SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

In the Matter of the Rehabilitation of FINANCIAL GUARANTY INSURANCE COMPANY,	Index No. 401265/2012 Doris Ling-Cohan, J. Motion Sequence No. 016

AFFIDAVIT OF SETH ROBBINS IN SUPPORT OF FYI LTD., FFI FUND LTD. AND OLIFANT FUND, LTD.'S LIMITED OBJECTION TO THE REHABILITATOR'S MOTION TO (A) APPROVE SETTLEMENT AGREEMENT[1] AND (B) APPROVE PLAN SUPPORT AGREEMENT AND FOR RELATED RELIEF

STATE OF MASSACHUSETTS)
) SS.:
COUNTY OF SUFFOLK)

SETH ROBBINS, being duly sworn, deposes and states:

1. I make this affidavit as the limited objection of FYI Ltd., FFI Fund Ltd. and Olifant Fund, Ltd. (collectively referred to as the "Funds") to the motion of Benjamin W. Lawsky, Superintendent of Financial Services of the State of New York, as the court-appointed rehabilitator (the "Rehabilitator") of Financial Guaranty Insurance Company ("FGIC") to Approve the Settlement Agreement, Approve the Plan Support Agreement and entry of the Proposed Order to Show Cause (the "Motion") and to compel The Bank of New York Mellon Trust Company, N.A., as Trustee (the "Trustee") of the GMACM Home Equity Loan Trust 2006-HE1 (the "Trust"), to (a) disclose to all relevant Investors, including the Funds, the data it used to calculate the Trust Payment Amount allocated as due to the Trust so that all Investors have an opportunity to review such Allocation for accuracy and compliance with the Allocation Methodology set forth in the Settlement Agreement, and (b) to recalculate the Trust Payment

[1] All capitalized terms not defined herein shall have the meaning ascribed to them in the Affirmation of Gary T. Holtzer, dated May 29, 2013.

Amount in the event of clear error, without any further objections or filings required by any of the relevant Investors.

2. I am a member of a limited liability company that manages the Funds in its capacity as investment manager. In this capacity, I have investment authority with respect to the Funds. I am therefore familiar with the details of the Funds' investments, including their position as noteholders in the Trust which is identified at Exhibit B to the Settlement Agreement. Based on my activities in connection with the Funds, and my review of pertinent business records and other documents discussed below, I have personal knowledge of the following facts.

3. Although the Funds do not object to the Settlement Agreement itself, this limited objection is filed because the Funds believe, based on the pleadings in this case and information previously disclosed by the Trustee to the relevant Investors, including the Funds, that the Trustee's calculation of the portion of the $253.3 million Payment Amount to be allocated to the Trust (the "Allocation") is clearly erroneous as a matter of simple math. Despite the Funds' timely request to the Trustee for an explanation as to how it calculated the Allocation (the "Calculation")[2], the Trustee has refused to provide said information. Thus, the Funds are compelled to interpose this limited objection to protect their interests as beneficiaries of the Trust and expected recipients of the proceeds allocated to the Trust as a result of the Settlement Agreement. Moreover, given the Trustee's apparent error and the nature and breadth of the releases being given to the Trustee, the Trustee should be compelled to disclose to the relevant Investors, including the Funds, the data it used to calculate the Trust Payment Amount allocated by the Trustee as due to the Trust so that all relevant Investors have an opportunity to review such Allocation for accuracy and compliance with the Allocation Methodology set forth in the

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[2] The Funds file this limited objection only in their capacity as beneficiaries under the Trust that will ultimately be the recipient of a share of the proposed Allocation and are not taking any action on behalf of the Trust itself.

Settlement Agreement. Furthermore, if, as the Funds believe, a clear mathematical error has been made, the Trustee should be compelled to recalculate the Trust Payment Amount without any further objections or filings required by any of the relevant Investors.

4. Section 2.02 of the Settlement Agreement provides, in pertinent part, that:

> [t]he Trustees, in consultation with their advisors, shall have sole and exclusive authority to determine each Payment Amount payable to a Trust, such determination to be made in accordance with the allocation methodology set forth in Exhibit F hereto. The sum of all Payment Amounts shall not exceed $253.3 million. The Trustees shall notify FGIC in writing of the Payment Amount for each Trust on or before July 3, 2013. . . .

(the "Allocation Methodology").

5. The Allocation Methodology set forth in Exhibit F to the Settlement Agreement, provides that:

> 1. Each Trust's Payment Amount[ ] shall be determined solely by the Trustees pursuant to the advice of a qualified financial advisor, retained in the sole discretion of the Trustees and upon whose advice the Trustees may conclusively rely, using the methodology set forth below:
>
> (a) Each Trust's Payment Amount shall be equal to the aggregate Payment Amounts to all Trusts (the "Aggregate Payment Amount") multiplied by that Trust's Allocable Share of the Aggregate Payment Amount.
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> (b) Each Trust's Allocable Share of the Aggregate Payment Amount shall be equal to: the sum of that Trust's Accrued and unpaid claims under the Policies plus the estimated future claims under the Policies; divided by the sum of each and every Trust's accrued and unpaid claims under the Policies plus estimated future claims under the Policies.
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> 2. The Payment Amount to a Trust shall be treated as amounts paid by FGIC on account of claims under the Policies under the terms of the Governing Agreement for that Trust.

> 3. Nothing in this Settlement Agreement amends or modifies in any way any provisions of any Governing Agreement.

6. The Aggregate Payment Amount pursuant to the Settlement Agreement is $253.3 million. *See* Settlement Agreement, §2.02 (Exhibit B to the Motion).

7. In November 2009, the Trust first incurred losses which were reported to FGIC as its insurer. Based upon remittance reports issued monthly by the Trustee, the Trust's principal realized losses (i.e., accrued and unpaid claims under the policies) from November 2009 through March 25, 2013 total $73,049,650.94. Copies of the Trustee's monthly remittance reports stating the monthly principal losses incurred by the Trust from November 1, 2009 through March 25, 2013 are collectively annexed as Exhibit A. A spreadsheet prepared on behalf of the Funds showing the simple calculation of the sum of the total monthly principal losses incurred by the Trust from November 1, 2009 through March 25, 2013, based upon and as set forth on the Trustee's monthly remittance reports, is annexed as Exhibit B.

8. According to the pleadings filed by the Rehabilitator in support of the Motion, the sum of all trusts' accrued and unpaid claims ($789 million) plus estimated future claims (no less than $400 million) under the Policies total no less than $1.189 billion. *See* Holtzer Aff. in support of the Motion at ¶5.

9. On or about July 10, 2013, the Funds were notified by the Trustee that the Allocation of the portion of the Payment Amount that the Trust will receive will be $10,608,971.

10. Upon receipt of the Allocation from the Trustee, we, on behalf of the Funds, attempted to understand the Trustee's Calculation using the Allocation Methodology set forth in Exhibit F to the Settlement Agreement. In doing so, we, on behalf of the Funds, utilized the total reported losses attributed to the Trust as reported in the Trust's monthly remittance reports

($73,049,650.94) and the total accrued and future loses attributed to all of the trusts as reported by the Rehabilitator in its pleadings ($1,189,000,000). Because the Funds were not given information from the Trustee as to the amount of future losses that were utilized as part of the Calculation in order to confirm the math, we assumed the most conservative position, which is that they are zero, solely for the purposes of this analysis. This assumption is, of course, incorrect given that the Trustee has already reported Trust losses accruing after the Settlement cutoff date of $377,539.91 since March 25, 2013. What is evident under even the most rudimentary calculation, utilizing only information provided by the Trustee and the Rehabilitator's pleadings in the case, is that the Allocation of $10,608,971 reported by the Trustee is a mathematical impossibility. As set forth in the calculation attached as Exhibit C, the Allocation should be no less than $15,562,217.48, using the improbable conservative assumption that the Trust is entitled to zero for future losses, a significant discrepancy of nearly $5 million from the Trustee's Allocation.

11. The nature and extent of this obvious calculation error alone should compel the Trustee to further elucidate how it calculated its proposed Allocation and to correct what is an obvious calculation error.

12. To further illustrate the incongruity of the Trustee's Allocation with the figures provided by the Trustee and the Rehabilitator, attached as Exhibit D is a spreadsheet of calculations generated using the Intex Solutions, Inc. ("Intex") database which include some reasonable assumptions about the quantum of future losses that may be attributed to the Trust. Intex is the "the world's leading provider of structured fixed-income cash flow models and related analytical software" (*see* http://www.intex.com/main/company.php). Additionally,

> Intex provides the industry's most complete library of RMBS, ABS, CMBS, CDO, CLN and Covered Bond deal models, created

> and maintained for accurate cash flow projections and price/yield analytics. Intex supports deals issued in North America, Europe, Australia, Japan and other regions of the globe. Since 1990, Intex has modeled nearly every public deal and numerous privately issued deals, and creates ongoing updates for each deal each month or quarter using investor reports and, when available, loan- or asset-level information obtained directly from trustees, servicers and issuers.

Id.

13. The allocation calculations detailed on Exhibit D consist of three potential factual scenarios concerning future losses within the Trust: (a) a base case with future losses, (b) a stress case for future losses, and (c) an improvement from the base case. The last row on each column, labeled "GMACM 06-HE1 Payment Amount," reflects what the Trust Payment Amount in each scenario would be using the Allocation Methodology set forth in the Exhibit F to the Settlement utilizing various assumptions.

14. The scenarios presented on Exhibit D include actual losses incurred after the Settlement Agreement cut-off and make assumptions about expected future losses, conditional prepayment rates[3], constant default rates[4], loss severity[5], no servicer advances being made on

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[3] Conditional Prepayment Rate ("CPR") is defined as a loan prepayment rate that is equal to the proportion of the principal of a pool of loans that is assumed to be paid off prematurely in each period. The calculation of this estimate is based on a number of factors such as historical prepayment rates for previous loans that are similar to ones in the pool and on future economic outlooks. *See* www.investopedia.com. In connection with this Trust, the trailing six month performance average for CPR is 10.91%.

[4] Constant Default Rate ("CDR") is defined as an annualized rate of default on a group of mortgages, typically within a collateralized product such as a mortgage-backed security (MBS). The constant default rate represents the percentage of outstanding principal balances in the pool that are in default, which typically equates to the home being past 60-day and 90-day notices and in the foreclosure process. *See* www.investopedia.com. In connection with this Trust, the trailing six month performance average for CDR is 4.66%.

[5] Loss Severity is defined as the present value of lifetime losses (both interest and principal losses) as a percentage of principal balance. *See* www.derivactiv.com. In connection with this Trust, the trailing six month performance average for Loss Severity is 91.36%. However, the likelihood of any recoveries on the mortgage backed securities in the Trust is likely 0% rather than 10% given that the Trust holds only second lien positions at best on each of the loans.

delinquent loans, no weighted average coupon[6] erosion, and no balloon extensions of principal amounts. Although the Funds understand that the Trustee has latitude in developing an estimate of future losses and do not purport to have a superior methodology to do so, we believe that the scenarios in Exhibit D represent a range of loss outcomes that a reasonable person might forecast, given that they include predictions of future losses for the Trust (some of which have already occurred) and are based on the Trust's own historical information.

15. Scenario 1 on Exhibit D is what we have labeled the "base case" for these purposes. This scenario includes actual losses of $377,539.91 incurred since March 31, 2013 (after the cutoff date provided in the Settlement Agreement), estimated anticipated future losses of $38,858,224.00 (beginning June 25, 2013), with a CPR of 10%, CDR of 5% and Loss Severity of 90%.[7] Under this scenario, the Trust Payment Amount using the Allocation Methodology should be no less than $23,920,854.15, a discrepancy of more than $13 million from the Trust's Allocation.

16. Scenario 2 on Exhibit D, labeled "Some Stress," includes actual future losses of $377,539.91 incurred since March 31, 2013, estimated anticipated future losses of $51,651,611.00 (beginning June 25, 2013), with a CPR of 10%, CDR of 5% (increasing to 6.25% over a period of 60 months) and Loss Severity of 90%. Under this scenario, the Trust Payment Amount using the Allocation Methodology should be no less than $26,646,308.25, a discrepancy of more than $16 million from the Trust's Allocation.

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[6] Weighted Average Coupon (WAC) is defined as the weighted-average gross interest rates of the pool of mortgages that underlie a mortgage-backed security at the time the securities were issued. A mortgage-backed security's current WAC can differ from its original WAC as the underlying mortgages pay down at different speeds. In the weighted-average calculation, the principal balance of each underlying mortgage is used as the weighting factor. *See* www.investopedia.com.

[7] As indicated in Exhibit B, the trailing six month performance averages are 10.91% CPR for prepayments, 4.66% CDR for defaults, and 91.36% for loss severity.

17. Scenario 3 on Exhibit D, labeled "Some Improvement," includes actual future losses of $377,539.91 incurred since March 31, 2013, estimated anticipated future losses of $25,029,325.00 (beginning June 25, 2013), with a CPR of 10%, CDR of 5% (decreasing to 3.75% over a period of 60 months) and Loss Severity of 90%. Under this scenario, the Trust Payment Amount using the Allocation Methodology should be no less than $20,974,798.54, a discrepancy of more than $10 million from the Trust's Allocation.

18. Based upon the forgoing, and in the absence of the specific numbers used in the Calculation from the Trustee, it appears to the Funds that the Trustee's proposed Allocation cannot be logically or mathematically correct given the information currently available. Consequently, in an effort to avoid the need for this limited objection, and to determine whether the gross disparity in the Calculation was the result of a simple arithmetic error, on July 10, 2013, we, on behalf of the Funds, contacted the Trustee to inquire how the Allocation was calculated.

19. Specifically, we asked the Trustee, "Are you able to send us the numerator and/or denominator? I guess that's the issue we have, we feel that one of those is different than what we would reasonably expect." See email exchange between the Funds and the Trustee annexed as Exhibit E.

20. The Trustee responded by not answering the straightforward inquiry and instead stated that, "[c]urrently we are not disclosing the supporting calculations - it would not amount to full and equal dissemination of information among all investors of these securities." Id.

21. The Trustee's refusal to provide the information requested by the Funds is concerning. First, the Settlement Agreement provides broad releases including to all Trustees of the underlying Trusts from parties such as the Funds. In other words, this is the only opportunity

for investors, who have already suffered millions in losses and expect to suffer greater losses moving forward, to be heard before their claims are released. Before the Funds are bound to such a release, the Trustee should, at the very least, provide the information requested to all relevant Investors, including the Funds so that the accuracy of the Calculation can be confirmed. Second, if the Trustee's proposed Allocation is incorrect, as it appears to be as a matter of simple mathematics, then similar calculations to other Trust Payment recipients would be affected (i.e., all calculations made by the Trustees must be incorrect if this calculation is incorrect given that there is a discrete pool of funds for distribution under the Settlement Agreement).

22. To be clear, by interposing this limited objection, the Funds are not objecting to the Settlement itself, or the Allocation Methodology employed by the Trustee as set forth in Exhibit F to the Settlement Agreement. Rather, given that the Trustee's calculations cannot be rationally justified based upon the information disseminated by the Trustee and the statements made in the pleadings in this case, the Funds seek transparency and thus disclosure by the Trustee of the data it used to calculate the Trust Payment Amount allocated by the Trustee as due to the Trust. Further, if an error was made in the Calculation, as the Funds believe is clearly the case, then the Trustee should be compelled to recalculate the Trust Payment Amount and correct such an error without any further objections or filings required by any of the relevant Investors.

23. Given the magnitude of the dollar amounts in question, the broad releases to be provided and the speed with which this Settlement must be implemented, it is crucial that the calculations be accurate and fairly reflects each Trust's losses.

24. Accordingly, the Funds request that the Trustee be directed to provide all information necessary for all relevant Investors to understand the Calculation of the Allocation,

to compel the Trustee to recalculate the Allocation if an error was made, as well as such other and further relief as may be just.

Seth Robbins

Sworn to before me this
16th day of July, 2013.

Notary Public

WYNN HUANG
Notary Public
Massachusetts
Commission Expires May 4, 2018

Exhibit B

GMACM 06-HE1 Losses as Provided by the Trustee

report date	monthly loss	total losses
6/25/2013	0	73,427,190.85
5/28/2013	0	73,427,190.85
4/25/2013	377,539.91	73,427,190.85
3/25/2013	0	73,049,650.94
2/25/2013	678,375.08	73,049,650.94
1/25/2013	957,051.40	72,371,275.86
12/26/2012	214,142.81	71,414,224.46
11/26/2012	1,102,718.73	71,200,081.65
10/25/2012	312,729.73	70,097,362.92
9/25/2012	909,304.53	69,784,633.19
8/27/2012	807,442.24	68,875,328.66
7/25/2012	0	68,067,886.42
6/25/2012	621,142.18	68,067,886.42
5/25/2012	802,248.18	67,446,744.24
4/25/2012	1,582,270.29	66,644,496.06
3/26/2012	1,706,232.89	65,062,225.77
2/27/2012	1,660,192.81	63,355,992.88
1/25/2012	1,482,474.62	61,695,800.07
12/27/2011	1,198,994.92	60,213,325.45
11/25/2011	1,916,159.60	59,014,330.53
10/25/2011	48,757.23	57,098,170.93
9/26/2011	1,042,187.29	57,049,413.70
8/25/2011	1,175,772.96	56,007,226.41
7/25/2011	736,707.40	54,831,453.45
6/27/2011	886,267.32	54,094,746.05
5/25/2011	2,745,795.22	53,208,478.73
4/25/2011	1,310,398.78	50,462,683.51
3/25/2011	1,464,013.00	49,152,284.73
2/25/2011	1,919,445.38	47,688,271.73
1/25/2011	1,488,487.81	45,768,826.35
12/27/2010	3,335,922.67	44,280,338.54
11/26/2010	940,929.63	40,944,415.87
10/25/2010	2,234,331.38	40,003,486.24
9/27/2010	1,931,584.81	37,769,154.86
8/25/2010	2,511,139.86	35,837,570.05
7/26/2010	3,571,216.24	33,326,430.19
6/25/2010	3,116,781.60	29,755,213.95
5/25/2010	2,516,936.43	26,638,432.35
4/26/2010	5,998,165.07	24,121,495.92
3/25/2010	3,184,395.41	18,123,330.85
2/25/2010	5,139,033.20	14,938,935.44
1/25/2010	2,728,342.72	9,799,902.24
12/28/2009	2,165,184.28	7,071,559.52
11/25/2009	4,906,375.24	4,906,375.24

Exhibit C

Determining the Payment Amount for GMACM 06-HE1

As Per Exhibit F in the Settlement Agreement, the Allocation Methodology is as follows:
(a) Each Trust's Payment Amount shall be equal to the aggregate Payment Amounts to all Trusts (the "Aggregate Payment Amount") multiplied by that Trust's Allocable Share of the Aggregate Payment Amount.

(b) Each Trust's Allocable Share of the Aggregate Payment Amount shall be equal to: the sum of that Trust's accrued and unpaid claims under the Policies plus the estimated future claims under the Policies; divided by the sum of each and every Trust's accrued and unpaid claims under the Policies plus estimated future claims under the Policies.

A - GMACM 06-HE1 Accrued and Unpaid Losses to 3/25/13: (see Exhibit D, Summary of Trustee Statements to Certificateholders)		73,049,650.94
B - GMACM 06-HE1 Expected Future Losses: without any direction from the trustee, we conservatively input no Future Losses		0.00
C - GMACM 06-HE1 Total Claim (A plus B):		73,049,650.94
D - Sum of all Trusts's Accrued and Unpaid Claims plus Future Claims: (see Holtzer Affirmation ¶5 (Settlement Agreement))	+ 	789,000,000.00 400,000,000.00 1,189,000,000.00
E - GMACM 06-HE1 Allocable Share (C divided by D):		6.14%
F - FGIC Payment Amount to all Trusts: (see the "Payment Amount", Settlement Agreement)		253,300,000.00
G - GMACM 06-HE1 Payment Amount (E multiplied by F):		15,562,217.48
H - GMACM 06-HE1 Payment Amount, as communicated by The Bank of New York Mellon, as Trustee		10,608,971.00
I - Discrepancy to GMACM 06-HE1 Certificateholders (G minus H):		4,953,246.48

Exhibit D

Payment Amounts Given Range of Future Loss Outcomes

	Scenario 1 base case	Scenario 2 some stress	Scenario 3 some improvement
Intex scenario inputs used to model Expected Future Losses **	Prepay: 10% cpr Default: 5% cdr Severity: 90%	Prepay: 10% cpr Default: 5% cdr ramping to 6.25% cdr over 60 months Severity: 90%	Prepay: 10% cpr Default: 5% cdr ramping to 3.75% cdr over 60 months Severity: 90%
Percent of Remaining Pool Liquidated	24.93%	27.60%	22.04%
Accrued and Unpaid Losses to 3/25/13*:	73,049,650.94	73,049,650.94	73,049,650.94
Accrued and Unpaid Losses 3/26/13-7/24/13:*	377,539.91	377,539.91	377,539.91
Expected Future Losses (beginning 7/25/13):	38,858,224.00	51,651,611.00	25,029,325.00
Total Claim:	**112,285,414.85**	**125,078,801.85**	**98,456,515.85**
Sum of all Trusts's Accrued and Unpaid Claims plus Future Claims:	1,189,000,000.00	1,189,000,000.00	1,189,000,000.00
GMACM 06-HE1 Allocable Share:	9.44%	10.52%	8.28%
FGIC Payment Amount to all Trusts:	253,300,000.00	253,300,000.00	253,300,000.00
GMACM 06-HE1 Payment Amount:	23,920,854.15	26,646,308.25	20,974,798.54
GMACM 06-HE1 Payment Amount as communicated by The Bank of New York Mellon:			**10,608,971.00**

*Accrued/Unpaid Losses to 3/25/13 are taken from the Investor Reports on The Bank of New York Mellon website.
**The trailing six month performance averages are 10.91% cpr for prepayments, 4.66% cdr for defaults, and 91.36% for loss severity.
**We assume no servicer advancing on delinquent loans, no wac erosion, and no balloon extension.
**For rates, we use Intex's forward Libor curve as derived from the US Swaps curve and assume a Prime Rate = 3 Month Libor + 250 basis points