

From: Hash, Steven R [shash@lehman.com].

Sent: 4/11/2008 9:17 AM.

To: Kerstein, Daniel [daniel.kerstein@lehman.com]; Callan, Erin [ecallan@lehman.com].

Cc: .

Bcc: .

Subject: RE: Mortgage REIT financing.

My guess is that it (1) we offer attractive enough financing and (2) offer the assets at a steep enough discount we will attract equity capital from hedge funds.

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> From: Kerstein, Daniel
> Sent: Friday, April 11, 2008 9:15 AM
> To: Hash, Steven R; Callan, Erin
> Subject: RE: Mortgage REIT financing

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> Guess I am asking specifically to the financing idea if there are
> buyers willing to write a large equity check - in spin/IPO equity
> comes from either us or IPO equity investors, was unclear if there was
> view that there is "equity" money out there for financed sale

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> _____
> From: Hash, Steven R
> Sent: Friday, April 11, 2008 9:00 AM
> To: Kerstein, Daniel; Callan, Erin
> Subject: RE: Mortgage REIT financing

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> On the mortgage question - not sure about the duration of his view but
> he thought that if you got any financing it would be extraordinarily
> expensive. On the equity question - yes I assumed that there had to
> be a large equity infusion, ipo or spin to create the equity.

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> From: Kerstein, Daniel
> Sent: Friday, April 11, 2008 8:58 AM
> To: Hash, Steven R; Callan, Erin
> Subject: RE: Mortgage REIT financing

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> Thanks. I'm assuming that view applies indefinitely in lending
> environment as it is currently?
> Just one follow-up question - on financing idea Paul was discussing
> (similar to Citi idea if I am understanding correctly) are we assuming
> buyers will show up with significant equity to fund difference between
> MTM value and financing?

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> From: Hash, Steven R
> Sent: Friday, April 11, 2008 8:52 AM
> To: Kerstein, Daniel; Callan, Erin
> Subject: Mortgage REIT financing
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> I spoke to Paolo. He does not believe the Mtg REIT that we discussed
> could get independent financing. Similar to our views. Hope this
> helps.
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>
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