

STATE OF WISCONSIN : CIRCUIT COURT

DANE COUNTY

In the Matter of the Rehabilitation of:

Case No.: 10-CV-1576

Segregated Account of Ambac Assurance Corporation

**AFFIDAVIT OF KIMBERLY JACOBS ON BEHALF OF BANK OF AMERICA,
N.A., IN ITS CAPACITY AS TRUSTEE AND IN SIMILAR CAPACITIES FOR
CERTAIN RMBS TRUSTS AND ON BEHALF OF THOSE TRUSTS'
CERTIFICATEHOLDERS**

STATE OF ILLINOIS)
 :SS
COUNTY OF COOK)

Kimberly Jacobs, being first duly sworn on oath, deposes and states as follows:

1. I am a Senior Vice President at the Bank of America Merrill Lynch Global Securities Solutions division at Bank of America, N.A. I make this Affidavit in such capacity and in support of the Objection to the Plan of Rehabilitation of Bank of America, N.A., in its capacity as Trustee for certain residential mortgage-backed securities trusts and in such other capacities under certain RMBS Transactions as obligate Bank of America to submit Policy claims to AMBAC, receive Policy claim payments from AMBAC and otherwise perform administrative functions under any Policies issued by and/or insurance agreements entered into with AMBAC or under any other documents related to such Policies and insurance agreements, and in either case on behalf of the Trusts' holders (collectively, the "Bank of America RMBS Trustee"), to be filed in this action on November 8, 2010. The facts stated herein are based on my personal knowledge or reports from others with whom I work.

2. The Bank of America RMBS Trustee serves as trustee or in such other capacities as described above in paragraph 1 for certain holders of certificates in a number of residential mortgage-backed securitization (“RMBS”) transactions, which holders (the “Insured Certificateholders”) are ultimate beneficiaries of certain financial guaranty insurance policies (collectively, the “Policies,” and each individually, a “Policy”) issued by, and insurance agreements entered into by, Ambac Assurance Corporation (“Ambac”). The Policies, which are held and/or administered by the Bank of America RMBS Trustee for the benefit of the Insured Certificateholders, insure against certain losses incurred by, and/or allocated to, certificates held by the Insured Certificateholders.

3. The Bank of America RMBS Trustee serves as trustee for approximately six (6) RMBS transactions involving a Policy for which the Bank of America RMBS Trustee is the policyholder. The unpaid principal balance of the certificates covered by the Policies is approximately \$374 million. In addition, the Bank of America RMBS Trustee serves in a capacity other than trustee for approximately five (5) RMBS transactions where it performs in such capacity certain duties in respect of Ambac Policies (the RMBS transactions referred to in this paragraph, collectively, the “RMBS Transactions,” and each individually, an “RMBS Transaction”).

4. Each RMBS Transaction is governed by a separate set of operative documents, which may include a pooling and servicing agreement, servicing agreements, a sale and servicing agreement, a trust agreement and/or an indenture and other related documents (the “Operative Documents”), delineating the rights and responsibilities of

each of the parties to the transaction, including the trustee and the insurer. The RMBS Transactions usually also incorporate an insurance agreement, which further delineates the rights and responsibilities of the parties to the transaction vis-à-vis the Policy (together with the Operative Documents, the insurance agreement and the Policy, the “Governing Documents”).

5. The role of the Bank of America RMBS Trustee varies from transaction to transaction, and a transaction’s Operative Documents do not always charge the named trustee with responsibility for making distributions to certificateholders. For example, the Pooling and Servicing Agreement for one RMBS Transaction in Bank of America’s portfolio, the Ownit Mortgage Trust 2006-OT1 transaction (the “Ownit PSA”), provides that the paying agent, not the trustee, is responsible for making distributions to certificateholders under the Ownit PSA. (*See* Ownit PSA § 5.01.) (A true and correct copy of relevant portions of the Ownit PSA is attached as **Exhibit A** hereto.) While the paying agent can be, and currently is, the same entity as the trustee in the Ownit Mortgage Trust 2006-OT1 transaction, that will not always be the case, nor will it necessarily be the case in all the RMBS Transactions that the Operative Documents assign the Bank of America RMBS Trustee responsibility for making distributions to Certificateholders.

6. The Governing Documents require that Ambac pay all timely submitted claims within a finite period of time. This requirement ensures that the Bank of America RMBS Trustee is able to pay, on the date scheduled for distributions for a given period (the “Distribution Date”), all amounts owed to Insured Certificateholders, including

amounts that are the responsibility of Ambac to pay under the terms of the Policies. For example, the Policy for the Ownit Mortgage Trust 2006-OT1 transaction obligates Ambac to pay claims on the later of “(i) the Distribution Date on which the Insured Amount is Due for Payment and (ii) the third Business Day following receipt . . . [by Ambac] of a [claim] Notice.” (See Certificate Guaranty Insurance Policy Endorsement for Ownit Mortgage Trust 2006-OT1 Asset-Backed Certificates, Series 2006-OT1, Class A-1 and Class A-2 Certificates, a true and correct copy of which is attached as **Exhibit B** hereto, at 3.)

7. I understand that, if the proposed Plan of Rehabilitation for Ambac were confirmed by the Court, Ambac would no longer be obligated to pay claims by the deadlines set in the Governing Documents of the RMBS Transactions. If Ambac no longer had to pay claims on or before the Distribution Date on which Insured Certificateholders are entitled to receive claim payments from Ambac, the Bank of America RMBS Trustee would face difficult operational issues and Insured Certificates could be prejudiced.

8. For example, if Ambac did not pay a claim until after the Distribution Date that Ambac is required to pay such claim under the Governing Documents, the Bank of America RMBS Trustee would have to decide which “record date Insured Certificateholders” should be paid the Policy claim belatedly delivered by Ambac. The Governing Documents generally require that on any Distribution Date, Certificateholders of record as of the end of the immediately prior month are entitled to distributions. If Ambac delays payment of claims, it will be very difficult for the Bank of America RMBS

Trustee to identify the Insured Certificateholders as of a record date one or more months in the past in order to make a distribution of a Policy claim to such Holders. If the Bank of America RMBS Trustee instead chose to deliver the late paid Ambac Policy claim amount to Insured Certificateholders of record as of a different date, the prior record date Insured Certificateholders might argue that they have been prejudiced because, under the Governing Documents, the claims should have been paid on the earlier Distribution Date when the claim was made to Ambac.

9. Additionally, if Ambac did not pay a claim until after the Distribution Date corresponding to the submission of the claim, the timing delay creates significant administrative difficulties and economic expense for the Bank of America RMBS Trustee. For example, the Bank of America RMBS Trustee might have to restate any reports made as of the earlier Distribution Date, which is a complicated and time-consuming process that will impose new burdens on the Bank of America RMBS Trustee. The Bank of America RMBS Trustee might also have to devote resources to explaining payment delays, reporting discrepancies and other matters to individual investors. These extra expenses and administrative duties are unexpected, unplanned for, and were not contracted for when Bank of America assumed its role under the RMBS Transaction.

10. I understand that the Plan contemplates that Ambac will deliver Surplus Notes to the Bank of America RMBS Trustee in lieu of a portion of the amount payable on Policy claims. The delivery of Surplus Notes to the Bank of America RMBS Trustee will present difficult operational issues. I understand that the Bank of America Trustee

might have to facilitate the issuance of book-entry Surplus Notes through The Depository Trust Company (“DTC”) to participant holders of record at DTC. When it agreed to serve as trustee for the RMBS Transactions, the Bank of America RMBS Trustee (and other participants in the transactions) understood that the only consideration that would ever be delivered to investors was cash. The Bank of America RMBS Trustee’s procedures and protocols have thus been designed to handle distribution of cash consideration. If Ambac were permitted to deliver Surplus Notes instead of cash, the Bank of America RMBS Trustee would have to build a new operational process to handle the new consideration, which is time-consuming and will impose additional burden. To deliver the Surplus Notes, the Bank of America Trustee will be required to purchase a report from DTC and then contact individual investors to plan for the electronic delivery of the Surplus Notes. In addition, new reporting, reconciliation, oversight, quality control, staffing, documentation, compliance and audit procedures will have to be developed, tested, implemented and managed. These operational and procedural challenges are exacerbated by the fact that the Surplus Note delivery process will entail significant manual effort on the part of individual employees, thereby increasing the chance for human error.

11. These new processes and procedures will necessarily impose significant burden and expense on the Bank of America RMBS Trustee. While it is difficult to quantify the expense associated with the devotion of additional human and information technology resources to the trust administration process for affected RMBS Transactions, the burden will be significant and necessitate the reallocation of institutional resources.

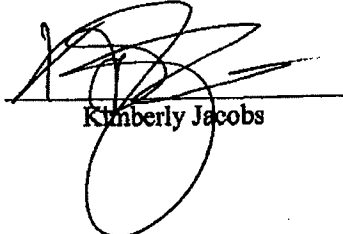
The Bank of America RMBS Trustee anticipates incurring a number of hard, out-of-pocket expenses, including professional services fees (attorneys, accountants and consultants) and costs imposed by DTC. For example, for each delivery of Surplus Notes for a particular RMBS Transaction, the Bank of America RMBS Trustee will be required to purchase from DTC a securities position report identifying the holders of record of a class of Insured Certificates. I understand that DTC charges a fee on a per CUSIP basis for the securities position report, and each RMBS Transaction could involve numerous individual CUSIPs. The cost of obtaining this report on a regular basis is expected to be significant.

12. Under the terms of most Governing Documents, Ambac enjoys certain rights of subrogation and reimbursement for previously paid Policy Claims. Although the precise terms vary among the RMBS Transactions, on a given Distribution Date, Ambac typically enjoys a priority right to be reimbursed for previously paid Policy claims before other Certificateholders get distributions

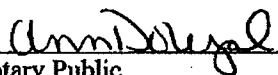
13. For example, the Ownit PSA requires that, on each Distribution Date, Interest Collections be used to pay Reimbursement Amounts to Ambac in respect of amounts previously paid by Ambac in respect of Insured Certificates before any such

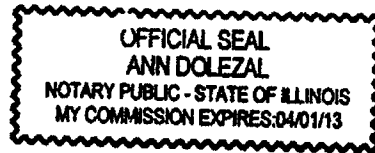
amounts are paid to holders of Class M and Class B junior certificates. (See Ownit PSA

§ 5.01(a)(iv).)


Kimberly Jacobs

Subscribed and sworn to before me
this 5 day of November, 2010


Notary Public
My commission expires on 4/1/13



TERWIN SECURITIZATION LLC,

Depositor

TERWIN ADVISORS LLC,

Seller

SPECIALIZED LOAN SERVICING LLC,

Servicer

LITTON LOAN SERVICING LP,

Servicer

and

LASALLE BANK NATIONAL ASSOCIATION,

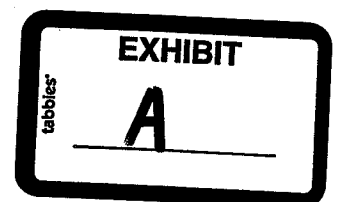
Trustee

POOLING AND SERVICING AGREEMENT

Dated as of December 1, 2006

OWNIT MORTGAGE TRUST 2006-OT1

ASSET-BACKED CERTIFICATES, SERIES 2006-OT1



"Certificateholders" shall reflect the rights of Certificate Owners as they may indirectly exercise such rights through the Depository and participating members thereof, except as otherwise specified herein; provided, however, that the Trustee and the Certificate Registrar shall be required to recognize as a "Holder" or "Certificateholder" only the Person in whose name a Certificate is registered in the Certificate Register.

Class: All Certificates bearing the same class designation as set forth in the Preliminary Statement.

Class A Certificates: The Class A-1 Certificates and Class A-2 Certificates.

Class A Certificate Insurance Policy: The irrevocable certificate insurance policy, No. AB1051BE including any endorsements thereto, issued by the Class A Certificate Insurer with respect to the Class A Certificate.

Class A Certificate Insurer: Ambac Assurance Corporation.

Class A Certificate Insurer Account: The account established pursuant to Section 7.08(e) hereof.

Class A Certificate Insurer Contact Persons: Collectively, the officers designated by a Servicer to provide information to the Class A Certificate Insurer pursuant to Section 7.08(j).

Class A Certificate Insurer Default: A default by the Class A Certificate Insurer in its obligations under the Class A Certificate Insurance Policy.

Class A Certificate Insurer Insurance Agreement: That certain insurance and indemnity agreement, dated as of December 8, 2006, among the Class A Certificate Insurer, the Seller, the Depositor and the Trustee.

Class A Certificate Insurer Premium: With respect to any Payment Date, an amount equal to $1/12^{\text{th}}$ of the product of (a) the aggregate Class Principal Balances of the Class A-1 and Class A-2 Certificates as of such Payment Date (prior to giving effect to any payments thereon on such Payment Date) and (b) the Class A Certificate Insurer Premium Rate.

Class A Certificate Insurer Premium Rate: The rate described in the Insurance and Indemnity Agreement among the Class A Certificate Insurer, the Trustee, the Depositor and the Seller.

Class A Certificate Insurer Reimbursement Amount: For any Distribution Date, the sum of (i) all amounts paid by the Class A Certificate Insurer under the Class A Certificate Insurance Policy which have not been previously reimbursed, (ii) all unpaid Class A Certificate Insurer Premiums, (iii) all amounts owed to the Class A Certificate Insurer under the Pooling and Servicing Agreement and the Insurance Agreement and (iv) interest on the amounts described in clauses (i) – (iii) unpaid on prior Distribution Dates at the prime rate plus 2.00%.

Class A Insured Certificate: Either a Class A-1 Certificate or a Class A-2 Certificate.

ARTICLE V

PAYMENTS TO CERTIFICATEHOLDERS

SECTION 5.01 Distributions on the Certificates.

(a) On each Distribution Date, the Paying Agent shall withdraw the Interest Collections from funds on deposit in the Distribution Account for such Distribution Date and make the following distributions in the order of priority set forth below:

- (i) To the Class A Certificate Insurer, accrued and unpaid Class A Certificate Insurer Premiums due with respect to the Class A Certificate Insurance Policy;
- (ii) to the Swap Provider, any Swap Provider Payment for such Distribution Date;
- (iii) to the Class A-1 Certificates and Class A-2 Certificates, pro rata based on amounts due, Current Interest and any Carryforward Interest for each such Class and such Distribution Date;
- (iv) to the Class A Certificate Insurer, any and all Class A Certificate Insurer Reimbursement Amounts;
- (v) to the Class M-1 Certificates, Current Interest and any Carryforward Interest for such Class and such Distribution Date;
- (vi) to the Class M-2 Certificates, Current Interest and any Carryforward Interest for such Class and such Distribution Date;
- (vii) to the Class M-3 Certificates, Current Interest and any Carryforward Interest for such Class and such Distribution Date;
- (viii) to the Class B-1 Certificates, Current Interest and any Carryforward Interest for such Class and such Distribution Date;
- (ix) to the Class B-2 Certificates, Current Interest and any Carryforward Interest for such Class and such Distribution Date;
- (x) to the Class B-3 Certificates, Current Interest and any Carryforward Interest for such Class and such Distribution Date;
- (xi) to the Class B-4 Certificates, Current Interest and any Carryforward Interest for such Class and such Distribution Date;
- (xii) to the Class B-5 Certificates, Current Interest and any Carryforward Interest for such Class and such Distribution Date; and

(xiii) for application as part of Monthly Excess Cashflow for such Distribution Date, as provided in Section 5.01(d), any such Interest Remittance Amount remaining after application pursuant to clauses (i) through (xii) above for such Distribution Date.

(b) On each Distribution Date (1) prior to the Stepdown Date or (2) with respect to which a Trigger Event has occurred, the Paying Agent shall withdraw the Principal Payment Amount from funds on deposit in the Distribution Account for such Distribution Date and distribute the Principal Payment Amount for such date in the following order of priority:

(i) To the Swap Provider, any Swap Provider Payment for such Distribution Date unpaid after distributions pursuant to clause (a)(ii) above;

(ii) to the Class A-1 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(iii) to the Class A-2 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(iv) to the Class A Certificate Insurer, any Class A Certificate Insurer Reimbursement Amounts, to the extent not paid pursuant to clause (a)(iv) above;

(v) to the Class M-1 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(vi) to the Class M-2 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(vii) to the Class M-3 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(viii) to the Class B-1 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(ix) to the Class B-2 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(x) to the Class B-3 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(xi) to the Class B-4 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(xii) to the Class B-5 Certificates, until the Class Principal Balance of such Class has been reduced to zero; and

(xiii) for application as part of Monthly Excess Cashflow for such Distribution Date, as provided in Section 5.01(d), any such Principal Payment Amount remaining after application pursuant to clauses (i) through (xii) above, for such Distribution Date.

(c) On each Distribution Date (1) on or after the Stepdown Date and (2) with respect to which a Trigger Event has not occurred for such Distribution Date, the Paying Agent shall withdraw the Principal Payment Amount from funds on deposit in the Distribution Account for such Distribution Date and distribute the Principal Payment Amount for such date in the following order of priority:

(i) To the Swap Provider, any Swap Provider Payment for such Distribution Date unpaid after distributions pursuant to clause (a)(ii) above;

(ii) to the Class A-1 Certificates, the Senior Principal Payment Amount for such Distribution Date until the Class Principal Balance of the Class A-1 Certificates have been reduced to zero;

(iii) to the Class A-2 Certificates, the Senior Principal Payment Amount for such Distribution Date until the Class Principal Balance of the Class A-2 Certificates have been reduced to zero;

(iv) to the Class A Certificate Insurer, any Class A Certificate Insurer Reimbursement Amounts, to the extent not paid pursuant to clause (a)(iv) above;

(v) to the Class M-1 Certificates, the M-1 Principal Payment Amount for such Distribution Date until the Class Principal Balance of the Class M-1 Certificates have been reduced to zero;

(vi) to the Class M-2 Certificates, the M-2 Principal Payment Amount for such Distribution Date until the Class Principal Balance of the Class M-2 Certificates have been reduced to zero;

(vii) to the Class M-3 Certificates, the M-3 Principal Payment Amount for such Distribution Date until the Class Principal Balance of the Class M-3 Certificates have been reduced to zero;

(viii) to the Class B-1 Certificates, the B-1 Principal Payment Amount for such Distribution Date until the Class Principal Balance of the Class B-1 Certificates have been reduced to zero;

(ix) to the Class B-2 Certificates, the B-2 Principal Payment Amount for such Distribution Date until the Class Principal Balance of the Class B-2 Certificates have been reduced to zero;

(x) to the Class B-3 Certificates, the B-3 Principal Payment Amount for such Distribution Date until the Class Principal Balance of the Class B-3 Certificates have been reduced to zero;

(xi) to the Class B-4 Certificates, the B-4 Principal Payment Amount for such Distribution Date until the Class Principal Balance of the Class B-4 Certificates have been reduced to zero;

(xii) to the Class B-5 Certificates, the B-5 Principal Payment Amount for such Distribution Date until the Class Principal Balance of the Class B-5 Certificates have been reduced to zero; and

(xiii) for application as part of Monthly Excess Cashflow for such Distribution Date, as provided in Section 5.01(d), any such Principal Payment Amount remaining after application pursuant to clauses (i) through (xii) above, for such Distribution Date.

(d) On each Distribution Date, the Paying Agent shall distribute the Monthly Excess Cashflow for such date in the following order of priority:

(i) To the Swap Provider, any Swap Provider Payment for such Distribution Date unpaid after distributions pursuant to clause (a)(ii) and either clause (b)(i) or (c)(i) above, as applicable;

(ii) (A) until the aggregate Class Principal Balance of the Certificates equals the Aggregate Collateral Balance for such Distribution Date minus the Targeted Overcollateralization Amount for such date, on each Distribution Date (a) prior to the Stepdown Date or (b) with respect to which a Trigger Event has occurred, to the LIBOR Certificates, in the following order of priority:

(1) to the Class A-1 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(2) to the Class A-2 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(3) to the Class M-1 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(4) to the Class M-2 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(5) to the Class M-3 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(6) to the Class B-1 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(7) to the Class B-2 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(8) to the Class B-3 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(9) to the Class B-4 Certificates, until the Class Principal Balance of such Class has been reduced to zero; and

(10) to the Class B-5 Certificates, until the Class Principal Balance of such Class has been reduced to zero;

(B) on each Distribution Date on or after the Stepdown Date and with respect to which a Trigger Event has not occurred, to fund any principal distributions required to be made on such Distribution Date pursuant to Section 5.01(c), after giving effect to the distribution of the Principal Payment Amount for such Distribution Date, in accordance with the priorities set forth therein;

(iii) to the Class A Certificate Insurer, any Class A Certificate Insurer Reimbursement Amounts, to the extent not paid pursuant to clause (a)(iv) and either clause (b)(iv) or (c)(iv) above, as applicable;

(iv) to the Class M-1 Certificates, any Deferred Amount for such Class, with interest thereon at the applicable Pass-Through Rate;

(v) to the Class M-2 Certificates, any Deferred Amount for such Class, with interest thereon at the applicable Pass-Through Rate;

(vi) to the Class M-3 Certificates, any Deferred Amount for such Class, with interest thereon at the applicable Pass-Through Rate;

(vii) to the Class B-1 Certificates, any Deferred Amount for such Class, with interest thereon at the applicable Pass-Through Rate;

(viii) to the Class B-2 Certificates, any Deferred Amount for such Class, with interest thereon at the applicable Pass-Through Rate;

(ix) to the Class B-3 Certificates, any Deferred Amount for such Class, with interest thereon at the applicable Pass-Through Rate;

(x) to the Class B-4 Certificates, any Deferred Amount for such Class, with interest thereon at the applicable Pass-Through Rate; and

(xi) to the Class B-5 Certificates, any Deferred Amount for such Class, with interest thereon at the applicable Pass-Through Rate;

(xii) to the Basis Risk Reserve Fund, the aggregate amount of any Basis Risk Shortfalls for such Distribution Date, which amounts shall be distributed by the Trustee, as Paying Agent, from the Basis Risk Reserve Fund, from funds then on deposit therein, in the following order of priority:

(A) to the Class A-1 Certificates, any applicable Basis Risk Shortfall for such Class;

(B) to the Class A-2 Certificates, any applicable Basis Risk Shortfall for such Class;

(C) to the Class M-1 Certificates, any applicable Basis Risk Shortfall for such Class;

(D) to the Class M-2 Certificates, any applicable Basis Risk Shortfall for such Class; and

(E) to the Class M-3 Certificates, any applicable Basis Risk Shortfall for such Class;

(F) to the Class B-1 Certificates, any applicable Basis Risk Shortfall for such Class;

(G) to the Class B-2 Certificates, any applicable Basis Risk Shortfall for such Class;

(H) to the Class B-3 Certificates, any applicable Basis Risk Shortfall for such Class;

(I) to the Class B-4 Certificates, any applicable Basis Risk Shortfall for such Class; and

(J) to the Class B-5 Certificates, any applicable Basis Risk Shortfall for such Class;

(xiii) to the Swap Provider, any Swap Termination Payments owed to the Swap Provider resulting from a Swap Provider Trigger Event;

(xiv) from remaining amounts distributed on the Class CE Interest, to the Class CE Certificates, the Class CE Distributable Amount for such Distribution Date provided that, on the Distribution Date in December 2011 (or the Final Distribution Date, if earlier), \$100 shall be distributed to the Class P Certificates as principal before any amounts are distributed pursuant to this clause (xi); and

(xv) to the Class R Certificate, any remaining amount, to the extent attributable to any REMIC formed hereunder.

(e) On each Distribution Date, the Trustee, as Paying Agent, shall distribute the aggregate of all Prepayment Premiums for Mortgage Loans collected or paid by a Servicer and received by the Trustee with respect to the preceding Prepayment Period (including amounts deposited in connection with the full or partial waiver of such Prepayment Premiums pursuant to Section 3.20) to the holders of the Class P Certificates.

(f) Distributions pursuant to Section 5.01(d)(x) on any Distribution Date shall be made after giving effect to withdrawals from the Swap Account on such date to pay any Basis Risk Shortfalls. Distributions pursuant to Section 5.01(d)(ii)-(ix) on any Distribution Date shall be made after giving effect to any withdrawals from the Swap Account on such date to pay any Deferred Amounts.

SECTION 8.04 Waiver of Servicer Events of Default.

The Holders representing at least 66% of the Voting Rights evidenced by all Classes of Certificates affected by a Servicer Event of Termination hereunder and the Class A Certificate Insurer, may waive a Servicer Event of Termination; provided, however, that a Servicer Event of Termination under clause (i) or (vi) of Section 8.01 may be waived only by all of the Holders of the Regular Certificates and the Class A Certificate Insurer. Upon any such waiver of a Servicer Event of Termination, such default shall cease to exist and shall be deemed to have been remedied for every purpose hereunder; provided that nothing herein shall be construed to impair the right of the Servicing Rights Pledgee to obtain the designation of a successor Servicer pursuant to Sections 8.01 or 8.02 hereof. No such waiver shall extend to any subsequent Servicer Event of Termination or impair any right consequent thereon except to the extent expressly so waived.

ARTICLE IX

CONCERNING THE TRUSTEE

SECTION 9.01 Duties of Trustee.

The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Agreement as duties of the Trustee. During the continuance of a Servicer Event of Termination, the Trustee shall exercise such of the rights and powers vested in it by this Agreement, and use the same degree of care and skill in its exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs. Any permissive right of the Trustee enumerated in this Agreement shall not be construed as a duty.

The Trustee, upon receipt of all resolutions, certificates, statements, opinions, reports, documents, orders or other instruments furnished to it, which are specifically required to be furnished pursuant to any provision of this Agreement, shall examine them to determine whether they conform on their face to the requirements of this Agreement. If any such instrument is found not to conform on its face to the requirements of this Agreement, the Trustee shall take such action as it deems appropriate to have the instrument corrected, and if the instrument is not corrected to its satisfaction, the Trustee will provide notice to the Certificateholders. Notwithstanding the foregoing, the Trustee shall have no obligation to reconcile, recompute or recalculate any remittances or reports of the Servicers, and the Trustee may fully rely upon and shall have no liability with respect to information provided to it by a Servicer.

The Trustee shall promptly remit to the Servicers any complaint, claim, demand, notice or other document (collectively, the "Notices") delivered to the Trustee as a consequence of the assignment of any Mortgage Loan hereunder and relating to the servicing of the Mortgage Loans; provided that any such notice (i) is delivered to a Responsible Officer of the Trustee at its Corporate Trust Office, and (ii) contains information sufficient to permit the Trustee to make a determination that the real property to which such document relates is a Mortgaged Property. The Trustee shall have no duty hereunder with respect to any Notice it may receive or which may be alleged to have been delivered to or served upon it unless such Notice is delivered to a

Responsible Officer of or served upon it at its Corporate Trust Office and such Notice contains the information required pursuant to clause (ii) of the preceding sentence.

On each Distribution Date, the Trustee, as Paying Agent, shall make monthly distributions and the final distribution to the Certificateholders from funds in the Distribution Account as provided in Sections 5.01 and 10.02 herein.

No provision of this Agreement shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct; provided, however, that:

(i) The duties and obligations of the Trustee shall be determined solely by the express provisions of this Agreement; the Trustee shall not have any duties or obligations except for such duties and obligations as are specifically set forth in this Agreement; no implied covenants or obligations shall be read into this Agreement against the Trustee and, in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee that conform to the requirements of this Agreement;

(ii) The Trustee shall not be liable for an error of judgment made in good faith by a Responsible Officer of the Trustee unless it shall be proved that the Trustee was negligent in ascertaining or investigating the facts related thereto;

(iii) The Trustee shall not be personally liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the consent or at the direction of Holders of Certificates as provided herein relating to the time, method and place of conducting any remedy pursuant to this Agreement, or exercising or omitting to exercise any trust or power conferred upon the Trustee under this Agreement; and

(iv) The Trustee shall not be required to expend or risk its own funds or otherwise incur financial or other liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if there is reasonable ground for believing that the repayment of such funds or indemnity satisfactory to it against such risk or liability is not assured to it, and none of the provisions contained in this Agreement shall in any event require the Trustee to perform, or be responsible for the manner of performance of, any of the obligations of the Servicers or the Custodian under this Agreement.

SECTION 9.02 Certain Matters Affecting the Trustee.

(a) Except as otherwise provided in Section 9.01:

(i) The Trustee may request and conclusively rely upon, and shall be fully protected in acting or refraining from acting upon, any resolution, Officers' Certificate, certificate of auditors or any other certificate, statement, instrument, opinion, report, notice, request, consent, order, appraisal, bond or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or

Ambac

Certificate Guaranty Insurance Policy

Ambac Assurance Corporation
One State Street Plaza, 18th Floor
New York, New York 10004
Tel: phone: 212-668-0340

Insured Obligations:

**Owinit Mortgage Trust 2006-OT1
Asset-Backed Certificates, Series 2006-OT1,
Class A-1 and Class A-2 Certificates**

Policy Number: AB1051BE

Premium:

**As specified in the endorsement
attached hereto and made a part
hereof.**

Ambac Assurance Corporation (Ambac), a Wisconsin stock insurance corporation, in consideration of the payment of the premium and subject to the terms of this Policy, hereby agrees unconditionally and irrevocably to pay to the Trustee for the benefit of the Holders of the Insured Obligations, that portion of the Insured Amounts which shall become Due for Payment but shall be unpaid by reason of Nonpayment.

Ambac will make such payments to the Trustee from its own funds on the later of (a) one (1) Business Day following notification to Ambac of Nonpayment or (b) the Business Day on which the Insured Amounts are Due for Payment. Such payments of principal or interest shall be made only upon presentation of an instrument of assignment in form and substance satisfactory to Ambac, transferring to Ambac all rights under such Insured Obligations to receive the principal of and interest on the Insured Obligation. Ambac shall be subrogated to all the Holders' rights to payment on the Insured Obligations to the extent of the insurance disbursements so made. Once payments of the Insured Amounts have been made to the Trustee, Ambac shall have no further obligation hereunder in respect of such Insured Amounts.

In the event the Trustee for the Insured Obligations has notice that any payment of principal or interest on an Insured Obligation which has become Due for Payment and which is made to a Holder by or on behalf of the Trustee has been deemed a preferential transfer and therefore recovered from its Holder pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court of competent jurisdiction, such Holder will be entitled to payment from Ambac to the extent of such recovery if sufficient funds are not otherwise available.

This Policy is noncancelable by Ambac for any reason, including failure to receive payment of any premium due hereunder. The premium on this Policy is not refundable for any reason. This Policy does not insure against loss of any prepayment or other acceleration payment which at any time may become due in respect of any Insured Obligation, other than at the sole option of Ambac, nor against any risk other than Nonpayment, including failure of the Trustee to make any payment due Holders of Insured Amounts.

To the fullest extent permitted by applicable law, Ambac hereby waives and agrees not to assert any and all rights and defenses, to the extent such rights and defenses may be available to Ambac, to avoid payment of its obligations under this Policy in accordance with the express provisions hereof.

Any capitalized terms not defined herein shall have the meaning given such terms in the endorsement attached hereto or in the Agreement.

In witness whereof, Ambac has caused this Policy to be affixed with its corporate seal and to be signed by its duly authorized officers in facsimile to become effective as their original signatures and binding upon Ambac by virtue of the countersignature of its duly authorized representative.

President



Secretary

Authorized Representative

Effective Date: December 8, 2006



CERTIFICATE GUARANTY INSURANCE POLICY ENDORSEMENT

Attached to and forming part of
Certificate Guaranty Insurance Policy # AB1051BE
issued to:

Effective Date of Endorsement:
December 8, 2006

LaSalle Bank National Association
as Trustee for the Holders of
Ownit Mortgage Trust, 2006-OT1, Asset-Backed
Certificates, Series 2006-OT1, Class A-1 and Class A-
2 Certificates

For all purposes of the Policy, the following terms shall have the following meanings:

"Agreement" shall mean, for purposes of the Policy, the Pooling and Servicing Agreement.

"Business Day" means any day other than (a) a Saturday or a Sunday (b) a day on which the Certificate Insurer is closed or (c) a day on which banking institutions in New York City or in the city in which the corporate trust office of the Trustee is located are authorized or obligated by law or executive order to close.

"Certificate Insurer" means Ambac Assurance Corporation, a Wisconsin-domiciled stock insurance corporation, or any successor thereto, as issuer of the Policy.

"Current Interest" shall have the meaning set forth in the Agreement.

"Deficiency Amount" shall mean (a) for any Distribution Date, the excess, if any, of (1) the sum of Current Interest on the Insured Certificates over (2) the Interest Collections available for such Distribution Date to pay the Current Interest on the Insured Certificates and (b) for the Final Distribution Date, the outstanding Class Principal Balance of the Insured Certificates, after giving effect to all payments of principal on the Insured Certificates on such Final Distribution Date, other than pursuant to a claim on the Policy on that Distribution Date.

"Distribution Date" shall mean the 25th calendar day of each month or, if such day is not a Business Day, the immediately succeeding Business Day, beginning on the First Distribution Date.

"Due for Payment" shall mean, (i) with respect to an Insured Amount, the Distribution Date on which Insured Amounts are due and payable pursuant to the terms of the Agreement and (ii) with respect to a Preference Amount, the Business Day on which the documentation required by the Certificate Insurer has been received by the Certificate Insurer.

"Final Distribution Date" shall mean the Distribution Date occurring in October 2037.

"First Distribution Date" shall mean December 26, 2006.

"Holder" shall mean the registered owner or beneficial owner of any Certificate, but shall not include the trustee, the seller, any servicer, the depositor, the issuer or any of their affiliates.

"Insurance Agreement" shall mean the Insurance and Indemnity Agreement, dated as of December 8, 2006 by and among the Certificate Insurer, Terwin Securitization LLC, as depositor, Terwin Advisors LLC, as seller, and the Trustee, as such agreement may be amended, modified or supplemented from time to time.

"Insured Amounts" means, with respect to any Distribution Date and the Insured Certificates, the Deficiency Amount for such Distribution Date.

"Insured Certificates" shall mean the Ownit Mortgage Trust 2006-OT1, Asset-Backed Certificates, Series 2006-OT1, consisting of the Class A-1 Certificates and Class A-2 Certificates, substantially in the form set forth in Exhibit A-1 to the Agreement.

"Insured Payments" means, the aggregate amount actually paid by the Certificate Insurer to the Trustee in respect of (i) Insured Amounts for a Distribution Date and (ii) Preference Amounts for any given Business Day.

"Issuer" means Ownit Mortgage Trust 2006-OT1.

"Late Payment Rate" shall mean for any Distribution Date, the lesser of (a) the greater of (i) the rate of interest, as it is publicly announced by Citibank, N.A. at its principal office in New York, New York as its prime rate (any change in such rate of interest to be effective on the date such change is announced by Citibank, N.A.) plus 2% and (ii) the then applicable highest rate of interest on the Insured Certificates, and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

"Nonpayment" shall mean, with respect to any Distribution Date, an Insured Amount is Due for Payment but has not been paid pursuant to the Agreement.

"Notice" shall mean the telephonic or telegraphic notice, promptly confirmed in writing by telecopy substantially in the form of Exhibit A to the Policy, the original of which is subsequently delivered by registered or certified mail, from the Trustee specifying the Insured Amount or Preference Amount which shall be due and owing on the applicable Distribution Date.

"Policy" shall mean the Certificate Guaranty Insurance Policy together with each and every endorsement hereto.

"Pooling and Servicing Agreement" shall mean the Pooling and Servicing Agreement, dated as of December 1, 2006 by and among Terwin Securitization LLC, as the depositor, Terwin Advisors LLC, as the seller, Specialized Loan Servicing LLC, as a servicer, Litton Loan Servicing, L.P., as a servicer and the Trustee, as such agreement may be amended, modified or supplemented from time to time.

"Preference Amount" means any payment of principal or interest previously distributed to a Holder on a Certificate, which would have been covered under the Policy as an Insured Amount, which has been deemed a preferential transfer and was previously recovered from its owner pursuant to the United States Bankruptcy Code in accordance with a final, non-appealable order of a court of competent jurisdiction.

"Premium" shall mean the amount payable to the Certificate Insurer on each Distribution Date calculated at the Premium Percentage.

"Premium Percentage" shall have the meaning set forth in the Insurance Agreement.

"Reimbursement Amount" shall mean, as to any Distribution Date, the sum of (i) all amounts paid by the Certificate Insurer under the Policy which have not been previously reimbursed, (ii) all unpaid Premiums, (iii) all amounts due to the Certificate Insurer under the Agreement and the Insurance Agreement and (iv) interest on the amounts described in clauses (i) – (iii) unpaid on prior Distribution Dates at the Late Payment Rate.

"Relief Act Shortfalls" shall mean interest shortfalls resulting from the application of the Servicemembers Civil Relief Act, as amended, or any similar state law.

"Trustee" shall mean LaSalle Bank National Association, in its capacity as Trustee under the Agreement, or if any successor Trustee or any co-trustee shall be appointed as provided therein, then "Trustee" shall also mean such successor trustee or such co-trustee, as the case may be, subject to the provisions thereof.

Capitalized terms used herein as defined terms and not otherwise defined herein shall have the meaning assigned to them in the Insurance Agreement and the Agreements, without regard to any amendment or modification thereof, unless such amendment or modification has been approved in writing by the Certificate Insurer.

Notwithstanding any other provision of the Policy, the Certificate Insurer will pay any Insured Amount payable hereunder no later than 12:00 noon, New York City time, on the later of (i) the Distribution Date on which the related Insured Amount is Due for Payment and (ii) the third Business Day following receipt in New York, New York on a Business Day by the Certificate Insurer of a Notice at the address and in the manner provided in Section 6.02 of the Insurance Agreement; provided that, if such Notice is received after 12:00 noon, New York City time, on such Business Day, it shall be deemed to be received on the following Business Day. If any such Notice is not in proper form or is otherwise insufficient for the purpose of making a claim under the Policy, it shall be deemed not to have been received for purposes of this

paragraph, and the Certificate Insurer shall promptly so advise the Trustee and the Trustee may submit an amended or corrected Notice.

The Certificate Insurer shall pay any Preference Amount when due to be paid pursuant to the Order (as defined below), but in any event no earlier than the third Business Day following receipt by the Certificate Insurer of (i) a certified copy of a final, non-appealable order of a court or other body exercising jurisdiction in such insolvency proceeding to the effect that the Trustee, or Holder, as applicable, is required to return such Preference Amount paid during the term of the Policy because such payments were avoided as a preferential transfer or otherwise rescinded or required to be restored by the Trustee or Holder (the "Order"), (ii) a certificate by or on behalf of the Trustee or Holder that the Order has been entered and is not subject to any stay, (iii) an assignment, in form and substance satisfactory to the Certificate Insurer, duly executed and delivered by the Trustee or Holder, irrevocably assigning to the Certificate Insurer all rights and claims of the Trustee or Holder relating to or arising under the Agreement against the estate of the Trustee or otherwise with respect to such Preference Amount and (iv) a Notice (in the form attached hereto as Exhibit A) appropriately completed and executed by the Trustee; provided, that if such documents are received after 12:00 noon, New York City time, on such Business Day, they will be deemed to be received on the following Business Day; provided, further, that the Certificate Insurer shall not be obligated to make any payment in respect of any Preference Amount representing a payment of principal on the Insured Certificates prior to the time the Certificate Insurer would have been required to make a payment in respect of such principal pursuant to the first paragraph of the face of the Policy. Such payment shall be disbursed to the receiver, conservator, debtor-in-possession or trustee in bankruptcy named in the Order, and not to the Holder directly, unless the Holder has made a payment of the Preference Amount to the court or such receiver, conservator, debtor-in-possession or trustee in bankruptcy named in the Order, in which case the Certificate Insurer will pay the Holder, subject to the delivery of (a) the items referred to in clauses (i), (ii), (iii) and (iv) above to the Certificate Insurer and (b) evidence satisfactory to the Certificate Insurer that payment has been made to such court or receiver, conservator, debtor-in-possession or trustee in bankruptcy named in the Order.

The Certificate Insurer shall be subrogated to the rights of each Holder to the extent of any payment by the Certificate Insurer under the Policy.

The Certificate Insurer hereby agrees that if it shall be subrogated to the rights of Holders by virtue of any payment under the Policy, no recovery of such payment will occur unless the full amount of the Holders' allocable distributions for such Distribution Date can be made. In so doing, the Certificate Insurer does not waive its rights to seek full payment of all Reimbursement Amounts owed to it under the Insurance Agreement and the Agreements.

The Policy does not cover Prepayment Interest Shortfalls, Basis Risk Shortfalls or the application of the Relief Act or similar state laws, allocated to the Insured Certificates, nor does the Policy guarantee to the Holders of the Insured Certificates any particular rate of principal payment. In addition, the Policy does not cover shortfalls, if any, attributable to the liability of the Issuer, any REMIC, the Trustee or any Holder for withholding taxes, if any, (including interest and penalties in respect of any liability for withholding taxes) or any risk other than Nonpayment, including the failure of the Trustee to make any payment required under the Agreements to the Holders of the Insured Certificates. The Policy will not cover any reduction

in the amount of Current Interest payable to the holders of the Insured Certificates on any Distribution Date due to the Interest Rate for the Insured Certificates exceeding the Net Funds Cap for the Insured Certificates on such Distribution Date.

The terms and provisions of the Agreement constitute the instrument of assignment referred to in the second paragraph of the face of the Policy.

A premium will be payable on the Policy on each Distribution Date as provided in Section 5.01 of the Agreement, beginning with the First Distribution Date, in an amount equal to the Premium.

THE INSURANCE PROVIDED BY THE POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAWS.

The Policy to which this endorsement is attached and of which it forms a part is hereby amended to provide that there shall be no acceleration payment due under the Policy unless such acceleration is at the sole option of the Certificate Insurer.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

To the extent the provisions of this endorsement conflict with the provisions in the above-mentioned Policy, the provisions of this endorsement shall govern.

The Policy and the obligations of the Certificate Insurer thereunder shall terminate without any action on the part of the Certificate Insurer or any other person on the date that is one year and one day following the earlier to occur of (i) the date on which all amounts required to be paid on the Insured Certificates have been paid in full and (ii) the Final Distribution Date for the Insured Certificates. Upon termination of the Policy, the Trustee shall forthwith deliver the original of the Policy to the Certificate Insurer.

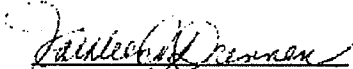
No person other than the Trustee shall be entitled to present the Notice.

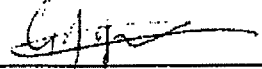
No waiver of any rights or powers of the Certificate Insurer, the Holders or the Trustee or consent by any of them shall be valid unless signed by an authorized officer or agent thereof.

The Certificate Insurer's obligations under the Policy will be discharged to the extent that funds are received by the Trustee from the Certificate Insurer for payment to the holders of the Insured Certificates whether or not those funds are properly paid by the Trustee. Payments of Insured Amounts will be made only at the time set forth in the Policy, and no accelerated payments of Insured Amounts will be made regardless of any acceleration of the Insured Certificates, unless the acceleration is at the sole option of the Certificate Insurer.

The Policy is issued under and pursuant to, and shall be construed in accordance with, the laws of the State of New York, without giving effect to the conflict of laws principles thereof.

IN WITNESS WHEREOF, Ambac Assurance Corporation has caused this endorsement to the Policy to be signed by its duly authorized officers.


Assistant Secretary


Vice President

Gary Gal
Vice President

EXHIBIT A
TO THE CERTIFICATE GUARANTY INSURANCE POLICY
Policy No. AB1051BE

**NOTICE OF NONPAYMENT AND DEMAND
FOR PAYMENT OF INSURED AMOUNTS**

Date: []

Ambac Assurance Corporation
One State Street Plaza
New York, New York 10004
Attention: General Counsel

Reference is made to Certificate Guaranty Insurance Policy No. AB1051BE (the "Policy") issued by Ambac Assurance Corporation ("Ambac"). Terms capitalized herein and not otherwise defined shall have the meanings specified in the Policy and the Pooling and Servicing Agreement, dated as of December 1, 2006 by and among Terwin Securitization LLC, as the depositor, Terwin Advisors LLC, as the seller, Specialized Loan Servicing LLC, as a servicer, Litton Loan Servicing, L.P., as a servicer and LaSalle Bank National Association, as the trustee, as the case may be, unless the context otherwise requires.

The Trustee hereby certifies as follows:

1. The Trustee is the Trustee under the Agreement for the Holders.
2. The relevant Distribution Date is [date].
3. Payment on the Insured Certificates in respect of the Distribution Date is due to be received on _____ under the Agreement, in an amount equal to \$ _____.
4. There is an [Insured Amount] [Preference Amount] of \$ in respect of the Insured Certificates, which amount is Due for Payment pursuant to the terms of the Agreement.]
5. The Trustee has not heretofore made a demand for the Insured Amount in respect of the Distribution Date.
6. The Trustee hereby requests the payment of the [Insured Amount] [Preference Amount] that is Due for Payment be made by Ambac Assurance Corporation under the Policy and directs that payment under the Policy be made to the following account by bank wire transfer of federal or other immediately available funds in accordance with the terms of the Policy to: _____ (Trustee's account number).

A-1

7. The Trustee hereby agrees that, following receipt of the [Insured Amount] [Preference Amount] from Ambac Assurance Corporation, it shall (a) hold such amounts in trust and apply the same directly to the distribution of payment on the Insured Certificates when due; (b) not apply such funds for any other purpose; (c) deposit such funds to the Class A Certificate Insurer Account and not commingle such funds with other funds held by the Trustee; and (d) maintain an accurate record of such payments with respect to each certificate and the corresponding claim on the Policy and proceeds thereof.

ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION.

LASALLE BANK NATIONAL
ASSOCIATION, as Trustee

By: _____

Title: _____