

The following is an excerpt from a 10-K SEC Filing, filed by [CARRINGTON MORTGAGE LOAN ...](#) on 3/31/2008.

Item 14. Principal Accounting Fees and Services.

Omitted in accordance with General Instruction J to Form 10-K.

ADDITIONAL DISCLOSURE ITEMS FOR REGULATION AB

Item 1112(b) of Regulation AB, Significant Obligor of Pool Assets (Financial Information).

No single obligor represents 10% or more of the pool assets held by the issuing entity.

Item 1114(b)(2) of Regulation AB, Credit Enhancement and Other Support, Except for Certain Derivatives Instruments (Financial Information).

No entity or group of affiliated entities provides any external credit enhancement or other support for the certificates within this transaction as described under Item 1114 (a) of Regulation AB.

Item 1115(b) of Regulation AB, Certain Derivatives Instruments (Financial Information).

Based on the standard set forth in Item 1115(b) of Regulation AB, no information is required in response to this Item.

Item 1117 of Regulation AB, Legal Proceedings.

The Registrant knows of no material pending proceedings against the Sponsor, the Depositor, the Issuing Entity, Wells Fargo Bank, N.A., as Master Servicer and Securities Administrator, HSBC Bank USA, National Association, as Trustee, Carrington Mortgage Services, LLC, as Servicer, or of which any property of the foregoing is the subject.

Legal Proceedings Relating to EMC Mortgage Corporation

FTC Investigation

EMC Mortgage Corporation (EMC) has received a civil investigative demand (CID), from the Federal Trade Commission (FTC), seeking documents and data relating to the EMC's business and servicing practices. The CID was issued pursuant to a December 8, 2005 resolution of the FTC authorizing non-public investigations of various unnamed subprime lenders, loan servicers and loan brokers to determine whether there have been violations of certain consumer protections laws. EMC is cooperating with the FTC's inquiry.

On March 10, 2008, EMC received notice from the Staff of the FTC that the Staff believed EMC and its parent, The Bear Stearns Companies, Inc. had violated a number of Federal consumer protection statutes in connection with its servicing activities. With the notice, the Staff delivered a draft complaint and draft consent order seeking certain injunctive relief regarding business practices and unspecified monetary redress. The Staff also indicated that it had been authorized to offer an opportunity to resolve the matter

though consent negotiations before it seeks approval from the FTC to proceed with the filing of a complaint. EMC expects to engage in such discussions with the Staff.

RODRIGUEZ v. EMC Mortgage Corporation and The Bear Stearns Companies

This purported class action is pending in U.S. District Court for the District of Connecticut. The case was filed in December 2007. It seeks certification of a class made up of African-American and Hispanic borrowers who had a non-prime loan serviced by EMC Mortgage Corporation (EMC) and who were subjected to allegedly improper servicing practices, including imposition of unwarranted fees, pyramiding of late fees, unjustified forced-placing of insurance, failure to properly apply payments, improper reporting of derogatory credit information, and failure to properly administer escrow accounts. EMC and The Bear Stearns Companies have filed motions to dismiss and to strike.

Legal Proceedings Relating to Bear Stearns Residential Mortgage Corporation

NAACP V. Ameriquest

This purported class action is pending in the U. S. District Court for the Central District of California. A second amended complaint was filed on March 7, 2008. The complaint names 18 lenders as defendants, including Bear Stearns Residential Mortgage Corporation d/b/a Encore Credit. It alleges that each defendant engages in disparate treatment of African-Americans and has adopted facially neutral policies that have a disparate and discriminatory impact on African-Americans. For each lender, the plaintiff seeks certification of a sub-class made up of African-Americans (a) who received subprime loans even though they qualified for loans on more favorable terms, or (b) whose variable rate loans were approved based on a low initial "teaser" interest rate but who would not have qualified for the loan based on the anticipated adjusted interest rate during the first four years of the loan. The claims are brought under the Fair Housing Act, the Equal Credit Opportunity Act, and the Civil Rights Act. BSRMC d/b/a Encore Credit anticipates filing a motion to dismiss the complaint.

Item 1119 of Regulation AB, Affiliations and Certain Relationships and Related Transactions.

Omitted in accordance with Instruction to Item 1119 of Regulation AB.¹

Item 1122 of Regulation AB, Compliance with Applicable Servicing Criteria.

Wells Fargo Bank, N.A., as Master Servicer and Securities Administrator, LaSalle Bank National Association, as Custodian, EMC Mortgage Corporation, as interim servicer, Carrington Mortgage Services, LLC, as Servicer, American Security Insurance Company, Standard Guaranty Insurance Company and TrackSure Insurance Agency, Inc. (formerly known as, "Safeco Financial Institution Solutions, Inc.") (collectively, "Assurant"), as sub-contractor for Carrington Mortgage Services, LLC and EMC Mortgage Corporation, FIS Tax Services and formerly known as LSI Tax Services ("FIS"), as sub-contractor for Carrington Mortgage Services, LLC and EMC Mortgage Corporation and LandAmerica

¹ **Instruction to Item 1119.**

With respect to disclosure in an annual report on **Form 10-K**, information required by this Item 1119 may be omitted to the extent that substantially the same information had been provided previously in an annual report on Form 10-K (Rule 249.310) for the asset-backed securities or in an effective registration statement under the Securities Act or a prospectus timely filed pursuant to **Rule 230.424** of this chapter under the same Central Index Key (CIK) code as the current annual report on Form 10-K.

Tax and Flood Services, Inc. as sub-contractor for EMC Mortgage Corporation (collectively, the "Servicing Parties") have each been identified by the registrant as parties participating in the servicing function with respect to the pool assets held by the Issuing Entity. Each of the Servicing Parties has completed a report on an assessment of compliance with the servicing criteria applicable to it (each, a "Report on Assessment"), which Reports on Assessment are attached as exhibits to this Form 10-K.

In addition, each of the Servicing Parties has provided an attestation report (an "Attestation Report") by one or more registered public accounting firms, which reports are also attached as exhibits to this Form 10-K.

Assurant has assessed its compliance with the applicable servicing criteria for the Reporting Period and has identified a material instance of noncompliance with the servicing criteria. Specifically, Assurant did not have, during the Reporting Period, sufficient policies and procedures to capture the information with respect to the Platform Transactions necessary to determine compliance with 1122(d)(4)(xii).

Material Instances of Noncompliance by LaSalle

1122(d)(3)(i)(A) and (B) - During the Reporting Period, certain monthly investor or remittance reports were not prepared in accordance with the terms set forth in the transaction documents and certain investor reports did not provide the information calculated in accordance with the terms specified in the transaction agreements for which certain individual errors may or may not have been material.

Item 1123 of Regulation AB, Servicer Compliance Statement.

Carrington Mortgage Services, LLC, as Servicer, EMC Mortgage Corporation, as interim servicer and Wells Fargo Bank, N.A., as Master Servicer and Securities Administrator, have been identified by the registrant as the servicers with respect to the asset pool held by the Issuing Entity. Each such party has completed a statement of compliance with applicable servicing criteria (a "Compliance Statement") attached as exhibits to this Form 10-K.