

Determinations Committee Decision

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| Date: | May 15, 2009 |
| Determinations Committee: | Americas |
| Meeting Date: | May 15, 2009 |

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| DC Issue 2009043001: | Has a Failure to Pay Credit Event occurred with respect to Syncora Guarantee Inc. (fka XL Capital Assurance Inc.)? |
| 1st Question for vote: | For purposes of publication of the Initial List of Deliverable Obligations, in respect of each obligation included on the updated preliminary list of obligations published on May 8, 2009, is such obligation a Deliverable Obligation for purposes of the Auction to be held with respect to Syncora Guarantee Inc.? |
| Vote result: | Please see Annex 1 for vote results and votes |
| 2nd Question for vote: | Is the required information for the Credit Derivatives Auction Settlement Terms relating to Syncora Guarantee Inc. attached as Annex 2 agreed? |
| Vote result: | Yes |
| Votes: | <p>10 "Yes" votes -</p> <ul style="list-style-type: none"> Bank of America / Merrill Lynch Barclays Citibank Credit Suisse Deutsche Bank AG Goldman Sachs JPMorgan Chase Bank, N.A. Morgan Stanley The Royal Bank of Scotland UBS <p>0 "No" votes</p> <p>NB: DC Rules require simple majority of Dealer Voting Members only on vote concerning Supplemental Auction Terms</p> |

Annex 1 - Vote Results and Votes for the Initial List of Deliverable Obligations

| CUSIP No. | Security Description | Vote result | Bank of America / Merrill Lynch | Barclays | Citibank | Credit Suisse | Deutsche Bank AG | Elliott Management Corporation | Goldman Sachs | JPMorgan Chase Bank, N.A. | Legal & General Investment Management Limited | Morgan Stanley | Pacific Investment Management Company LLC | Primus Asset Management, Inc. | Rabobank International | The Royal Bank of Scotland | UBS |
|-----------|--|-------------|---------------------------------|----------|----------|---------------|------------------|--------------------------------|---------------|---------------------------|---|----------------|---|-------------------------------|------------------------|----------------------------|-----|
| 030613AD5 | AMCAR 2007-AX A4 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 07401UAB9 | Bear Stearns Second Lien Trust 2007-SV1 Class A2 | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 07401UAU7 | Bear Stearns Second Lien Trust 2007-SV1 Class A3 | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 12587PEM8 | BSSP 2007-R5 (Bear Stearns) Class A1 | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 126673MX7 | Countrywide Home Equity Loan Trust 2004Q Class 1A | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 126673MY5 | Countrywide Home Equity Loan Trust 2004Q Class 2A | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 126673QA3 | Countrywide Home Equity Loan Trust 2004R Class 1A | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 126673QB1 | Countrywide Home Equity Loan Trust 2004R Class 2A | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 126685AT3 | CWABS, Home Equity Revolving Loan Trust 2005-K Class 1A | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 126685AU0 | CWABS, Home Equity Revolving Loan Trust 2005-K Class 2A1 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 126685AW6 | CWABS, Home Equity Revolving Loan Trust 2005-K Class 2A3 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 126685AX4 | CWABS, Home Equity Revolving Loan Trust 2005-K Class 2A4 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes |
| 126685DS2 | Countrywide Home Equity Loan Trust 2006D Class 1A | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes |
| 126685DT0 | Countrywide Home Equity Loan Trust 2006D Class 2A | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes |
| 12668VAA7 | Countrywide Home Equity Loan Trust 2006-S7 Class A1 | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes |
| 12668VAB5 | Countrywide Home Equity Loan Trust 2006-S7 Class A2 | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes |
| 12668VAC3 | Countrywide Home Equity Loan Trust | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes |

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| | 2006-S7 Class A3 | | | | | | | | | | | | | | | | | |
| 12668VAD1 | Countrywide Home Equity Loan Trust 2006-S7 Class A4 | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | |
| 12668VAE9 | Countrywide Home Equity Loan Trust 2006-S7 Class A5 | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | |
| 12668VAF6 | Countrywide Home Equity Loan Trust 2006-S7 Class A6 | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | |
| 30248EAAg | First Franklin Mortgage Loan Trust Series 2007-FFB-SS | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | |
| 39539BAA1 | Greenpoint Mortgage Funding Trust 2006-HE1 Class AX | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | |
| 39539JAA4 | Greenpoint Mortgage Funding Trust 2007-HE1 Class A1 | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | |
| 41161PE41 | Harborview Mortgage Pass-Through Certificates 2006-CB1 Class 2A2 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | |
| 5664UAA3 | Indymac Home Equity Mortgage Loan Asset Backed Trust Series 2006-H3 | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | |
| 65538BAA7 | Nomura NAAC 2007-S2 | No | No | No | No | No | No | No | No | No | No | No | No | No | No | No | No | |
| 68402SAA7 | Option One Mortgage Loan Trust 2007-HL1 Class 1A1 | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | |
| 68402SAB5 | Option One Mortgage Loan Trust 2007-HL1 Class 2A1 | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | |
| 68402SAC3 | Option One Mortgage Loan Trust 2007-HL1 Class 2A2 | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | |
| 68402SAD1 | Option One Mortgage Loan Trust 2007-HL1 Class 2A3 | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | |
| 68402SAE9 | Option One Mortgage Loan Trust 2007-HL1 Class 2A4 | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | |
| 785778QA2 | SACO I Trust 2006-1 | Yes | Yes | No | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | No | Yes | Yes | Yes | |
| 86801CAA1 | STACS 2007-1 | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | Yes | |

Annex 2 - information for the Credit Derivatives Auction Settlement Terms relating to Syncora Guarantee Inc.

| | Reference Entity: <u>Syncora Guarantee Inc.</u> | Terms [Proposed terms in brackets] |
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| | Question | |
| 1. | Credit Event (Bankruptcy, Failure to Pay, Restructuring, Acceleration, Moratorium) | Failure to Pay |
| 2. | Credit Event Resolution Request Date | May 1, 2009 |
| 3. | Auction Currency Fixing Date | May 26, 2009 |
| 4. | Auction Date (normally 30 calendar days from EDD minus 3 Business Days) | May 27, 2009 |
| 5. | Auction types (CDS: Senior, Subordinated; LCDS) | Senior (no LCDS auction) |
| 6. | Relevant Transaction Type(s) | Standard North American Corporate, North American Corporate with Monoline Supplement |
| 7. | Deliverable Obligation Terms | Standard North American Corporate, North American Corporate with Monoline Supplement |
| 8. | Minimum Number of Valid Inside Market Submissions | 8 |
| 9. | Initial Market Quotation Amount | \$2 million |
| 10. | Maximum bid/offer spread for a Valid Inside Market Submission | 3% |
| 11. | Cap Amount | One-half of bid/offer spread |
| 12. | Quotation Amount Increment | \$1,000 |
| 13. | RAST Notional Amount Increment | \$1 million |
| 14. | Relevant Pricing Increment | One-eighth of one percentage point |
| 15. | Rounding Amount | \$1,000 |
| 16. | Auction Settlement Date (How many Business Days after Auction Final Price Determination Date? Normally 5.) | 5 |
| 17. | Originally Scheduled Initial Bidding Period | Between 9:45 a.m. and 10:00 a.m. Relevant City Time |
| 18. | Originally Scheduled Subsequent Bidding Period | Between 12:45 p.m. and 1:00 p.m. Relevant City Time |
| 19. | Initial Bidding Information Publication Time | 10:30 a.m. Relevant City Time |
| 20. | Subsequent Bidding Information Publication Time | 2:00 p.m. Relevant City Time |
| 21. | Relevant Credit Derivatives Physical Settlement Matrix | Physical Settlement Matrix published on April 8, 2009 by ISDA |
| 22. | Relevant Currency | USD |
| 23. | Preliminary list of potential Deliverable Obligations <i>Please refer to the preliminary list of potential Deliverable Obligations published by ISDA on its website.</i> | |