From: Barrett, Paul S [redacted]
Sent: Monday, February 11, 2013 6:04 PM
To: Jeffrey Epstein
Subject: RE: NEW HY RMBS BWIC - $4.3mm of RFMSI 04-S4 1M1 @ 85-16 (6.51% yield/2.97 durn)

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Traded away – will keep looking

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=/span>

&=bsp;

_______=____<=o:p>

Paul Barrett=/b> | Managing Director | Global Investm=nt Opportunities Group | J.P. Morgan Private Bank | =/o:p>

320 Park Avenue, 14t= Floor, New York, NY 10022 | [redacted] F: (212) 310-0108 |=0D
[redacted] | NMLS ID# 853441

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From:<=b> Jeffrey Epstein [mailto:jeevacation@gmail.com]
Sent: Monday, February 11, 2013 12:38 PM
To: =arrett, Paul S
Subject: Re: NEW HY RMBS BWIC - $4.3mm of=RFMSI 04-S4 1M1 @ 85-16 (6.51% yield/2.97 durn)

=0D

ok

On Mon, Feb 11, 2013 at 1:07 PM, Barrett, Pa=l S [redacted] wrote:

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Jeffrey=/b>

We should =uy $1MM of this bond.

<=pan style="font-size:9.0pt;font-family:"Calibri","sans-=erif";color:#1F497D">

=0D

US Onshore Clients – Blue Sky (U=2ES. State Securities Law): Please confirm Blue Sky eligibility before s=liciting to a US Onshore client by entering the CUSIP into the web t=ol located at: http://pscppv1.amer.jpmchase.net=8080/BlueSkyPage.html <http://pscppv1.amer.jpmchase.net:8080/B=ueSkyPage.html> and review to see if your clientR=7;s state of residence is listed. If you receive 'NO SECURIT= FOUND', 'NO STATES FOUND' or the security DOES NOT HAVE=A CUSIP or is not USD-denominated, then please contact your SM or local co=pliance officer and provide the requested security and client information=2E Please note that a suitability review and other pre-trade procedu=es must still be followed.

The RFMSI 04-S4 1M1 is a Prime Seasoned Fix 5.25%=Sub bond backed by 105 months seasoned fix mortgages=2E The bond has 2.38% credit enhancement vs 7.08% 60+ delinq=encies, for a 0.34x coverage ratio.

=0D THE COLLATERAL:
The pool consists of 145 Prime loans =hat are 105 months seasoned with an average updated LTV of 56%. Th= average balance of the loans is $296k – this coupled with the low u=dated LTV should result in both low CDRs and Severities. In fact, =here has been only 2 CDR prints over the last 12 months and the aver=ge severity of those 2 prints is 20.64%. Our base case assumes 3=% severity ramping down to 30% over 3 years. What's more interesti=g is that the 5 foreclosure loans in the pipe have an updated LTV of =41%, which is even lower than the overall pool LTV of 56%. Accordi=g to our model, this should translate to lower severities at liquidation=2E

THE STORY:
For investors=looking for a housing recovery play backed by seasoned Prime collateral, t=is bond offers a great convexity story levered to prepayments and overall =omeowner performance.

Please call the desk with all bids/inquir=es related to this bond. X32124

HIGHLIGHTS

- = HPI Updated LTV = 56%

- =nbsp; 87% of the b=rrowers have not missed a payment in the past 2 years

- &nb=p; 105 months seasoned<=b>

- &n=sp; 735 FICO

- =nbsp; $296k averag= balance

**Source: Bloomberg

=0D
RFMSI 20=4-S4 1M1 Offered @ 85-16

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Prepay Rate=/p> <=pan style="font-size:8.0pt;font-family:"Arial","sans-se=if"">20 CPR

24 CPR

=0A 28 CPR

Cusip:<=o:p>

76111XHZ9

2 ramp 20 4 3 ramp 36 1.75 CDR

2 ramp 20 4 3 ramp 12 1.5 CDR

=0A
<=pan style="font-size:8.0pt;font-family:"Arial","sans-se=if"">Original Face:

4,314,300

=0D Default Severity</=> 35 ramp 36 30=/o:p>

=0D 30

Delinq Rate

7.5 Percent

7.5 Percent

=td width="193" nowrap="" valign="bottom" style="width:144.75pt;b=ckground:#F2F2F2;padding:0in 5.4pt 0in 5.4pt;min-height:13.35pt"> =0A

7.5 Perc=nt

Prime =ix 5.25% Mezz

100=/p> <=pan style="font-size:8.0pt;font-family:"Arial","sans-se=if"">100

100

<=td>
Ratings (S&P/Moodys/Fitch):

=0A =CC/-/NR

=0D

Current Coupon:

=0D =0D =/td> =0D

Yield @ Base Case

=0A 6.509%

Price @ 85-16

=p class="MsoNormal" align="center" style="mso-margin-top-alt:auto;ms=-margin-bottom-alt:auto;text-align:center">

WAL @ Base Case

2.124=o:p>

6.50=

9.838

=0D
Principal Window @ Base Case

</=d>

Spread ov=r Tsy

136

575

912

<=td>
Writedown %

=0A 14.66%

=0A

Duration

=0A3.18</=>

Current Credit Enhanc=ment:

=0D 2.38%

=0A WAL

4.03

=0A 3.84

=0A

=0D <= class="MsoNormal" style="mso-margin-top-alt:auto;mso-margin-bottom-al=:auto">Principal Window

=td width="169" nowrap="" valign="bottom" style="width:126.45pt;p=dding:0in 5.4pt 0in 5.4pt;min-height:13.35pt">

Mar13 to Mar36

Mar13 =o Oct37

60+ Delinquency Coverage

=p class="MsoNormal" style="mso-margin-top-alt:auto;mso-margin-bottom-a=t:auto">Principal Writedown

=0D 29.22%<=o:p>

14=2E66%

=0D 3.28%

=tr style="min-height:11.8pt"> <= class="MsoNormal" style="mso-margin-top-alt:auto;mso-margin-bottom-al=:auto">Total Collat Loss

=0A0.54%</=>

UNDERLYING COLLATERAL DESCRIPTIO=

Total Liquidation

=0D =0A

7.59%

5.55%

=0D
=0D <=td> =0D =td width="193" nowrap="" valign="bottom" style="width:144.75pt;p=dding:0in 5.4pt 0in 5.4pt;min-height:13.35pt">
=0D
145

=0A HISTORICAL PERFORMANCE

<=td>

=0A

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=0D
Mortgage Type

=0ASeasoned Prime 30yr Fix

1 MOS

3 MOS

6 MOS

Wtd Avg Mort=age Coupon

5.655%

=td width="178" nowrap="" valign="bottom" style="width:1.85in;pad=ing:0in 5.4pt 0in 5.4pt;min-height:13.35pt">

CPR

=0D 27.23

=0A31.87

27.45

=tr style="min-height:13.35pt"> Wtd=Avg FICO Score

4.64

2.20

Wtd A=g Orig Loan-to-Value

54.81%

=0D </=d>

NA

=0A =0.01

=0D 30.01

=0A
<=pan style="font-size:8.0pt;font-family:"Arial","sans-se=if"">HPI Adj LTV

</=d> =0D =0A
=0A

=0D <=d width="169" nowrap="" valign="bottom" style="width:126.45pt;pa=ding:0in 5.4pt 0in 5.4pt;min-height:13.35pt">
Owner Occ=pied

Top 1 Geo Concent=ation

=0D CA 49%

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=span style="font-size:8.0pt;font-family:"Arial","sans-s=rif";color:#1F497D">TX 7%

=0A
=span style="font-size:8.0pt;font-family:"Arial","sans-s=rif";color:#1F497D">NY 5%

=0A
=span style="font-size:8.0pt;font-family:"Arial","sans-s=rif";color:#1F497D">86.81%

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| Vice Pre=ident | J.P. Morgan Global Wealth Management

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270 Park Avenue, Floor 5, New =ork, New York 10017

T: 2=2 464 0608 <tel:212%20464%200608> | F: =0A212 464 1129 <tel:212%20464%201129> |
[redacted] <mailto:email@jpmorgan.com>

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