

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors
State Home Mortgage

We have examined management's assertion about State Home Mortgage's compliance with the minimum servicing standards identified in the Mortgage Bankers Association of America's *Uniform Single Attestation Program for Mortgage Bankers (USAP)* as of and for the year ended June 30, 2012 included in the accompanying Management's Assertion on Compliance with USAP. Management is responsible for State Home Mortgage's compliance with those minimum servicing standards. Our responsibility is to express an opinion on management's assertion about State Home Mortgage's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about State Home Mortgage's compliance with the minimum servicing standards and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on State Home Mortgage's compliance with the minimum servicing standards.

Our examination disclosed certain instances of noncompliance with minimum servicing standards related to the timely refund to certain mortgagors within thirty (30) calendar days of payoff of the mortgage loan for the year ended June 30, 2012, which is described in the accompanying Management's Assertion on Compliance with USAP.

In our opinion, management's assertion that State Home Mortgage complied with the aforementioned minimum servicing standards, except for noncompliance as described in the accompanying Management's Assertion on Compliance with USAP, as of and for the year ended June 30, 2012 is fairly stated, in all material respects.

This report is intended solely for the information and use of the specified users and is not intended to be used and should not be used by anyone other than those specified parties.



Atlanta, Georgia
September 27, 2012

Management's Assertion on Compliance with USAP

As of and for the year ended June 30, 2012, State Home Mortgage ("SHM"), except as specifically noted below, has complied in all material respects with the minimum servicing standards set forth in Mortgage Bankers Association of America's *Uniform Single Attestation Program for Mortgage Bankers*.

* Standard: Escrow funds held in trust for a mortgagor shall be returned to the mortgagor within thirty (30) calendar days of payoff of the mortgage loan.

Certain payments during the year ended June 30, 2012 were not returned within 30 days of the payoff of the mortgage loan. SHM has subsequently implemented internal control procedures to identify and process all refunds in a timely manner. Further, SHM has performed an analysis and believes all refunds not returned within the allotted timeframe have been processed, and there are no delinquent refunds that have not been returned to the mortgagor.

As of and for this same period, SHM had in effect a fidelity bond and errors and omissions policy in the amount of \$1,250,000.

September 27, 2012



Phil Cottone
Director
Office of Homeownership