

CLAYTON HOLDINGS TO ADOPT NEW ASF/S&P LOAN IDENTIFICATION CODE

--Leading Diligence/Surveillance Company Will Incorporate ASF LINC™ Beginning in Q1 2010--

Shelton, CT, December 1, 2009--Clayton Holdings LLC, a leader in providing customized risk analysis, loss mitigation, operational solutions and staffing services for the securitization and mortgage industries, today announced its support for a new universal loan identification code, know as ASF LINC, jointly developed by The American Securitization Forum (ASF) and Standard & Poor's Fixed Income Risk Management Services (FIRMS). The new code is designed to give investors greater information about the loans that are securitized in mortgage and asset-backed transactions.

Clayton said that it would update its systems to accommodate the new 16-digit, smart code by the end of the first quarter of 2010. "The new code is an important step to providing the kind of transparency that will be needed to restart the non-agency securitization market," said Paul Bossidy, chief executive officer of Clayton Holdings. "It will give investors an important new tool to track and analyze underlying collateral, much the way CUSIP numbers are used with bonds. Clayton has been working closely with ASF and Project RESTART, and this new code is one of the first deliverables of that initiative."

The new loan identification system will provide a critical source of information for RMBS investors: enabling them to access loan-level data, regardless of when or where the assets were securitized, the company said. "ASF Project RESTART seeks to increase transparency in the securitization markets by improving investors' access to important loan-level information. Implementation of the global ASF LINC is a critical milestone in striving toward this goal, as it will provide investors for the first time with the ability to track a loan throughout its life cycle," said Tom Deutsch, Deputy Executive Director of the ASF. "We appreciate the many industry leaders like Clayton who recognize the value of this new initiative and commit to its implementation."

The new code captures the following information for each loan:

- **Underlying Loan Type:** The first two characters in the code depict specific loan type, making each loan instantly recognizable as a Residential Mortgage (RM), Auto Loan (AU), Credit Card (CR) or Student Loan (ST).
- **Loan Origination Date:** The next six characters in the code indicate the loan origination date in a MMYYYY format.
- **Country Code:** The next two characters in the code are used to indicate where the loan was originated, utilizing International Organization for Standardization (ISO) country codes.
- **Random Element:** The next five characters in the code are an alphanumeric sequence designed to prevent duplicates, with scalability to 40 million different permutations.
- **Check Digit:** The final character in the code is an algorithmic check-digit, which is used to confirm that all other digits in the code are correct.

In announcing the new code, ASF said: “The global ASF LINC is linked to the CUSIP and/or ISIN number of the securitized product, allowing investors to track the loan throughout its lifespan and provide a chain of accountability between loan originators and investors. The ASF LINC creates standardization and consistency in connecting and reporting monthly performance data of a loan. In addition, it provides a means to connect added value data and information from third-party providers like credit bureaus. Assigned at no cost to issuers, the ASF LINC is stored in a central loan data repository administered by S&P FIRMS. The ASF LINC is not designed or intended to replace the primary servicer’s loan number, but rather to provide users with a means to track and monitor a loan throughout its life after the loan has been securitized.”

SOURCE: Clayton Holdings LLC