



Washington Mutual

Subprime Mortgage Program

June 2007

Free Writing Prospectus

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you so request.

Forward-Looking Statement

This presentation contains forward-looking statements, which are not historical facts and pertain to future operating results. These forward-looking statements are within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about our plans, objectives, expectations and intentions and other statements contained in this document that are not historical facts. When used in this presentation, the words “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates,” or words of similar meaning, or future or conditional verbs, such as “will,” “would,” “should,” “could,” or “may” are generally intended to identify forward-looking statements. These forward-looking statements are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the results discussed in these forward-looking statements for the reasons, among others, discussed under the heading “Factors That May Affect Future Results” in Washington Mutual’s 2006 Annual Report on Form 10-K and “Cautionary Statements” in our Form 10-Q for the quarter ended March 31, 2007 which include:

- Volatile interest rates and their impact on the mortgage banking business;
- Credit risk;
- Operational risk;
- Risks related to credit card operations;
- Changes in the regulation of financial services companies, housing government-sponsored enterprises and credit card lenders;
- Competition from banking and nonbanking companies;
- General business, economic and market conditions; and
- Reputational risk.

There are other factors not described in our 2006 Form 10-K and Form 10-Q for the quarter ended March 31, 2007 which are beyond the Company’s ability to anticipate or control that could cause results to differ.



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Subprime Mortgage Program Overview

WaMu is focusing on higher margin products

- WaMu is committed to residential mortgage lending across the entire credit spectrum
- Improve profitability by expanding into higher-margin products offering a favorable risk/return profile
 - *Long Beach Mortgage (broker-sourced subprime mortgage lender)*
 - *Subprime mortgage conduit (flow and bulk purchases)*
 - *Alt-A mortgage conduit expansion*
- Leverage existing expertise and infrastructure to improve efficiency
 - *Subprime mortgage acquisition platform:* *Since 1999, WaMu has purchased \$48 billion in subprime mortgages from third-parties*
 - *Infrastructure:* *Leverage WaMu's existing infrastructure to improve Long Beach Mortgage origination and servicing platforms*
 - *Above average servicing platform:* *\$48 billion in subprime mortgages serviced at December 31, 2006 on a platform that is highly rated by rating agencies*



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Realignment of all WaMu's residential mortgage businesses under one roof

- ✓ **All residential lending channels integrated into the Home Loans division in 2006**
 - *Long Beach Mortgage previously under the Commercial division*
- ✓ **Capital markets realignment due to integration of residential lending channels**
 - *All subprime mortgage capital markets activities, including Long Beach Mortgage, under the direction of one manager*
 - *Evaluation of best execution the same no matter which channel sources the loan*
 - *Subprime execution distinct from other product types*
- ✓ **Subprime servicing default management fully integrated into WaMu servicing management structure**
 - *Upon integrating Long Beach Mortgage into Home Loans, default management for the Long Beach Mortgage portfolio also moved into Home Loans;*
 - *Separate default management teams and strategies for prime and subprime;*
 - *Both the Head of Servicing and the National Default Manager's careers based in subprime servicing*



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Subprime Business Channels

Portfolio

- Began in 1999
- \$20.3 billion outstanding as of 3-31-07
- Large bulk packages from major subprime lenders

Conduit Program

- 1st subprime deal in 2006
- 7 subprime transactions
- \$3.3 billion securitized
- Small to medium bulk packages from small to medium sized lenders
- Flow purchase

Long Beach Mortgage

- Acquired in 1999
- 47 securitizations
- \$82 billion securitized
- Broker-sourced

Consistent risk management approach to all 3 business channels



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Risk Management Focus

Significant improvements made Q1 2006 through Q1 2007 to position WaMu for success

Servicing

- Opened 2nd servicing site
- Increased staff size
- Significantly improved incentive system
- Improved use of existing tools (dialer system)
- New tools (BITB®)

Credit

- Significant policy changes beginning March 2006
- Layered risks
- First-time homebuyers
- Piggybacks
- Disposable income
- Thin files
- Geographic targeting
- Loans to one borrower

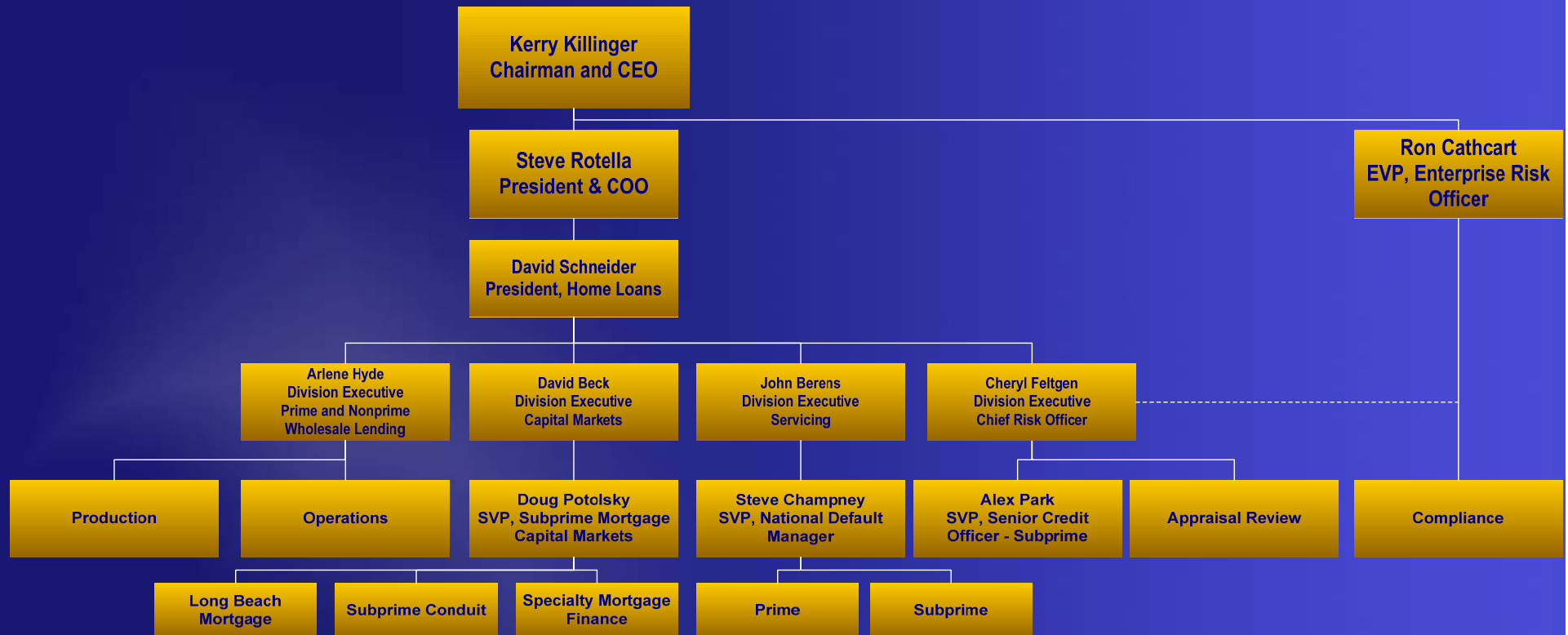
Origination Process

- Underwriter quality review
- Fraud tools implemented
- Broker Management Program
- Quality-based incentive plan for production management
- Quality-based incentive plan for underwriters
- Quality-based incentive plan for all other LFC personnel



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WaMu Subprime Organization



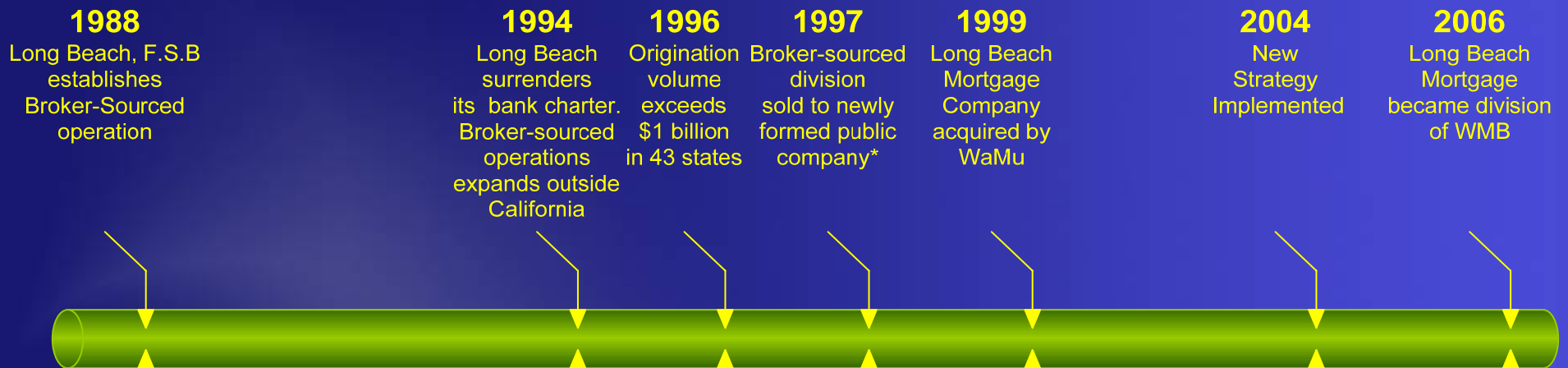
Long Beach Mortgage

a division of Washington Mutual Bank



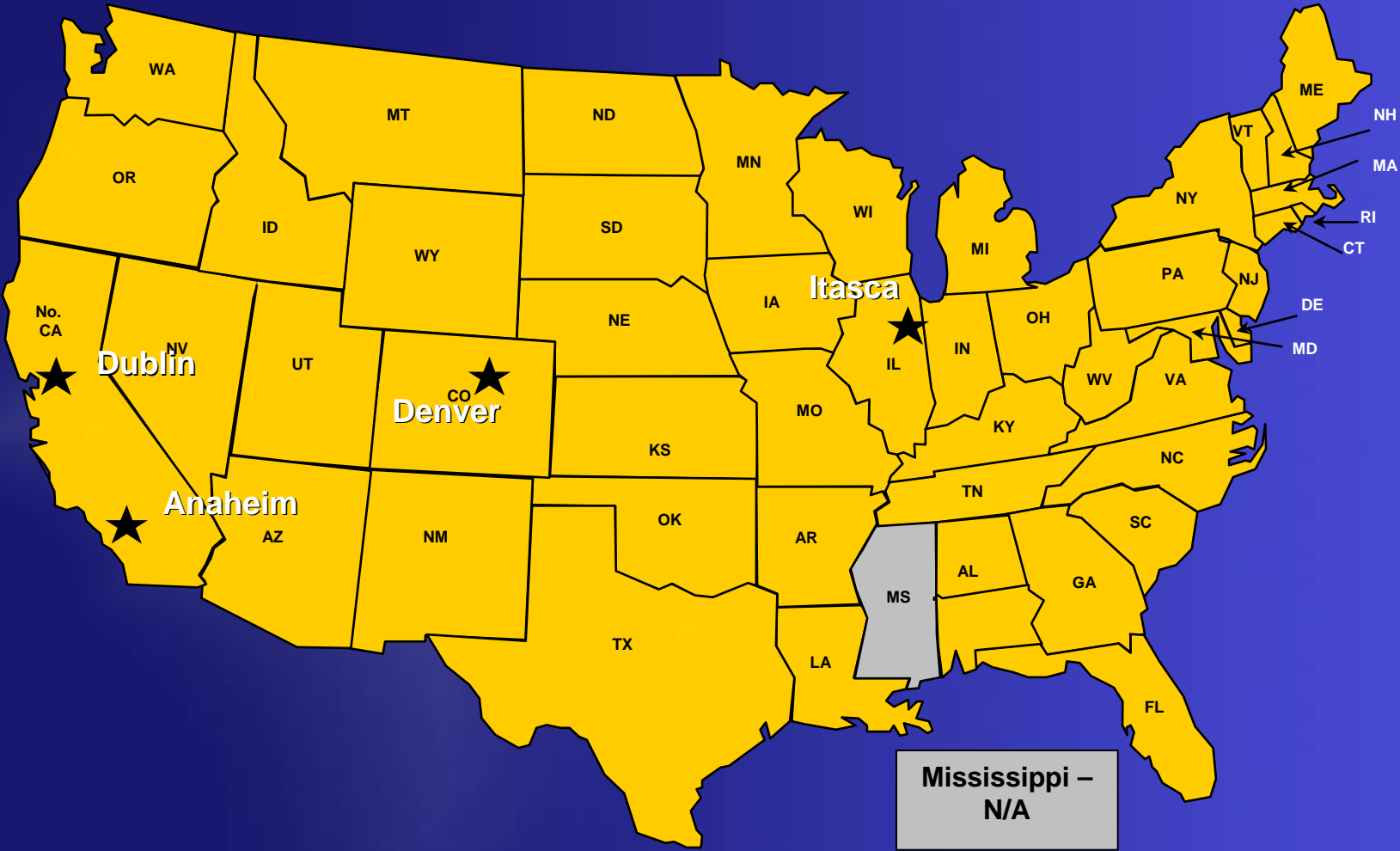
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The Subprime Mortgage Industry's Most Experienced Broker-Sourced Lender



* New companies commence business as Long Beach Financial Corp and Long Beach Mortgage Company, respectively

Loan Fulfillment Centers



Long Beach Mortgage* Annual Origination Volume



* Subprime mortgage broker channel



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Improving credit standards

- Mar 2006 → Lowered maximum LTV for Full Doc “C” borrowers
- Established minimum FICO score for Non-owner Occupied loans
- Disallowed private party 2nd liens for Non-owner Occupied loans
- Implemented DISSCO screening for all loan submissions to minimize fraud related to incorrect applicant information and property overvaluation
- Apr 2006 → Increased minimum Net Disposable Income requirements
- Reintroduced bankruptcy seasoning requirements
- Established First Time Home Buyer definition: no residential ownership for 24 months
- Eliminated stated income wage earner loans for First Time Homebuyers
- May 2006 → Raised piggyback stated income FICO score minimum to 620
- Established additional guidelines for First Time Homebuyers
 - ✓ *Owner-occupied only*
 - ✓ *Minimum credit scores established:*
 - Full Doc ≤ 90% LTV/CLTV = 550
 - Full Doc > 90% LTV/CLTV = 600
 - Stated Income = 620
 - ✓ *Property type 1-2 units only*
 - ✓ *Maximum combined loan amount \$750k*
 - ✓ *Non-financial institutions 2nd lien loans disallowed for LTV/CLTV ≥ 95%*
 - ✓ *Debt-to-income ratio maximum 50%*
 - ✓ *2 months reserves (PITI) required on stated income loans with LTV/CLTV > 80%*
 - ✓ *Bankruptcy seasoning ≥ 36 months*
 - ✓ *Payment shock maximum 200% on PITI*
- Jun 2006 → Established maximum loan of \$500,000 for non-owner occupied properties with LTV > 85%
- Oct 2006 → Raised minimum credit history standard for high CLTV loans

Improving credit standards (cont.)

- Nov 2006 → Raised piggyback stated income FICO score minimum to 640
- Revised bankruptcy discharge seasoning requirement to be dependent on LTV/CLTV rather than borrower quality (note Premium A+ requires minimum 24 months since bankruptcy regardless of LTV/CLTV)
 - ✓ 36 months: LTV/CLTV = 90.01% - 100.00% (previously 95.01% - 100%)
 - ✓ 24 months: LTV/CLTV = 85.01% - 90.00%
 - ✓ 18 months: LTV/CLTV = 80.01% - 85.00%
- First Time Home Buyers
 - ✓ Stated Income non-piggyback loan, established FICO minimum at 620
 - ✓ HistoryPro report on all subject properties
- New guidelines for borrowers with a vested interest in a property but with no mortgage history
- Minimum credit history
 - ✓ LTV/CLTV ≥ 90%: 1 of 3 trade lines minimum high credit balance of \$2,500
 - ✓ Premium A+: 3 trade lines with a minimum of 24 months activity on at least one
- Disallowed borrowers from switching to Stated Income from Full/Limited Doc
- Jan 2007 → Minimum loan amount increased to \$50,000 for 1st liens and \$15,000 for 2nd liens
- Maximum loans to one borrower decreased from 10 loans to 3 loans
- Maximum aggregate loan amount to one borrower decreased from \$6MM to \$2.5MM
- Minimum credit score for non-piggyback 1st liens increased
 - ✓ Stated income and 95% LTV/CLTV = 640
 - ✓ Full doc and >80% LTV/CLTV = 540
 - ✓ Full doc and ≤ 80% = 500

Improving credit standards (cont.)

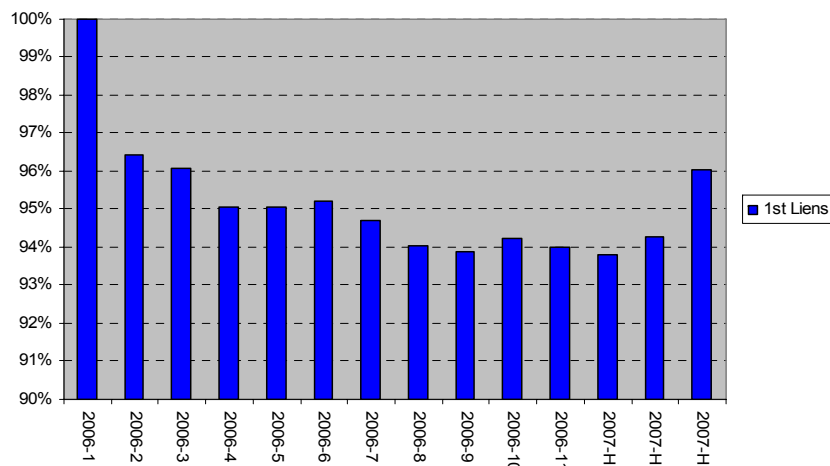
- Jan 2007 → Non-owner occupied purchase money loans: FICO minimum = 660; LTV/CLTV maximum = 80%
- Revised minimum credit history requirements
 - ✓ *Purchase money and LTV/CLTV $\geq 90\%$ = 3 trade lines open for 24 months plus 1 open trade line with minimum high credit \$2500 open ≥ 12 months*
 - ✓ *All non-owner occupied loans = 3 trade lines open for 24 months plus 1 open trade line with minimum high credit \$2500 open ≥ 12 months*
 - Limited seller concessions
 - Established maximum LTV/CLTV for Georgia, Michigan and Ohio loans
 - ✓ *Full doc = 90%*
 - ✓ *Limited doc / stated income = 80%*
 - Established maximum LTV/CLTV and minimum FICO for Illinois and Indiana loans
 - ✓ *Full doc and LTV/CLTV $> 95\%$: minimum FICO = 640*
 - ✓ *Stated income: minimum FICO = 640 and maximum LTV/CLTV = 95%*
 - Reduced the maximum age at funding of qualifying documents from 90 days to 60 days
 - Require 12 months canceled checks for verification of rent
 - Original LTV/CLTV used when refinancing properties owned ≤ 6 months
 - Original LTV/CLTV used when refinancing owner-occupied properties owned ≤ 12 months
 - Purchase money loans on properties owned by seller ≤ 6 months are disallowed
 - Property value increases $> 20\%$ in 12 months require a driveby appraisal and documented support
 - Established guidelines for loans backed by properties inherited within the prior 12 months
- Mar 2007 → Reduced the maximum LTV/CLTV to 95% for all transactions
- Minimum credit score required for Full Doc piggyback loans increased to 620
 - Maximum loan size for Stated/ Limited Doc borrowers reduced to \$855,000



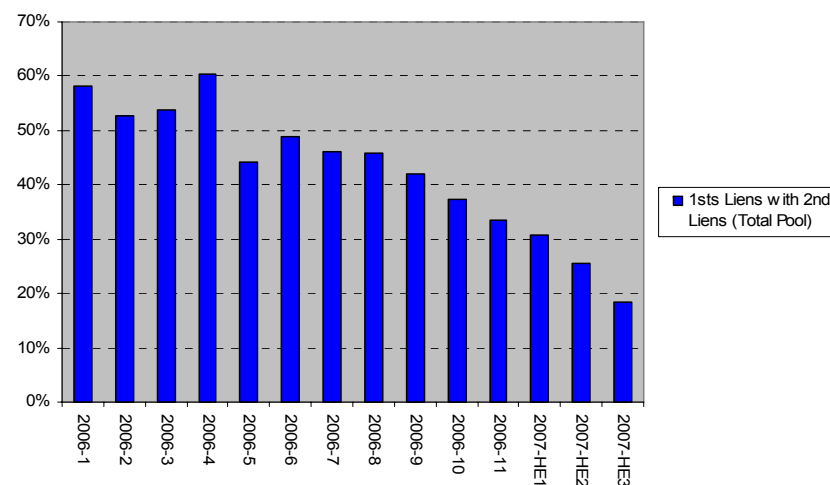
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Collateral changes by transaction

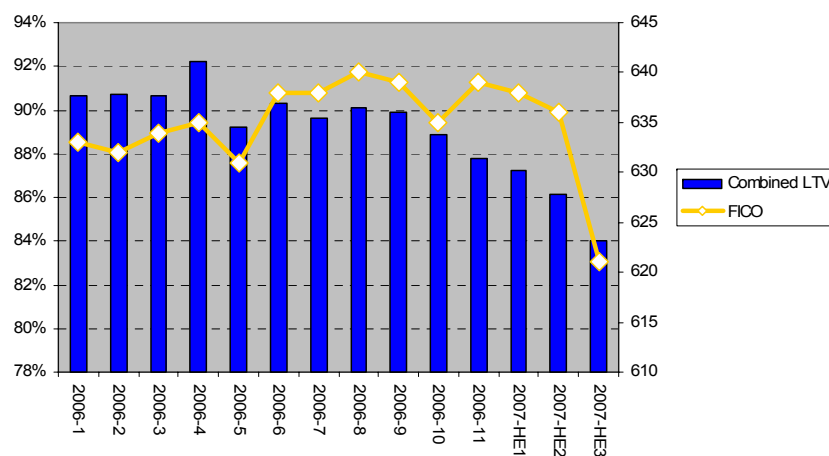
1st Lien Percentage



1st Liens with 2nd Liens % of Total Pool



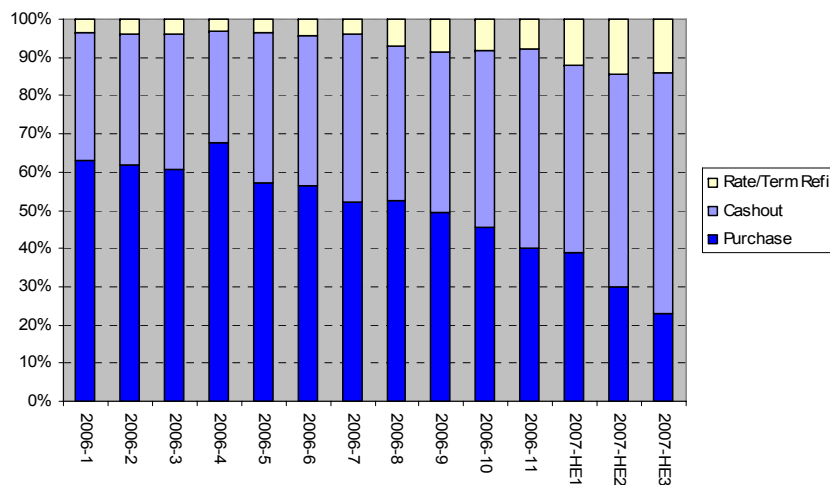
Weighted Average Combined Loan to Value Ratio and Credit Score



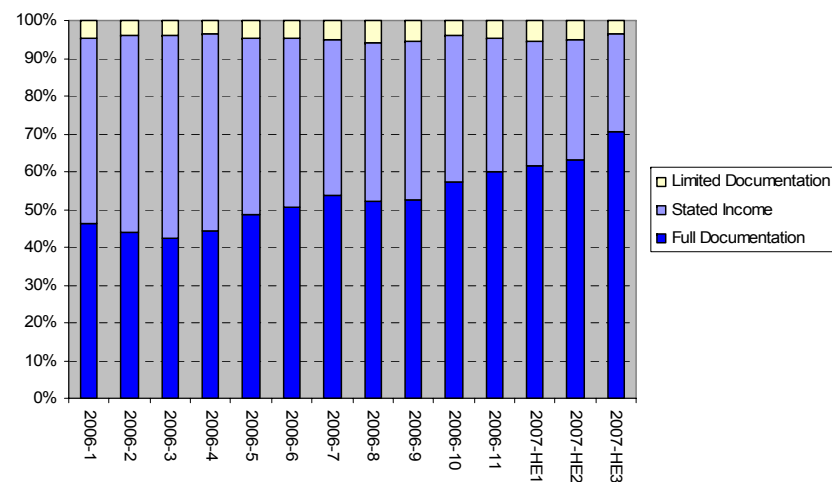
Washington Mutual

Collateral changes by transaction

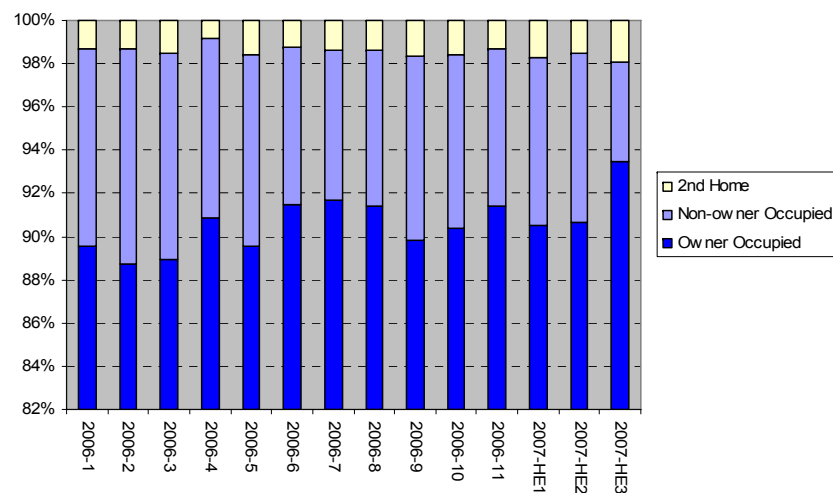
Loan Purpose



Documentation



Occupancy



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Risk Management – Appraisal Review

- 100% appraisal review by Long Beach Mortgage underwriters
- 100% appraisal review to Washington Mutual standards
 1. OptisValue System is WMB's rules-based system and checks eligibility of 100% of appraisals
 2. CoreLogic's HistoryPro and ThirdParty Scorecard are used to reduce the risk of fraud
 - HistoryPro calculates an f-score (0 – 25) that represents the likelihood of flipping
 - Score 0: appraisal review complete
 - Score 1 – 3: CoreLogic's AVMSelect used to verify value
 - 16 AVM vendors tested on > 20,000 properties purchased Q4 2006
 - Top 5 vendors assigned by county
 - Choice of vendor based on accuracy and hit rate of AVM
 - Verification annually
 - AVM value triggers technical review if < 85% or > 120% of appraisal
 - Score 4 – 25: Appraisal sent to vendor management company for a technical review
 - ThirdParty Scorecard calculates a score (0 – 25) that represents the likelihood the broker is committing collateral fraud; scores > 5 require vendor management company to complete a technical review
- Technical reviews performed by eAppraiseIT (First American) and LSI (Fidelity)
 1. Certified or licensed appraisers perform desktop or driveby review on about 30% of appraisals
 2. Currently, each vendor assigned half of all reviews for each geographic area
 3. Eventually, choice will be based on review quality, valuation accuracy and speed
- Loans underwritten using lower of appraised or revised value (0% tolerance)

Subprime Conduit



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WaMu Subprime Conduit Strategy

- Create a business model that is focused on long-term, stable income growth rather than short-term cash proceeds
- Develop strong, lasting partnerships with sellers
- Implement strong risk management systems
- Employ “best in class” servicing tools and techniques
- Create strong relationships with investor partners



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Seller Risk Management

- Seller due diligence focused on developing a long-term profitable relationship
 - *Thorough review of business and lending practices, underwriting philosophy and guidelines*
 - Comparison to industry standards
 - Focus on prudent risk management of seller
 - Limit exposure to predatory lending and full compliance with consumer regulations
 - *Review historical performance and compare to industry norms*
- Ongoing “Deep Dive” seller performance monitoring using proprietary risk management models

Mortgage pool risk management

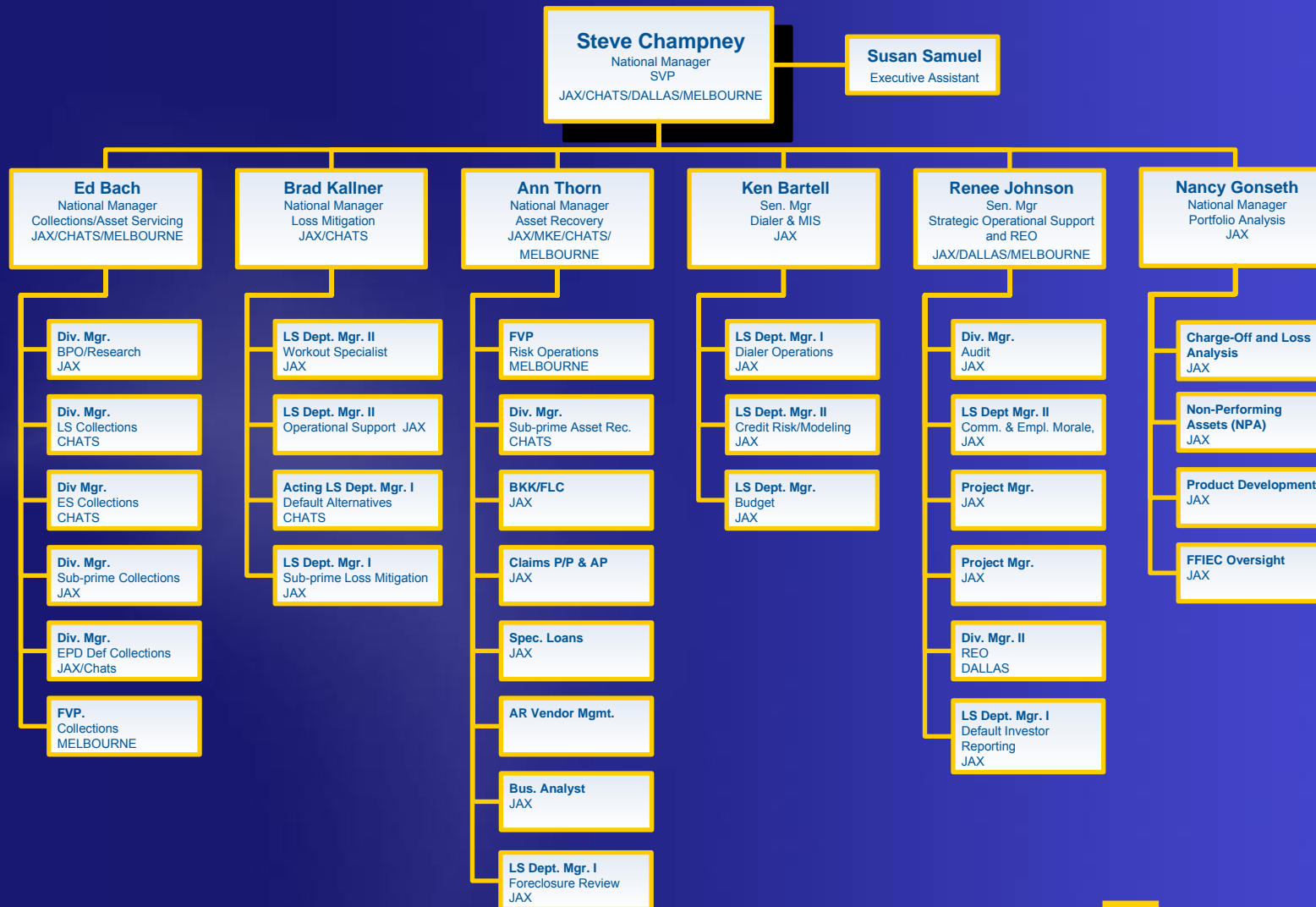
- Extensive use of models drives performance expectations
- Clearly established minimum standards
- Significant level of loan level due diligence by third-party due diligence firms
 - 100% complete re-underwrite on pools purchased from new sellers
 - 25% - 100% complete re-underwrite for repeat sellers
 - 100% validation of appraisal using third-party appraisal valuation product
 - 20% - 100% appraisals reviewed using appraiser drive-by review
 - 100% review for consumer compliance and predatory practices
- Washington Mutual management reviews all due diligence decisions by third-parties

Subprime Servicing



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Default Management Organization



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Steve Champney SVP and Direct Reports

Steve Champney

Senior Vice President – National Default Management

Joined Washington Mutual in July, 2005 as the manager of National Default for prime mortgage loans

Over **21 years** of experience in the financial services industry. He has a proven track record of effective expense management, developing strong internal operational controls, and using Six Sigma methodologies to increase efficiencies and productivity

Prior to joining Washington Mutual, Steve was a Senior Vice President at Chase Home Finance, where he managed all aspects of prime, sub-prime, manufactured housing, and home equity for Collections and Loss Mitigation

At Bank One, Steve was Senior Vice President of National Default Management for a \$9 billion sub-prime company where he managed all aspects of Default activities up to and including recoveries

Steve is a member of the Mortgage Servicers Best Practices Committee

Ed Bach

FVP - Collections

12 years Subprime mortgage experience consisting of Collections, Loss Mitigation and REO. Three years Manufactured Housing Collections through charge-off

Brad Kallner

FVP - Loss Mitigation

16 years experience in collections/default management of subprime portfolios consisting of Front-end, Mid-range, Back-end, Charge off, Bankruptcy, Bad Debt, and Foreclosure.

Ann Thorn

FVP - Asset Management

16 years experience in Mortgage Banking and Default Servicing. Specializing in Foreclosure, Bankruptcy, Claims Processing and Vendor Management.

Nancy Gonseth

FVP - Portfolio Analysis

23 years experience in Mortgage Banking, Statistical Analysis, Financial and Operational Risk Analysis, Home Loans Credit Risk Management, Process Improvement Strategies, and Client Relations

Renee Johnson

FVP - REO and SOS

19 years Subprime Mortgage and Credit Card Collections consisting of Non-Performing Asset Collections, Call Center Operations, Project Management, Loss Mitigation, REO, Foreclosure and Bad Debt.

Ken Bartell

FVP - MIS and Call Center WFM

21 years Subprime Mortgage Collections, Credit card, Foreclosure, Underwriting, Loss Mitigation, Call Center Operations and Project Management.

Total Years of Experience

Our New Senior Leadership Team has Over 128 Years of Related Experience



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Ratings Reflect Above Average Ability

WMB's Subprime Servicer Ratings:

Moody's – “SQ2 Above Average”

“Moody's ratings are based on the company's above average collection abilities, above average loss mitigation results, average foreclosure timeline and REO management and above average servicer stability.” (*Moody's Investors Service press release April 9, 2007.*)

Standard & Poor's – “Above Average”

“Servicer demonstrates very high ability, efficiency, and competence in managing mid-to-large-sized portfolios, as well as solid management experience, an acceptable track record, internal practices and policies that meet industry or regulatory standards, and a managed-portfolio performance history similar to industry averages.” (*Standard & Poor's*)

Fitch – “RPS2+ Full Approval (with Noted Strengths)”

“Servicers that receive a level two (2/2+/2-) rating have demonstrated high performance in all relevant categories. In addition, the level two designations represent the servicer has specific strengths in several areas...” (*Fitch Ratings*)



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Advancement in Strategies

Subprime Default Servicing

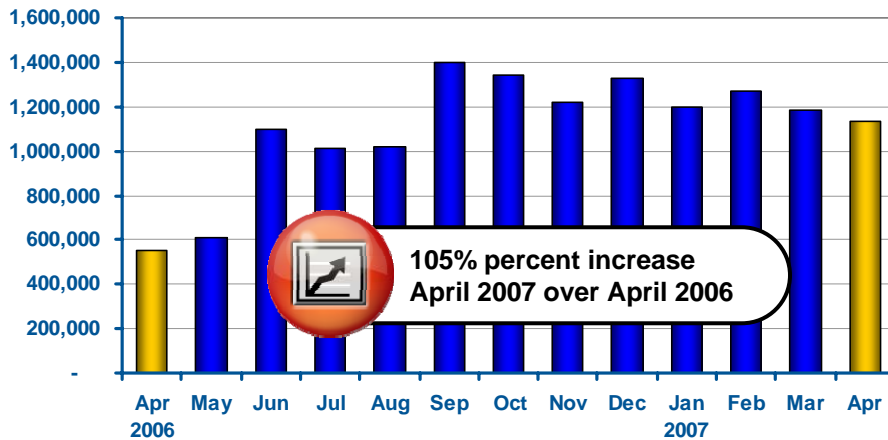
- Created robust capacity plans , forecasting, and predictive models
- Significantly enhanced dialer utilization and workforce management
- Automated Default operational reports and employee dashboards
- Simplified performance incentive plans and payouts
- Rolled out the “Back in the Black® Servicing Platform” to Subprime Collections and Loss Mitigation
- Established targeted Collection strategies
 - First and Early Payment Default (FPD and EPD), Loss Mitigation, Non-Performing Assets (NPA)
- Automated Foreclosure referral and Equity Analysis process
- Enhanced REO vendor management and scorecards
- Expanded Community Involvement relationships with local agencies, nonprofit organizations, and other financial institutions.



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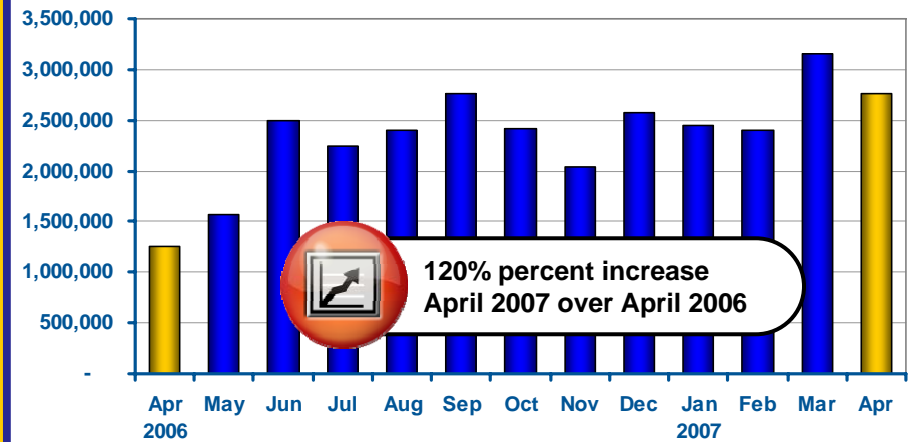
Improved Servicing Metrics

Total Download

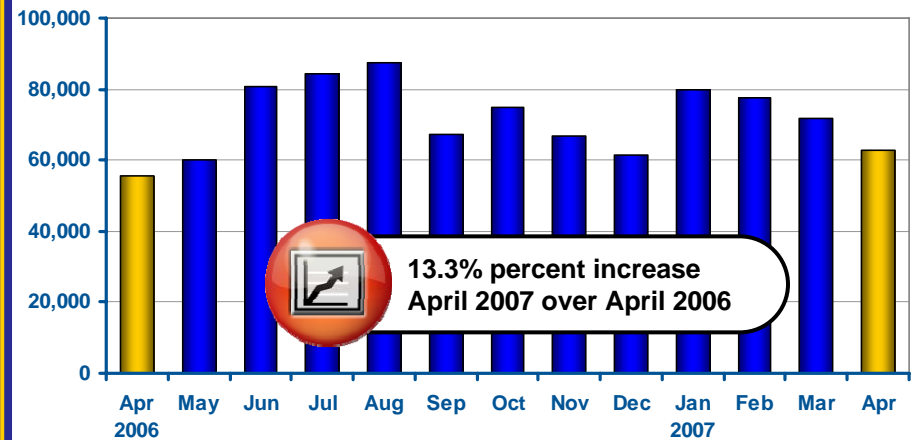


| | | | | | | | | |
|---------------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|--|
| | 2006 Apr | May | Jun | Jul | Aug | Sep | Oct | |
| Total Download | 554,152 | 611,647 | 1,097,507 | 1,013,123 | 1,015,574 | 1,396,324 | 1,344,750 | |
| Outbound Dials | 1,258,603 | 1,570,165 | 2,498,396 | 2,244,081 | 2,395,270 | 2,766,101 | 2,410,803 | |
| Inbound Call Volume | 55,396 | 60,306 | 80,852 | 84,248 | 87,439 | 67,421 | 75,028 | |
| | Nov | Dec | 2007 Jan | Feb | Mar | Apr | % Increase | |
| Total Download | 1,222,781 | 1,328,899 | 1,198,913 | 1,268,568 | 1,184,600 | 1,136,075 | 105.0% | |
| Outbound Dials | 2,032,706 | 2,577,421 | 2,446,427 | 2,408,898 | 3,148,868 | 2,769,345 | 120.0% | |
| Inbound Call Volume | 66,892 | 61,421 | 79,860 | 77,738 | 71,882 | 62,766 | 13.3% | |

Outbound Dials



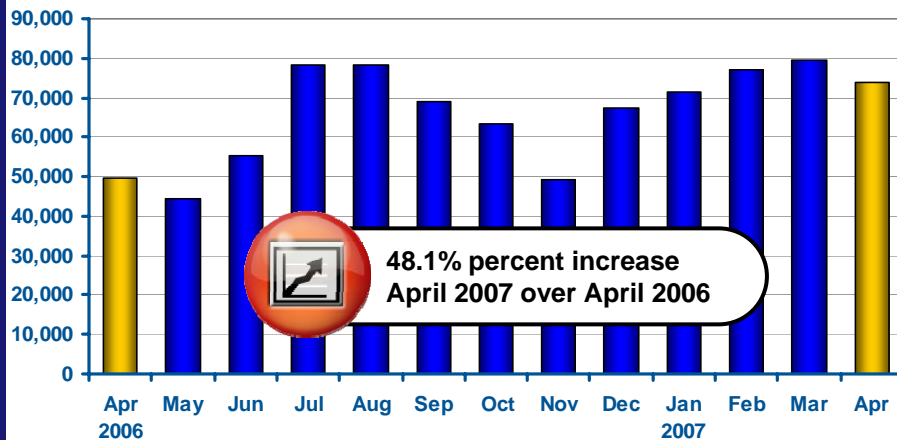
Inbound Call Volume



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Improved Servicing Metrics

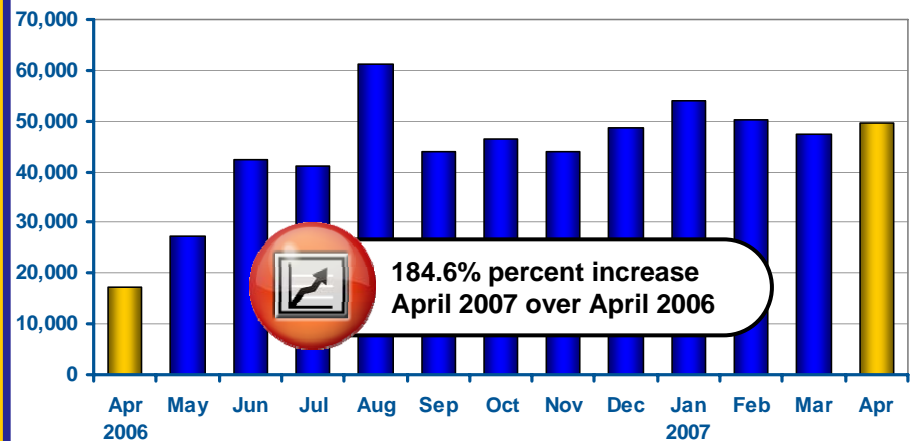
Right Party Contacts



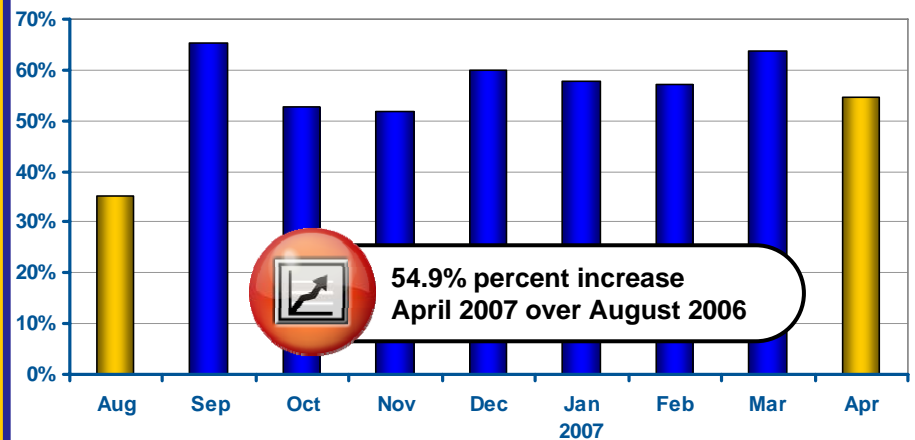
| | | | | | | | |
|----------------------|----------|--------|--------|--------|--------|--------|--------|
| | 2006 Apr | May | Jun | Jul | Aug | Sep | Oct |
| Right Party Contacts | 49,778 | 44,509 | 55,461 | 78,224 | 78,158 | 69,209 | 63,273 |
| Total Promises | 17,408 | 27,339 | 42,243 | 41,261 | 61,169 | 44,016 | 46,461 |
| Just-In-Time % | - | - | - | - | 35.17% | 65.22% | 52.82% |

| | | | | | | | |
|----------------------|--------|--------|----------|--------|--------|--------|------------|
| | Nov | Dec | 2007 Jan | Feb | Mar | Apr | % Increase |
| Right Party Contacts | 49,237 | 67,385 | 71,407 | 77,253 | 79,563 | 73,698 | 48.1% |
| Total Promises | 44,025 | 48,772 | 53,992 | 50,320 | 47,438 | 49,549 | 184.6% |
| Just-In-Time % | 51.95% | 60.00% | 57.74% | 57.05% | 63.70% | 54.48% | 54.9% |

Total Promises



Just-In-Time % of Total Payments Received



Note: Just-In-Time % of Total Payments received figures were not available prior to August 2006 due to reporting limitations



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Washington Mutual Overview



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Washington Mutual Today: A Leading Consumer-Focused US Bank



6th largest U.S. banking company by assets (\$320 billion)

Retail Business

- 2,228 retail banking stores in 15 states
- 6th largest banking company by total deposits
- 6th largest banking company by banking stores
- 3rd in outstanding debit cards

Mortgage Business

- 6th largest U.S. home loan originator²
- 5th largest U.S. home loan servicer²
- 6th in home equity loans
- 10th in U.S. in subprime lending³

Credit Card Business

- 6th largest bank card issuer in the U.S.¹

Commercial Group Business

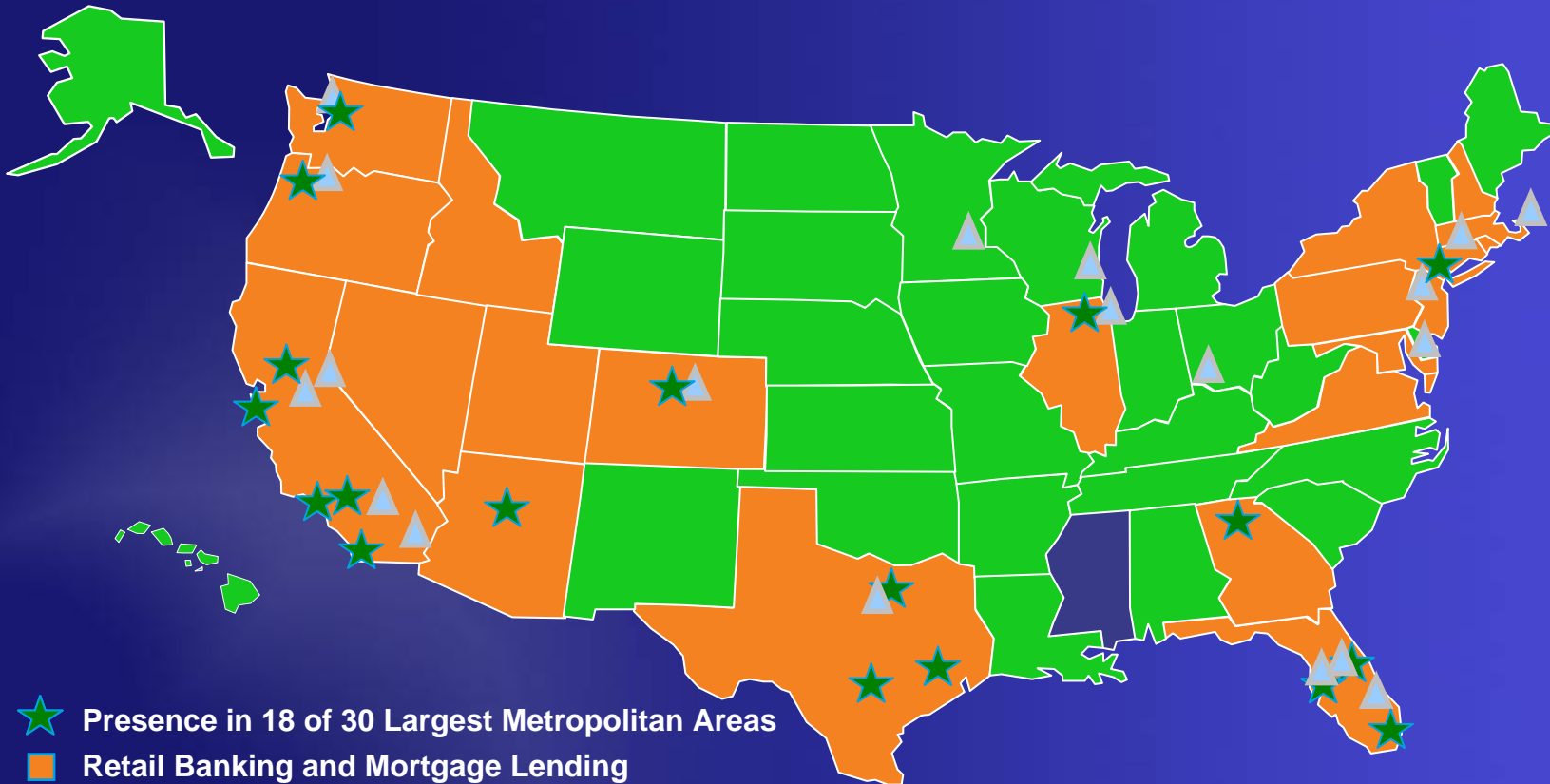
- Leading multi-family portfolio originator
- Largest holder of multi-family portfolio

1 Nilson Report, 1/07, 2006 ranking

2 Inside Mortgage Finance, Q1 2007 (originations), as of 3/31/07 (servicing)

3 Inside B&C Lending, Q1 2007

Powerful Distribution Franchise



★ Presence in 18 of 30 Largest Metropolitan Areas

■ Retail Banking and Mortgage Lending

2,228 Retail Stores in 15 States

3,925 ATMs

323 Home Loan Centers in 22 States

■ Wholesale, Consumer Direct and/or Long Beach Mortgage Lending in 49 States

▲ Multi-Family Lending through 54 Offices in 19 Markets

As of 3/31/07

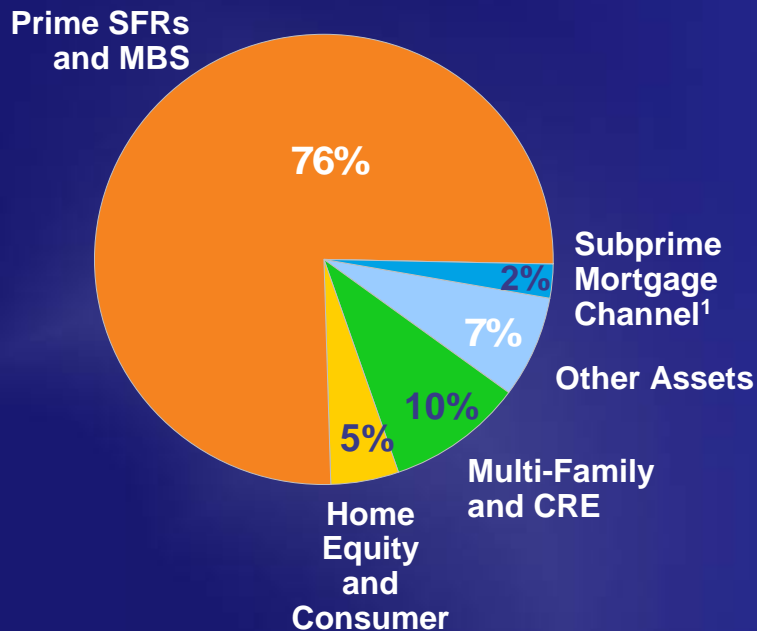


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Asset Mix Continues to Evolve

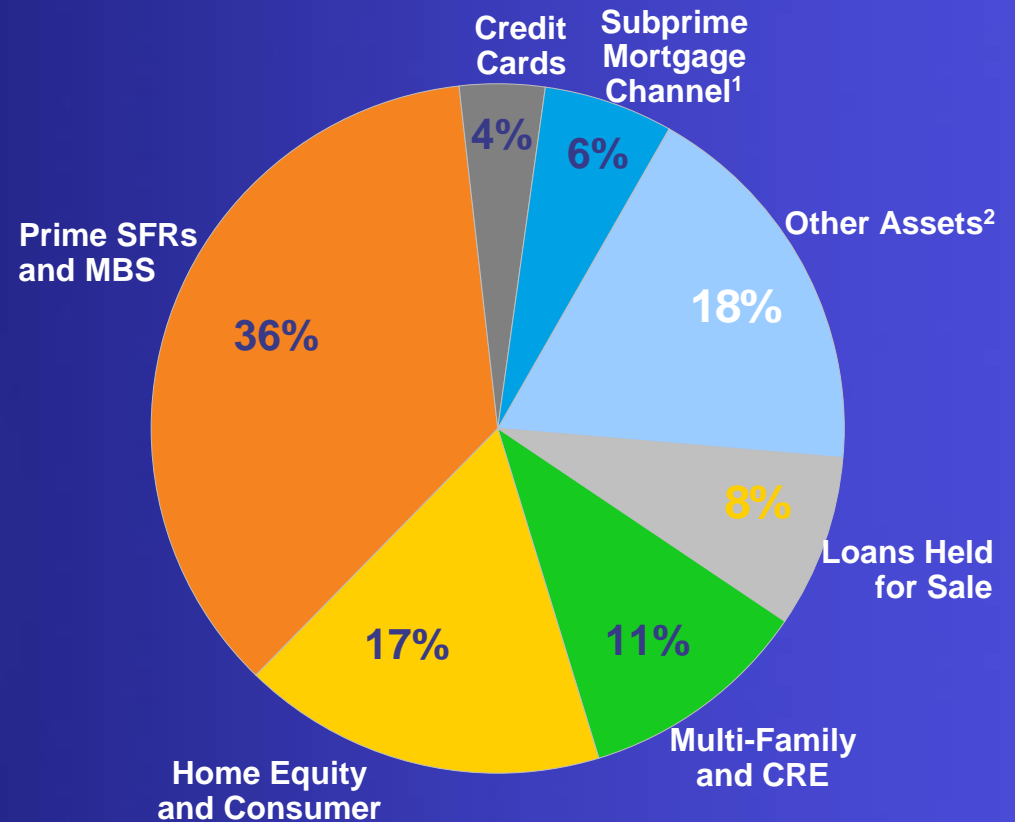
\$187 billion

As of 12/31/99



\$320 billion

As of 3/31/07



¹ Subprime Mortgage Channel represents mortgage loans purchased from recognized subprime lenders and mortgage loans originated under the Long Beach Mortgage name and held in its investment portfolio.

² Other assets includes mortgage servicing rights, goodwill, other investment securities and cash and cash equivalents



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Solid Credit Ratings

Based on WaMu's strong deposit base, lending franchise and financial strength

| | Washington Mutual, Inc. | | | | WM Bank | | | |
|---------------------|-------------------------|------|-------|---------|---------|-----|-------|---------|
| | Moody's | S&P | Fitch | DBRS | Moody's | S&P | Fitch | DBRS |
| Senior Unsecured LT | A2 | A- | A | A | A1 | A | A | A (h) |
| Short Term | P2 | A2 | F1 | R-1(I) | P1 | A1 | F1 | R-1 (m) |
| Subordinated | Baa1 | BBB+ | A- | A (I) | A3 | A- | A- | A |
| Deposit | -- | -- | -- | -- | A1 | n/r | A+ | A (h) |
| Preferred Stock | Baa2 | BBB | A- | BBB (h) | n/r | n/r | n/r | n/r |
| Outlook | S | P* | S | S | S | P* | S | S |

* On Positive Outlook

Moody's¹

"The challenges on the mortgage business are not a surprise, and we believe the Company is benefiting from its diversification initiatives in retail banking and in its credit card operations. This demonstrates that the bank is capable to generate a respectable if not robust profitability despite the sizable losses in its mortgage operations."

Standard & Poor's²

"The outlook revision reflects the significant improvement in risk management practices within WaMu's mortgage bank operations, in particular the risks of managing a large servicing portfolio."

¹ Source: Moody's, 1/07

² Source: Standard and Poor's, 2/16/06



Washington Mutual

Contacts

Doug Potolsky
WaMu Subprime Capital Markets
Senior Vice President
(212) 702-6961
doug.potolsky@wamu.net

Dave Coultas, CFA, CPA
Long Beach Mortgage
SVP, Capital Markets
(206) 302-4158
dave.coultas@wamu.net

Henry Engelken, CFA
WaMu Subprime Capital Markets
FVP, Director of Investor Relations
(212) 702-6965
henry.engelken@wamu.net

Long Beach Mortgage performance information:

www.longbeachmortgage.com

wmsubprime.lewtan.com

Lead underwriter contacts:

Vincent Varca
WaMu Capital Corp.
Director
(212) 702-6931
vincent.varca@wamu.net

Kevin Richmond
WaMu Capital Corp.
Subprime Trader
(212) 702-6921
Kevin.richmond@wamu.net



Washington Mutual

Appendix



Washington Mutual

Long Beach Mortgage Transaction Statistics

| | 2006-1 Feb 7, 2006 \$ 2,499,987,903 | | 2006-2 Mar 7, 2006 \$ 3,003,799,170 | | 2006-3 Apr 6, 2006 \$ 1,743,796,134 | | 2006-4 May 9, 2006 \$ 1,922,678,765 | | 2006-5 Jun 15, 2006 \$ 1,925,001,177 | | 2006-6 Jul 26, 2006 \$ 1,688,107,433 | | 2006-7 Aug 30, 2006 \$ 1,596,611,010 | |
|--|---|---------|---|---------|---|---------|---|---------|--|---------|--|---------|--|---------|
| Average Loan Size | \$ 219,779 | | \$ 201,408 | | \$ 214,199 | | \$ 193,292 | | \$ 200,625 | | \$ 212,876 | | \$ 212,315 | |
| Weighted Average Coupon | 8.25% | | 8.54% | | 8.50% | | 8.55% | | 8.60% | | 8.39% | | 8.39% | |
| ARM Gross Margin | 5.11% | | 5.10% | | 5.09% | | 5.09% | | 5.10% | | 5.09% | | 5.10% | |
| Weighted Average FICO | 633 | | 632 | | 634 | | 635 | | 631 | | 638 | | 638 | |
| FICO < 600 | 26.5% | | 25.4% | | 22.7% | | 20.0% | | 23.1% | | 18.7% | | 19.0% | |
| Original Loan to Value Ratio | 79.7% | | 80.8% | | 80.6% | | 80.7% | | 80.9% | | 80.9% | | 80.7% | |
| Combined Loan to Value Ratio | 90.7% | | 90.7% | | 90.7% | | 92.2% | | 89.2% | | 90.3% | | 89.6% | |
| Debt to Income Ratio | 41.6% | | 41.6% | | 41.4% | | 41.7% | | 41.0% | | 41.6% | | 41.5% | |
| | % | WA FICO | % | WA FICO | % | WA FICO | % | WA FICO | % | WA FICO | % | WA FICO | % | WA FICO |
| 1st Liens | 100.0% | 633 | 96.4% | 631 | 96.1% | 633 | 95.0% | 633 | 95.1% | 630 | 95.2% | 637 | 94.7% | 637 |
| 2nd Liens | 0.0% | 0 | 3.6% | 659 | 3.9% | 660 | 5.0% | 660 | 5.0% | 657 | 4.8% | 658 | 5.3% | 658 |
| 1sts Liens with 2nd Liens (Total Pool) | 58.2% | 653 | 52.6% | 654 | 53.7% | 654 | 60.4% | 652 | 44.1% | 651 | 49.0% | 656 | 46.2% | 657 |
| 1sts Liens with 2nd Liens (% of 1sts) | 58.2% | 653 | 54.6% | 654 | 55.9% | 654 | 63.6% | 652 | 46.4% | 651 | 51.4% | 656 | 48.8% | 657 |
| Adjustable Rate Mortgages | 91.2% | 633 | 88.1% | 632 | 87.1% | 634 | 85.5% | 634 | 82.8% | 630 | 84.3% | 638 | 83.8% | 636 |
| Fixed Rate Mortgages | 8.9% | 628 | 12.0% | 632 | 12.9% | 637 | 14.5% | 639 | 17.2% | 637 | 15.7% | 643 | 16.2% | 646 |
| Loans with Prepay Penalties | 68.0% | 633 | 66.2% | 632 | 68.5% | 634 | 67.5% | 636 | 67.9% | 631 | 72.1% | 638 | 69.5% | 640 |
| Interest Only Loans | 7.6% | 674 | 8.5% | 667 | 8.6% | 665 | 7.1% | 662 | 7.3% | 668 | 6.2% | 669 | 6.2% | 665 |
| 40 Year Amortization | 44.6% | 648 | 45.0% | 645 | 45.4% | 649 | 41.7% | 653 | 45.0% | 640 | 53.3% | 647 | 52.0% | 647 |
| Full Documentation | 46.5% | 611 | 43.9% | 609 | 42.4% | 612 | 44.5% | 615 | 48.5% | 617 | 50.5% | 624 | 53.7% | 626 |
| Stated Income | 49.0% | 656 | 52.3% | 652 | 53.8% | 652 | 51.8% | 652 | 47.0% | 647 | 44.9% | 655 | 41.3% | 653 |
| Limited Documentation | 4.6% | 616 | 3.8% | 617 | 3.8% | 614 | 3.7% | 630 | 4.5% | 620 | 4.6% | 630 | 5.1% | 632 |
| Owner Occupied | 89.6% | 631 | 88.7% | 630 | 88.9% | 632 | 90.9% | 634 | 89.6% | 628 | 91.5% | 636 | 91.7% | 636 |
| Non-owner Occupied | 9.1% | 650 | 9.9% | 647 | 9.6% | 648 | 8.3% | 646 | 8.9% | 661 | 7.3% | 664 | 6.9% | 664 |
| 2nd Home | 1.3% | 641 | 1.3% | 652 | 1.5% | 641 | 0.8% | 644 | 1.6% | 646 | 1.2% | 641 | 1.4% | 637 |
| Purchase | 63.0% | 649 | 62.0% | 650 | 60.8% | 652 | 67.7% | 649 | 57.0% | 646 | 56.5% | 653 | 52.3% | 656 |
| Cashout | 33.3% | 604 | 34.2% | 603 | 35.3% | 606 | 29.3% | 606 | 39.4% | 611 | 39.2% | 619 | 43.8% | 619 |
| Rate/Term Refi | 3.6% | 609 | 3.9% | 602 | 3.9% | 610 | 3.1% | 605 | 3.6% | 609 | 4.3% | 617 | 3.9% | 609 |
| California | 39.6% | 644 | 39.2% | 643 | 42.0% | 645 | 37.9% | 647 | 37.9% | 641 | 41.8% | 647 | 39.5% | 649 |
| Florida | 8.3% | 629 | 7.7% | 632 | 8.6% | 625 | 9.1% | 635 | 9.9% | 628 | 10.5% | 636 | 11.7% | 633 |
| Illinois | 6.7% | 639 | 5.4% | 633 | 4.6% | 639 | 5.6% | 631 | 4.8% | 631 | 3.9% | 645 | 4.7% | 637 |
| Texas | 4.8% | 610 | 4.4% | 617 | 4.1% | 613 | 5.2% | 622 | 5.6% | 620 | 5.1% | 624 | 5.3% | 630 |



Washington Mutual

Long Beach Mortgage Transaction Statistics (continued)

| | 2006-8 Sep 21, 2006 \$ 1,380,727,062 | | 2006-9 Oct 12, 2006 \$ 1,520,086,184 | | 2006-10 Nov 9, 2006 \$ 1,008,199,874 | | 2006-11 Dec 14, 2006 \$ 1,499,999,922 | | 2007-HE1 Jan 16, 2006 \$ 1,393,794,252 | | 2007-HE2 Apr 10, 2007 \$ 1,593,665,158 | | 2007-HE3 May 10, 2007 \$ 1,152,429,251 | |
|--|--|---------|--|---------|--|---------|---|---------|--|---------|--|---------|--|---------|
| Average Loan Size | \$ 212,616 | | \$ 217,062 | | \$ 212,835 | | \$ 231,768 | | \$ 220,502 | | \$ 235,471 | | \$ 248,636 | |
| Weighted Average Coupon | 8.46% | | 8.52% | | 8.47% | | 8.20% | | 8.15% | | 8.14% | | 8.42% | |
| ARM Gross Margin | 5.10% | | 5.10% | | 5.11% | | 5.11% | | 5.12% | | 5.17% | | 5.61% | |
| Weighted Average FICO | 640 | | 639 | | 635 | | 639 | | 638 | | 636 | | 621 | |
| FICO < 600 | 18.5% | | 18.6% | | 21.2% | | 21.0% | | 20.9% | | 23.1% | | 30.9% | |
| Original Loan to Value Ratio | 81.2% | | 81.7% | | 81.6% | | 81.3% | | 81.4% | | 81.3% | | 80.6% | |
| Combined Loan to Value Ratio | 90.1% | | 89.9% | | 88.9% | | 87.8% | | 87.2% | | 86.2% | | 84.0% | |
| Debt to Income Ratio | 39.4% | | 39.4% | | 39.6% | | 39.3% | | 40.3% | | 41.7% | | 41.7% | |
| | % | WA FICO | % | WA FICO | % | WA FICO | % | WA FICO | % | WA FICO | % | WA FICO | % | WA FICO |
| 1st Liens | 94.1% | 638 | 93.9% | 638 | 94.3% | 634 | 94.0% | 638 | 93.8% | 637 | 94.3% | 635 | 96.0% | 620 |
| 2nd Liens | 6.0% | 658 | 6.1% | 658 | 5.8% | 655 | 6.0% | 659 | 6.2% | 655 | 5.7% | 662 | 4.0% | 647 |
| 1sts Liens with 2nd Liens (Total Pool) | 45.8% | 657 | 42.0% | 656 | 37.3% | 654 | 33.5% | 657 | 30.8% | 655 | 25.5% | 661 | 18.3% | 645 |
| 1sts Liens with 2nd Liens (% of 1sts) | 48.7% | 657 | 44.7% | 656 | 39.6% | 654 | 35.6% | 657 | 32.9% | 655 | 27.0% | 661 | 19.0% | 645 |
| Adjustable Rate Mortgages | 82.6% | 636 | 81.8% | 636 | 79.1% | 631 | 75.8% | 634 | 73.9% | 633 | 74.8% | 632 | 79.1% | 619 |
| Fixed Rate Mortgages | 17.4% | 655 | 18.2% | 652 | 20.9% | 651 | 24.2% | 656 | 26.1% | 653 | 25.2% | 650 | 20.9% | 630 |
| Loans with Prepay Penalties | 75.2% | 641 | 75.2% | 640 | 75.4% | 636 | 79.6% | 640 | 78.9% | 639 | 80.7% | 637 | 80.6% | 623 |
| Interest Only Loans | 7.3% | 666 | 6.2% | 672 | 8.2% | 669 | 8.4% | 665 | 9.2% | 669 | 11.4% | 667 | 10.6% | 654 |
| 40 Year Amortization | 46.8% | 648 | 49.5% | 646 | 43.9% | 640 | 49.8% | 642 | 45.9% | 639 | 45.4% | 635 | 48.9% | 625 |
| Full Documentation | 52.3% | 629 | 52.5% | 628 | 57.2% | 626 | 60.2% | 632 | 61.4% | 630 | 63.2% | 627 | 70.5% | 616 |
| Stated Income | 41.9% | 654 | 42.1% | 653 | 39.0% | 649 | 34.9% | 652 | 33.1% | 654 | 31.9% | 655 | 25.8% | 635 |
| Limited Documentation | 5.7% | 629 | 5.4% | 630 | 3.8% | 627 | 4.9% | 630 | 5.5% | 629 | 4.9% | 633 | 3.7% | 623 |
| Owner Occupied | 91.4% | 637 | 89.8% | 637 | 90.4% | 632 | 91.4% | 637 | 90.5% | 635 | 90.7% | 633 | 93.5% | 619 |
| Non-owner Occupied | 7.2% | 669 | 8.6% | 664 | 8.0% | 662 | 7.3% | 670 | 7.8% | 663 | 7.8% | 669 | 4.7% | 664 |
| 2nd Home | 1.4% | 652 | 1.6% | 643 | 1.6% | 661 | 1.3% | 651 | 1.7% | 661 | 1.5% | 638 | 1.9% | 637 |
| Purchase | 52.5% | 657 | 49.5% | 655 | 45.5% | 654 | 40.1% | 658 | 38.8% | 653 | 30.0% | 659 | 22.8% | 644 |
| Cashout | 40.3% | 619 | 42.1% | 620 | 46.3% | 618 | 52.3% | 625 | 49.2% | 624 | 55.7% | 623 | 63.2% | 612 |
| Rate/Term Refi | 7.1% | 630 | 8.4% | 640 | 8.2% | 631 | 7.7% | 640 | 12.0% | 643 | 14.3% | 640 | 14.0% | 626 |
| California | 39.4% | 648 | 40.3% | 647 | 34.9% | 645 | 44.5% | 649 | 39.3% | 649 | 39.7% | 647 | 42.7% | 630 |
| Florida | 11.8% | 635 | 9.8% | 635 | 10.6% | 629 | 7.4% | 630 | 7.3% | 633 | 7.4% | 629 | 6.0% | 617 |
| Illinois | 3.1% | 641 | 4.7% | 640 | 3.9% | 632 | 3.3% | 639 | 4.0% | 637 | 2.9% | 636 | 2.6% | 617 |
| Texas | 4.8% | 630 | 4.8% | 629 | 5.1% | 638 | 4.0% | 627 | 5.1% | 625 | 5.0% | 630 | 4.5% | 609 |



Washington Mutual

Conduit Transaction Statistics

| | 2006-HE1 Apr 20, 2006 \$ 389,194,677 | | 2006-HE2 May 25, 2006 \$ 472,002,321 | | 2006-HE3 Sep 27, 2006 \$ 411,285,690 | | 2006-HE4 Oct 27, 2006 \$ 291,533,308 | | 2006-HE5 Dec 7, 2006 \$ 641,653,691 | | 2007-HE1 Jan 16, 2007 \$ 284,442,108 | | 2007-HE2 Mar 13, 2007 \$ 814,263,307 | |
|--|--|-----|--|-----|--|-----|--|-----|---|-----|--|-----|--|-----|
| Average Loan Size | \$ 206,360 | | \$ 183,018 | | \$ 222,557 | | \$ 155,650 | | \$ 192,805 | | \$ 144,976 | | \$ 182,939 | |
| Weighted Average Coupon | 7.37% | | 8.30% | | 8.16% | | 8.50% | | 8.31% | | 8.67% | | 8.35% | |
| ARM Gross Margin | 5.68% | | 6.08% | | 5.60% | | 6.41% | | 6.62% | | 6.41% | | 6.19% | |
| FICO | 635 | | 625 | | 622 | | 631 | | 626 | | 626 | | 632 | |
| FICO < 600 | 24.1% | | 30.8% | | 34.7% | | 26.4% | | 29.3% | | 28.6% | | 26.3% | |
| Original Loan to Value Ratio | 79.6% | | 80.7% | | 76.3% | | 81.9% | | 82.9% | | 83.3% | | 82.7% | |
| Combined Loan to Value Ratio | 87.3% | | 88.6% | | 84.5% | | 91.8% | | 88.8% | | 91.8% | | 91.9% | |
| Debt to Income Ratio | 40.9% | | 41.8% | | 42.4% | | 42.1% | | 41.8% | | 41.3% | | 42.3% | |
| 1st Liens | 97.5% | 635 | 94.3% | 624 | 96.2% | 621 | 95.0% | 630 | 94.8% | 625 | 92.5% | 625 | 91.7% | 630 |
| 2nd Liens | 2.5% | 663 | 5.7% | 649 | 3.8% | 665 | 5.1% | 653 | 5.2% | 656 | 7.5% | 646 | 8.3% | 650 |
| 1sts Liens with 2nd Liens (Total Pool) | 41.5% | 633 | 41.2% | 652 | 20.6% | 655 | 55.8% | 647 | 30.9% | 651 | 44.8% | 643 | 47.9% | 650 |
| 1sts Liens with 2nd Liens (% of 1sts) | 42.6% | 635 | 43.7% | 652 | 21.5% | 655 | 58.8% | 647 | 32.6% | 651 | 48.4% | 643 | 52.2% | 650 |
| Adjustable Rate Mortgages | 84.4% | 635 | 85.7% | 623 | 75.7% | 618 | 86.1% | 633 | 77.7% | 624 | 81.5% | 629 | 82.7% | 632 |
| Fixed Rate Mortgages | 15.6% | 638 | 14.3% | 638 | 24.3% | 636 | 13.9% | 620 | 22.3% | 634 | 18.5% | 615 | 17.3% | 630 |
| Loans with Prepay Penalties | 78.5% | 635 | 77.3% | 624 | 73.9% | 624 | 75.3% | 630 | 77.9% | 626 | 71.6% | 622 | 68.3% | 630 |
| Interest Only Loans | 35.0% | 664 | 21.0% | 649 | 19.5% | 654 | 11.6% | 653 | 11.3% | 656 | 10.7% | 649 | 14.1% | 666 |
| 40 Year Amortization | 1.6% | 619 | 17.8% | 627 | 31.7% | 615 | 40.3% | 638 | 36.3% | 621 | 37.3% | 628 | 31.0% | 625 |
| Full Documentation | 45.5% | 616 | 51.2% | 613 | 50.5% | 606 | 50.2% | 618 | 47.4% | 614 | 49.4% | 614 | 46.5% | 621 |
| Stated Income | 48.6% | 655 | 43.0% | 639 | 44.8% | 640 | 25.9% | 649 | 50.2% | 639 | 47.8% | 640 | 39.1% | 637 |
| Limited Documentation | 5.9% | 623 | 5.5% | 621 | 4.6% | 632 | 24.0% | 640 | 2.4% | 621 | 2.8% | 609 | 14.4% | 654 |
| Owner Occupied | 95.8% | 634 | 96.4% | 624 | 92.7% | 620 | 94.1% | 630 | 93.7% | 625 | 93.0% | 626 | 94.3% | 631 |
| Non-owner Occupied | 3.4% | 662 | 2.7% | 643 | 7.0% | 658 | 5.3% | 654 | 5.5% | 648 | 6.5% | 637 | 4.4% | 647 |
| 2nd Home | 0.8% | 658 | 0.9% | 647 | 0.3% | 637 | 0.6% | 697 | 0.8% | 663 | 0.5% | 633 | 1.3% | 674 |
| Purchase | 46.6% | 656 | 50.8% | 645 | 27.4% | 653 | 57.6% | 647 | 37.7% | 645 | 51.1% | 641 | 51.7% | 645 |
| Cashout | 48.2% | 618 | 45.1% | 605 | 65.3% | 611 | 36.9% | 610 | 57.6% | 615 | 42.7% | 610 | 42.4% | 616 |
| Rate/Term Refi | 5.2% | 618 | 4.2% | 603 | 7.3% | 610 | 5.5% | 606 | 4.6% | 620 | 6.2% | 618 | 5.9% | 629 |
| California | 39.6% | 646 | 37.0% | 636 | 39.2% | 632 | 17.2% | 643 | 27.8% | 634 | 21.0% | 635 | 31.6% | 643 |
| Florida | 10.1% | 624 | 13.0% | 617 | 18.3% | 616 | 10.0% | 628 | 16.1% | 623 | 13.0% | 621 | 13.8% | 623 |
| Illinois | 2.4% | 639 | 3.6% | 633 | 7.1% | 619 | 5.0% | 643 | 7.3% | 625 | 5.6% | 652 | 3.9% | 639 |
| Texas | 3.4% | 618 | 4.6% | 613 | 1.0% | 614 | 7.4% | 611 | 3.2% | 629 | 7.8% | 614 | 5.1% | 618 |



Washington Mutual