312,718,048	\$ 293,170,486	\$ 267,500,118	\$ 346,020,073	\$ 378,339,879	\$ 346,020,961	\$ 350,000,000	\$ 343,848,630	\$ 405,898,140	\$ 352,546,050	\$ 557,045,395	\$ 681,023,363	\$ 674,585,315	\$ -	\$ -
Ameriquest Home Lenders	\$ 1,227,962,278	\$ 1,501,186,802	\$ 2,350,374,820	\$ 1,853,022,455	\$ 1,067,836,693	\$ 2,153,837,425	\$ 1,562,111,496	\$ 1,722,321,190	\$ 963,723,409	\$ 442,787,462	\$ 568,573,301	\$ 328,457,701	\$ 443,937,321	\$ 432,981,545	\$ -
Household (HFC)	\$ 645,072,443	\$ -	\$ 750,000,000	\$ 750,000,000	\$ 750,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Indymac	\$ 473,405,500	\$ 764,405,500	\$ 473,405,500	\$ 444,405,500	\$ 745,405,500	\$ 584,405,500	\$ 525,405,500	\$ 1,563,405,500	\$ 900,805,500	\$ 1,139,000,000	\$ 358,000,000	\$ 641,000,000	\$ 25,000,000	\$ 320,000,000	
Long Beach	\$ -	\$ -	\$ -	\$ -	\$ 500,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Luminent	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 140,378,175	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
MILA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,112,259	\$ 116,118,071	\$ 106,522,937	\$ 7,102,803	\$ -	\$ -	\$ -	\$ -	
New Century (NC Capital)	\$ 107,913,887	\$ 238,242,752	\$ 817,119,047	\$ 893,014,994	\$ 1,215,053,642	\$ 308,342,994	\$ 390,972,979	\$ 373,027,869	\$ 1,425,486,129	\$ 1,072,643,919	\$ 2,102,461,335	\$ 2,011,592,687	\$ 2,161,996,625	\$ 1,569,135,770	
Nexstar	\$ 45,735,990	\$ 106,324,369	\$ 51,339,185	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Novastar Financial	\$ 34,341,028	\$ 23,835,583	\$ 15,957,258	\$ 268,660,732	\$ 11,224,684	\$ 7,256,620	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Quicken	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 72,000,048	\$ -	\$ -	\$ -	
Redwood Trust (Not Redwood Grove)	\$ -	\$ 29,981,328	\$ 343,726,694	\$ 1,743,189	\$ -	\$ -	\$ -	\$ -	\$ 152,604,647	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Saxon Capital*	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 93,597,229	\$ 461,775,682	\$ -	\$ -
	\$ 3,023,583,842	\$ 3,313,788,934	\$ 5,634,730,237	\$ 5,016,132,916	\$ 5,355,040,844	\$ 3,791,239,969	\$ 2,903,687,970	\$ 4,664,054,280	\$ 4,585,128,743	\$ 3,998,461,768	\$ 3,844,463,347	\$ 4,293,228,823	\$ 4,093,240,595	\$ 2,603,061,670	\$ 18,028,489
Funded on balance to Conord for Household															

\*The Saxon balances relate to funding of servicing receivables, rather than loans. Morgan Stanley acquired Saxon on December 4, 2006, and no further receivables are shown thereafter.



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**Raul F. Yanes**

Davis Polk & Wardwell LLP 202 962 7122 tel  
901 15<sup>th</sup> Street, N.W. 202 962 7091 fax  
Washington, DC 20005 raul.yanes@davispolk.com



May 28, 2010

Re: Financial Crisis Inquiry Commission's ("FCIC") February 2, 2010 Letter

**NON-PUBLIC INFORMATION  
CONFIDENTIAL TREATMENT REQUESTED**

Christopher P. Seefer, Esq.  
Assistant Director and Deputy General Counsel  
Financial Crisis Inquiry Commission  
1717 Pennsylvania Avenue, NW, Suite 800  
Washington, DC 20006-4614

Dear Mr. Seefer:

On behalf of our client, Morgan Stanley (the "Firm"), enclosed please find the Firm's remaining responses to the FCIC's February 2, 2010 letter. Also enclosed are exhibits A through L, which are referenced in the responses and bear bates-stamps MS0001987 through MS0002643.

The enclosed documents contain non-public information. We request that this information be treated according to the confidentiality procedures agreed to in the March 8, 2010 letter from Gary Cohen to me regarding the treatment of Morgan Stanley non-public information. To that end, we have designated this letter and the enclosed materials "Non-Public Information – Confidential Treatment Requested." If any further steps are required to secure confidential treatment of this letter and the enclosed materials, please let me know. This letter and the enclosed materials are being made available to the FCIC without prejudice to any privileges that the Firm may have, including the attorney-client privilege and immunity from disclosure under the work product doctrine, which are expressly reserved.

Please do not hesitate to contact me if you have any questions regarding the foregoing.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'RFY', with a long horizontal flourish extending to the right.

Raul F. Yanes

Enclosures

cc: Reginald Brown, Esq.

## Response to Questions from the Financial Crisis Inquiry Commission

**4. Please answer the questions in the January 13, 2010 New York Times article titled "Questions for the Big Bankers."**

**4(a) [NYT 6] At the height of the panic in the fall of 2008, Wall Street firms blamed short-sellers for trying to destroy them. What short positions did Wall Street firms have in one another's shares, and were they also betting against each other using credit default swaps?**

Please see our responses to Questions 23, 24, and 38 for information responsive to this question.

**4(b) [NYT 13] Describe in detail the three worst investments your bank made in 2007 and 2008 – that is, those transactions on which you lost the most money. How much did the bank lose in each case? What was the total compensation of each manager or executive supervising those three transactions – including yourself – in 2007 and 2008? Are those executives still with your bank? What investments do they supervise today? How much will they be paid for 2009, including their bonuses?**

Morgan Stanley recorded significant losses on a small collection of residential mortgage-related positions during fiscal 2007. As a result of an unfavorable subprime-related trading strategy, coupled with the deterioration and lack of market liquidity for subprime and other-mortgage-related U.S. trading positions (principally super senior derivative positions in CDOs), the Firm recorded \$9.4 billion in mortgage-related writedowns in the fourth quarter of fiscal 2007. An additional \$1.7 billion of losses were reflected in 2008 as the market for residential mortgage-related assets continued to decline in value. While we do not believe these subprime trading losses reflect any systemic failure of the Firm or its risk management systems, the losses were a powerful wake-up call and caused us to re-examine the various ways we do business. As of the end of Morgan Stanley's fiscal year 2007, the individuals responsible for most of these losses, and their immediate supervisors, were no longer with the Firm, and consequently did not receive any bonus compensation for 2007 or 2008.<sup>1</sup>

**4(c) [NYT 18] How did you use the bailout money, and to what extent did it result in more lending or higher bonuses for your employees than you otherwise would have provided.**

Because Morgan Stanley received TARP funds as a capital injection, we did not segregate those funds and have no separate financial statements that would specify the use of funds that originated specifically with the U.S. Treasury's purchase of Morgan Stanley's preferred shares. However, with the infusion of TARP capital, Morgan Stanley was able to increase the total debt raised for clients as lead manager nearly fourfold from October to December 2008. For example, during the fourth quarter of 2008, we helped our clients raise \$56 billion in debt to invest in their businesses, including leading American companies like Pepsi and Time Warner Cable. We also helped clients raise \$40 billion in equity to fund their new businesses and made \$10.6 billion in new commercial loans.

With respect to compensation, although money is fungible, the TARP funds had no impact on the 2008 bonus pool at Morgan Stanley because bonuses paid by the Firm are

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<sup>1</sup> One of the individuals received a severance payment on termination of employment.

determined and funded by revenues, not capital. In other words, bonuses paid by the Firm were funded by earnings and not by the U.S. Treasury's investment. The Firm accrues its bonus pool monthly throughout the year based on the Firm's financial performance, and publicly reports compensation expenses quarterly (which includes bonus accruals). In fact, 2008 compensation expenses were lower, not higher, than had been anticipated prior to Morgan Stanley's receipt of TARP funds, due to the challenging market conditions in the later part of 2008. Morgan Stanley has since paid back our TARP funds and repurchased the related warrants at a price that provided the U.S. taxpayers a 20 percent annualized return on their investment.

**4(d) [NYT 20] *What have you done to modify your risk management and oversight structures to reduce the possibility that the problems of 2008 and 2009 will occur again?***

As discussed further in John Mack's written testimony and our responses to Questions 7 and 9, Morgan Stanley has devoted significant additional resources to strengthen our risk management policies and procedures over the past two years to further enhance risk management throughout the Firm, including: significantly increasing staffing of the risk management function (the number of staff in that area has increased from 235 in 2008 to in excess of 400); investing in technological support for the risk management function; and changing the reporting lines of the risk management function to report directly to the CEO and the newly established Risk Committee of the Board of Directors (chaired by former U.K. FSA chairman, Sir Howard Davies). Additionally, Morgan Stanley is factoring risk-adjusted measures even more closely into compensation decisions for sales and trading teams, consistent with the recent Federal Reserve and G-20 guidelines.

**5. *Please state whether Morgan Stanley has applied the claw-back provisions of its compensation program to any employee. Please include the reasons for the claw-back, the dollar amount of the claw-back and the percentage of the individual's compensation the claw-back represented.***

In response to the Firm's writedowns in November 2007 and the market turmoil in the fall of 2008, Morgan Stanley was the first major U.S. bank to enact a "clawback" for a portion of year-end compensation in 2008 – one that exceeded TARP requirements. This "clawback" provision, which is in place for up to three years after the compensation is awarded, applies to a broad group of employees and can be triggered if an individual engages in certain conduct detrimental to the Firm or one of its businesses – causing, for example, the need for a restatement of results, a significant financial loss or other reputational harm. The Firm strengthened the "clawback" mechanism in 2009 to apply to a broader group of employees and to allow the Firm to reclaim compensation if the Firm realizes losses on certain trading positions, investments or holdings.

The conduct relevant to the writedowns that the Firm experienced in the fourth quarter of fiscal year 2007 occurred in 2007 and earlier, before the "clawback" provisions described above were adopted for fiscal year 2008. While we have not yet experienced a situation that would trigger a clawback, and have therefore not yet applied its provisions to any employee, Morgan Stanley is firmly committed to applying the "clawback" mechanisms to conduct that is detrimental to the Firm, and to periodically reviewing and strengthening the program as necessary on a going-forward basis.

**6. *Were there any internal discussions at Morgan Stanley in 2008 about bank solvency, the possibility of failure, or the possibility of the government coming in and rescuing the bank, providing assistance to the bank or preventing the bank from failing? Please provide records of all internal communications at Morgan Stanley (including communications with the board of directors) in 2008 relating to the Firm's solvency, the***

**possibility of failure, the possibility of the government providing assistance to, rescuing or preventing the failure of the Firm. Please also provide records of all communications in 2008 between any employee, officer, director, agent or representative of Morgan Stanley and any third party, including outside counsel and any federal agency relating to the Firm's solvency, the possibility of the government providing assistance to, rescuing or preventing the failure of the Firm.**

When Lehman Brothers collapsed in September 2008, Morgan Stanley, along with many of our peers, experienced a classic run on the bank as the entire investment banking business model came under siege and the world's financial markets began to panic. Consequently, in the weeks following Lehman's bankruptcy, there were a large number of communications occurring every day across Morgan Stanley regarding how to restore the market's confidence in the Firm's ability to survive. There were also numerous communications between Morgan Stanley personnel and Morgan Stanley's regulators regarding the same subject. It would be extremely burdensome for the Firm to attempt to respond to a request which calls for such a voluminous number of documents and for the FCIC staff to review such a response.

**7. Please describe how Morgan Stanley's board of directors, committees of the board of directors, internal auditors, outside auditors and regulators review, test and audit the company's risk management practices, including the value of Morgan Stanley's assets and its leverage. Did any of those entities, or any other entities, express any concern or raise any issues about the value of Morgan Stanley's assets or its leverage? If yes, what were the concerns or issues, when were they raised and how did Morgan Stanley respond?**

Morgan Stanley's risk governance structure includes the Board of Directors, the Audit and Risk Committees of the Board, the Firm Risk Committee, senior management oversight, including the Chief Executive Officer, the Chief Risk Officer, the Chief Financial Officer, the Chief Legal Officer and the Chief Compliance Officer; the Internal Audit Department; independent risk management functions (including the Market Risk Department, Credit Risk Management Department, the Corporate Treasury Department and the Operational Risk Department) and Firm control groups (including the Human Resources Department, the Legal and Compliance Division, the Tax Department and the Financial Control Group), and various other risk control managers, committees and groups located within and across the Firm's business segments. Together, these groups are responsible for reviewing, testing and auditing the Firm's risk management practices, including the value of Morgan Stanley's assets and its leverage.

- *The Board of Directors*

The Board has oversight for the Firm's enterprise risk management framework and is responsible for helping to ensure that the Firm's risks are managed in a sound manner. Historically, the Board has authorized the Audit Committee, which is comprised solely of independent directors, to oversee risk management.

- *Audit Committee of the Board of Directors*

The Audit Committee reviews the major operational, franchise, reputational, legal and compliance risk exposures of the Firm and the steps management has taken to monitor and control such exposure.

- *Risk Committee of the Board of Directors*

On January 1, 2010, Morgan Stanley's Board of Directors established a new Risk Committee of the Board to further enhance its oversight of risk management throughout the

Firm. The Risk Committee assists the Board in the oversight of (i) the Firm's risk governance structure, (ii) the Firm's risk management and risk assessment guidelines and policies regarding market, credit and liquidity and funding risk, (iii) the Firm's risk tolerance and (iv) the performance of the Chief Risk Officer.

- *Firm Risk Committee*

The Firm Risk Committee is composed of Morgan Stanley's most senior officers. It oversees the Firm's global risk management structure and has responsibility for risk management principles, procedures and limits, and monitoring of capital levels and material market, credit, liquidity and funding, legal, operational, franchise and regulatory risk matters and other risks, as appropriate, and the steps management has taken to monitor and manage such risks.

- *Chief Risk Officer*

Morgan Stanley named a new Chief Risk Officer in early 2008 and changed the reporting line so that the Chief Risk Officer reports directly to the Chief Executive Officer. The Chief Risk Officer is a member of the Firm Risk Committee, and oversees compliance with Firm risk limits; approves certain excessions of Firm risk limits; reviews material market, credit and operational risks; and reviews results of risk management processes with the Audit Committee and the Risk Committee of the Board.

- *Internal Audit Department*

The Internal Audit Department provides independent risk and control assessment and reports to the Audit Committee. The Internal Audit Department examines Morgan Stanley's operational and control environment and conducts audits designed to cover all major risk categories.

- *Business Segment-Level Risk Oversight Committees and Functions*

In addition to these Firm-wide controls, each business segment has a risk committee that is responsible for ensuring that the business segment, as applicable, adheres to established limits for market, credit, operational and other risks; implements risk measurement, monitoring, and management policies and procedures that are consistent with the risk framework established by the Firm Risk Committee; and reviews, on a periodic basis, its aggregate risk exposures, risk exception experience, and the efficacy of its risk identification, measurement, monitoring and management policies and procedures, and related controls. Each of Morgan Stanley's business segments also has designated operations officers, committees and groups to manage and monitor specific risks and report to the business segment risk committee.

- *Additional Independent Departments With Risk Oversight Functions*

The Firm also has Market Risk, Credit Risk, Operational Risk, Financial Control, Treasury, and Legal and Compliance Departments. These departments are all independent of Morgan Stanley's business units and assist senior management and the Firm Risk Committee in monitoring and controlling Morgan Stanley's risk through a number of control processes.

The Firm has significantly strengthened staffing in the risk management function, adding approximately 100 new people over the past two years. In the trading business,

Morgan Stanley created a new, additional risk monitoring function reporting to the head of Institutional Securities Sales and Trading, and made a series of changes throughout sales and trading that will create more discipline, partnership and transparency across the division.

- *Morgan Stanley's Approaches to and Controls on Valuation of Assets*

The Firm adopted the provisions of SFAS No. 157, effective December 1, 2006. SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. In determining fair value, the Firm uses various valuation approaches, including market, income and/or cost approaches. These principles are set forth at length in the Firm's 2009 Annual Report on Form 10-K.

The Firm's valuation methods and marks are reviewed on a monthly basis by the Firm's Valuation Review Group ("VRG"), whose mission is to independently validate the reasonableness of the marks input by the traders into the Firm's systems.

The Firm's outside auditors also review the internal controls and risk management processes of the Firm and audit the Firm's financial statements and the Firm's valuation approaches to determining the fair value of its assets.

Question No. 7 asks whether any of these "entities, or any other entities, express[ed] any concern or raise[d] any issues about the value of Morgan Stanley's assets or its leverage," and, if so, what Morgan Stanley did in response. We note that it is inherent in the work performed by the above committees, groups and personnel that these issues are continuously considered and discussed in the ordinary course of business.

As part of its participation in the consolidated supervisory entity ("CSE") program, Morgan Stanley engaged in a continuing dialogue with the SEC regarding the Firm's balance sheet, including leverage, and procedures that Morgan Stanley used in connection with valuing its assets.

With respect to valuation of assets, we note that at no time did Morgan Stanley's independent auditors limit their audit opinion or have any material differences of opinion with management concerning the methodologies for valuation of Morgan Stanley's assets. Nor did Morgan Stanley's independent auditors identify any material weaknesses in the Firm's internal controls. With respect to leverage, we note that the Firm's leverage ratios are a matter of public record, and that entities outside the Firm – for example, the community of research analysts who cover Morgan Stanley – may have held a variety of opinions concerning the leverage ratios of Morgan Stanley and its peer firms. As noted previously, the Firm began decreasing its leverage significantly at the end of 2007.

**10. *Please provide any documentation regarding due diligence and firm rationale for the purchase of Saxon in 2006. Please also include any information on when the problems at Saxon were diagnosed and what actions were taken.***

Attached as Exhibit A is a document that includes a discussion of the Firm's rationale for purchasing Saxon in 2006. Morgan Stanley acquired Saxon Capital, Inc. ("Saxon"), a first-class servicer and originator of residential mortgages, with the goal of adding a premier servicing operation with a scalable U.S. origination platform to Morgan Stanley's existing residential mortgage franchise. The problems that occurred in the overall mortgage market in 2007 were industry-wide and not specific to Saxon, and Saxon continues to be a first-class mortgage servicer.

**11. Please provide the following information about your institution's business as an over-the-counter derivatives dealer during each of the last four years, 2006-2009:**

- a. **Revenues relating to the business.**
- b. **Profits or losses relating to the business.**
- c. **Percentage of the business that consisted of standardized contracts as opposed to customized contracts. Please describe how you are defining "standardized" and "customized."**
- d. **Positions held in all OTC derivatives contracts in notional amount at the end of each of the last four years, and positions held in each of the following categories at that time: interest rate, currency, energy, credit, and other.**

With respect to items (a) and (b), above, we note that the Firm does not have one group that could be categorized as the over-the-counter derivatives business; rather, various businesses across the Firm engage in derivative transactions. As such, the Firm does not as a matter of course separate out revenues, profits or losses for over-the-counter derivatives. We would be happy to discuss further with you whether there are other types of information that you would find helpful regarding Morgan Stanley's derivative-related operations or activities as to which such data might be available. Further, we would like to discuss item (c) with you, as we believe it is difficult to attempt to apply the "standardized" and "customized" criteria across over-the-counter derivatives as a class; we would therefore like to explore other potential ways to distinguish among transactions in a manner that item (c) might contemplate, for example, as between cleared and non-cleared trades.

Finally, with respect to item (d), above, we refer the FCIC staff to Morgan Stanley's submissions of March 15, 2010 and March 19, 2010, in which the Firm responded to Request Nos. 1 and 2 of the FCIC staff's February 9, 2010, letter. Those submissions contained extensive information concerning the Firm's gross notional positions in a variety of OTC derivatives categories at set points in each of the years called for under this request, namely 2006-2009, and also included information on the Firm's counterparty exposures for each of these positions. Please let us know if you would like information in response to item (d) beyond that provided in Morgan Stanley's March 15 and March 19 responses.

**12. Please provide the following information about your institution's proprietary trading during each of the last four years, 2006-2009:**

As an initial matter, please note that for the purposes of this response, Morgan Stanley has interpreted "proprietary trading" as meaning in this context trading for the Firm's own trading book by Morgan Stanley desks dedicated solely to such trading. This definition does not include desks or personnel who may establish trading positions on the Firm's books in the course of market making or customer facilitation activities.

- a. **Describe the nature and kinds of proprietary trading your institution engaged in.**

During the relevant period Morgan Stanley & Co. Inc. had a number of dedicated proprietary desks in both its fixed income and equity divisions. At times during the relevant period these dedicated groups or desks engaged in proprietary trading and investing activities employing multiple strategies across various cash and derivative asset classes including, among others, equity securities, quantitative and program-driven strategies, commodities, currencies, interest rates, emerging markets, bonds, loans, corporate credit, as well as mortgage-related and other asset-backed securities.

- b. ***The amount of proprietary trading that was speculative and the amount of such trading that was hedging your business risk.***

As noted above, Morgan Stanley has interpreted "proprietary trading" for purposes of this response as meaning trading for the Firm's trading book by Morgan Stanley desks dedicated solely to such trading; that definition does not include trading that may have been done in other areas of Morgan Stanley to, among other things, hedge business risk relating to other parts of the Firm. Having said that, many of the Firm's proprietary trading strategies would have incorporated a hedging element, such that it is not possible, within Morgan Stanley's proprietary trading activities, to disaggregate speculative trading from hedging activities.

- c. ***Revenues relating to the proprietary trading;***  
d. ***Profits or losses relating to the proprietary trading; and***  
e. ***Assets held relating to proprietary trading at the end of each of the last four years.***

Attached as Exhibits B and C are spreadsheets containing revenues, profit and loss figures, and close of year gross asset balances relating to dedicated proprietary trading included within the scope of this response, as defined above.

**21. *Please provide a written copy of any written statement (or a transcript of any recorded statement made by a client of Morgan Stanley in a recorded telephone conversation) made by any counterparty to Morgan Stanley, or client of Morgan Stanley, with respect to any transaction listed in question 20.***

Please see our response to Question 20, produced on April 27, 2010, for further information regarding this question.

**22. *Please list any Morgan Stanley off balance sheet accounts between January 1, 2006 and December 31, 2009. Did Morgan Stanley ever subsequently report any off balance sheet account on its balance sheet? If yes, please explain when and why.***

Morgan Stanley applies accounting guidance to entities in which it is involved within the normal course of business. For entities where (1) the total equity investment at risk is sufficient to enable the entity to finance its activities independently and (2) the equity holders bear the economic residual risks of the entity and have the right to make decisions about the entity's activities, the Firm consolidates those entities it controls either through a majority voting interest or otherwise. For entities that do not meet these criteria, commonly known as variable interest entities ("VIEs"), the Firm determines whether it consolidates upon its initial involvement with the entity. Under the accounting guidance effective prior to January 1, 2010, the Firm was required to reassess whether it consolidated a VIE only upon the occurrence of certain reconsideration events. Under the guidance adopted on January 1, 2010, the Firm is now required to reassess whether it consolidates a VIE on an ongoing basis and not just upon the occurrence of certain events.

Notwithstanding the above, pursuant to accounting guidance that was in place prior to January 1, 2010, certain entities in which Morgan Stanley had an interest were not consolidated on the Firm's balance sheet if the entities met the criteria to be a "qualifying special purpose entity" ("QSPE") under this guidance. The table below, which is also disclosed in Morgan Stanley's 2009 annual report on Form 10K, presents information as of December 31, 2009 regarding QSPEs to which the Firm, acting as principal, had transferred assets and received sales treatment, and QSPEs sponsored by the Firm to which the Firm has not transferred assets (dollars in millions). These QSPEs include certain securitization vehicles related to commercial and residential mortgage loans, U.S. agency collateralized

mortgage obligations, corporate bonds and loans, municipal bonds and other types of financial assets. The primary risk retained by the Firm in connection with these transactions generally was limited to the beneficial interests issued by the SPE that were owned by the Firm, with the risk highest on the most subordinate class of beneficial interests. Where the QSPE criteria were met, these beneficial interests were generally included on the balance sheet in Financial instruments owned – corporate and other debt, and were measured at fair value.

	Residential Mortgage Loans	Commercial Mortgage Loans	U.S. Agency Collateralized Mortgage Obligations	Other
QSPE assets (unpaid principal balance) <sup>2</sup>	\$54,504	\$115,223	\$64,824	\$2,753
Retained interests (Investment grade) (fair value)	\$55	\$364	\$1,090	\$ –
Retained interests (Non-investment grade) (fair value)	\$62	\$467	\$ –	\$ –
Total retained interests (fair value)	\$117	\$831	\$1,090	\$ –
Interests purchased in the secondary market (Investment grade) (fair value)	\$139	\$430	\$18	\$3
Interests purchased in the secondary market (Non-investment grade) (fair value)	\$178	\$52	\$ –	\$43
Total interests purchased in the secondary market (fair value)	\$317	\$482	\$18	\$46
Derivatives (fair value)	\$192	\$303	\$ –	\$765
Assets serviced (unpaid principal balance)	\$18,902	\$10,901	\$ –	\$ –

On January 1, 2010 the Firm adopted accounting guidance which changes the way the Firm accounts for securitizations and VIEs. This new accounting guidance eliminated the concept of QSPEs. The adoption of this accounting guidance did not have a material impact on the Firm's consolidated statement of financial condition.

In 2009, the Firm consolidated certain real estate funds reflecting the continued deterioration of equity in the funds combined with the Firm's financial assistance provided to the funds.

<sup>2</sup> Amounts include \$56.6 billion of assets transferred to the QSPEs by unrelated transferors.

Please refer to Morgan Stanley's 2009 annual report on Form 10K, Other Matters, Real Estate, for further information relating to the consolidation of real estate funds; and to Notes 1 and 6 to the Consolidated Financial Statements for further information relating to QSPEs and VIEs. For further information relating to the years 2006, 2007 and 2008, please refer to Morgan Stanley's annual report on Form 10K for each of those years. If you have further questions on this issue, please let us know.

**23. Please list all transactions between March 1, 2008 and March 17, 2008 in which Morgan Stanley established or maintained a financial position for its own proprietary trading account (or account of any hedge fund or other entity in which Morgan Stanley, or any member of the senior management committee, had a direct or indirect financial interest, but excluding accounts for third party clients of the firm) whether directly or indirectly, equivalent to shorting a security, or establishing a put position with respect to a security, or purchasing a credit default swap regarding any security issued by Bear Stearns.**

Attached as Exhibits D through H are records reflecting transactions by Morgan Stanley dedicated proprietary trading desks (as described in Morgan Stanley's response to Request No. 12, but not including for the purposes of this response the Firm's automated trading strategies) in securities of, and options relating to securities of, Bear Stearns, for the period March 1, 2008 through March 17, 2008. Morgan Stanley's dedicated proprietary trading desks did not purchase any credit default swaps regarding any security issued by Bear Stearns during this period. Please note that the enclosed transaction data does not include basket or index-linked transactions or instruments that contain Bear Stearns as a reference entity, nor does it include the accounts of hedge funds or "other entities in which Morgan Stanley or any member of the senior management committee had a direct or indirect interest", as this data is not readily attainable.

**24. Please list all transactions between September 1, 2008 and September 15, 2008 in which Morgan Stanley established or maintained a financial position for its own proprietary trading account (or account of any hedge fund or other entity in which Morgan Stanley, or any member of the senior management committee, had a direct or indirect financial interest, but excluding accounts for third party clients of the firm), whether directly or indirectly, equivalent to shorting a security, or establishing a put position with respect to a security, or purchasing a credit default swap regarding any security issued by Lehman.**

Attached as Exhibits I through K are records reflecting transactions by Morgan Stanley dedicated proprietary trading desks (as described in Morgan Stanley's response to Request No. 12, but not including for the purposes of this response the Firm's automated trading strategies) in securities of, and options relating to securities of, Lehman Brothers, for the period September 1, 2008 through September 15, 2008. Morgan Stanley's dedicated proprietary trading desks did not purchase any credit default swaps regarding any security issued by Lehman Brothers during this time. Please note that the enclosed transaction data does not include basket or index-linked transactions or instruments that contain Lehman Brothers as a reference entity, nor does it include accounts of hedge funds "or other entities, in which Morgan Stanley, or any member of the senior management committee, had a direct or indirect interest," as this data is not readily attainable.

**26. In 2004, the SEC permitted the broker-dealer subsidiaries to change the way they calculated their net capital. Some believe that this allowed the investment banks to increase their leverage. Please provide data on this question, including the net capital of Morgan Stanley's subsidiary before and after the change in net capital regulation, and the way in which such a change could have increased the leverage of the parent company?**

In 2004, the SEC permitted broker-dealers to calculate net capital by applying value at risk ("VaR") methodology to determine its market risk and credit risk capital requirements in assessing their net capital levels. Prior to 2004, broker-dealers calculated their net capital levels under a regulatory formula prescribed by statute. A table showing the balance sheet, net capital and net capital in excess of the minimum required capital for Morgan Stanley & Co. Incorporated ("MS&Co") is attached as Exhibit L. As a consequence of the application of the SEC rules applying VaR statistics to calculate net capital levels (first commenced in December 2005), the US broker-dealer subsidiary, MS& Co., did reduce the amount of applicable capital charges. However, at the same time, Morgan Stanley became subject to supervision by the SEC as a Consolidated Supervised Entity (CSE). For its part, MS&Co was required to maintain tentative net capital of at least \$5 billion. In addition, Morgan Stanley was required to comply with a Basel II framework for capital which required the Firm to report and maintain a level of capital which it had not done prior to its becoming a CSE. By virtue of the application of the Basel II requirements, Morgan Stanley became subject to limits on its ability to incur risk weighted assets.

**35. When did Morgan Stanley first discuss with the Fed becoming a bank holding company?**

Morgan Stanley first had substantive discussions with the Federal Reserve Board of Governors about becoming a bank holding company in the latter half of the week beginning September 15, 2008.

**37. It is said that CDS obligations are not visible on the balance sheets or financial statements of participants in the CDS market. Do you agree? If these obligations are visible to investors and creditors in your financial statements, please identify where they appear and how they are calculated.**

The nature and value of Morgan Stanley's credit default swap obligations are disclosed on page 178 of the Firm's 2009 Annual Report on Form 10-K, which contains detailed disclosures regarding the Firm's credit default swap obligations, including both the notional amount and fair value measurements of the obligations, broken down by credit rating of the reference obligation.

**38. Did Morgan Stanley provide or obtain CDS protection on Lehman, and if so what were its gains or losses, if any? What other gains or losses to Morgan Stanley resulted from Lehman's bankruptcy, and what is the amount of such gains or losses?**

Morgan Stanley incurred losses in connection with Lehman's bankruptcy and filed claims in the bankruptcy proceedings of approximately \$1.6 billion. Morgan Stanley (predominately through its counterparty risk management group) engaged in credit default swap transactions with respect to Lehman Brothers, including during the period from September 1, 2008 to September 15, 2008. The Firm recognized an approximate p&l gain during the period from September 1 to September 30, 2008 for all trading in CDS carried out between September 1, 2008 and September 15, 2008 (including hedging activity as part of ongoing counterparty risk management processes, trading done by the Firm's prime brokerage division, and other market making activity carried out by the Firm) of approximately

\$211 million. Such gains were more than offset by the Firm's other losses as a result of the Lehman bankruptcy.

**39. *Please provide your daily/monthly risk reports from 2006 to the present.***

These reports are extremely voluminous and contain highly confidential and proprietary business information, disclosure of which could put Morgan Stanley at a competitive disadvantage. Morgan Stanley would be pleased to discuss with the FCIC staff possible ways to address this request.