

WELLS  
FARGOCorporate Trust Services  
MAC N9311-163  
625 Marquette Avenue  
Minneapolis, MN 55402Tel: 612 667 8058  
Fax: 612 667 3464

June 11, 2012

EMC Mortgage Corporation, as Sponsor  
383 Madison Avenue  
New York, NY 10179  
Attn: Vice President - Servicing**Re: Repurchase Demand for loans listed in Schedule A; Structured Asset Mortgage Investments, II Inc., GreenPoint Mortgage Funding Trust 2006-AR3, Mortgage Pass-Through Certificates, Series 2006-AR3; Wells Fargo Reference Number: MN-3242**

Ladies and Gentlemen:

Wells Fargo Bank, N.A. in its capacity as the Trustee (the "Trustee"), is a party to that certain Pooling and Servicing Agreement dated as of April 2, 2006 (together with any related agreements, collectively, the "Agreement"). Pursuant to the Agreement, EMC Mortgage Corporation ("EMC") made certain representations and warranties relating to the mortgage loans described in the Agreement, including the mortgage loans that are described above (the "Mortgage Loans").

The Trustee is in receipt of a letter from Ambac Assurance Corporation dated May 15, 2012 relating to the Mortgage Loans. Based on the terms of the Agreement EMC is contractually required to cure or repurchase the Mortgage Loans for certain breaches of representations and warranties set forth in the Agreement, and outlined in the letter from Ambac Assurance Corporation.

Demand is hereby made upon EMC to cure such breaches, or repurchase the Mortgage Loans in accordance with the terms of the Agreement on or before September 9, 2012. In the event that EMC fails or refuses to repurchase the Mortgage Loans or otherwise does not meaningfully respond to this demand letter, further legal action may be pursued against EMC for, among other things, the repurchase of the Mortgage Loans.

This demand for the repurchase of the Mortgage Loans is without prejudice to any and all other rights that the Trustee or any other party with a right to enforce such breaches or repurchase obligations, has, or may have, against EMC under the Agreement, any applicable court order, or otherwise. Nothing contained in

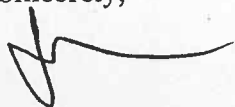
Together we'll go far.



this letter shall constitute, or be deemed to be, a waiver of any right(s), power(s), or privilege(s) that the Trustee or any other party with a right to enforce such breaches or repurchase obligations, has, or may have, relating to the Mortgage Loan or otherwise has, or may have, under the Agreement, any applicable court order, or otherwise.

Please feel free to contact me directly at 612-667-0892 or joe.j.beacom@wellsfargo.com to discuss, or with any questions relating to, the contents of this letter.

Sincerely,



Joe Beacom  
CTS Account Manager

enclosure(s)

cc

Structured Asset Mortgage Investments II Inc., as Depositor  
383 Madison Avenue  
New York, NY 10179  
Attn: Vice President-Servicing

EMC Mortgage Corporation  
2780 Lake Vista Drive  
Lewisville, TX 75067  
Attn: Legal Department

EMC Mortgage Corporation as Servicer  
P Mac Arthur Ridge II  
909 Hidden Ridge Drive, Suite 200  
Irving, TX 75038  
Attn: GreenPoint Mortgage Funding 2006-AR3

Moody's Investors Service, Inc.  
99 Church Street  
New York, NY 10007

Standards and Poors  
55 Water Street  
New York, NY 10041

Ambac Assurance Corporation  
One State Street Plaza  
New York, NY 10004  
Attn: GreenPoint 2006-AR3

Ambac Assurance Corporation  
One State Street Plaza  
New York, New York 10004

*A member of Ambac Financial Group, Inc.*

Mark G. Young  
First Vice President and  
Assistant General Counsel  
212-208-3203 Fax: 212.208.3558  
myoung@ambac.com

URGENT MATERIAL ENCLOSED

VIA FEDEX

May 15, 2012

**Ambac**

Wells Fargo Bank, National Association  
as Trustee

9062 Old Annapolis Road  
Columbia, Maryland 21045

Attention: Corporate Trust Group, GreenPoint Mortgage Funding 2006-AR3

Re: GreenPoint Mortgage Funding Trust 2006-AR3  
Mortgage Pass-Through Certificates, Series 2006-AR3

Ladies and Gentlemen:

Reference is hereby made to (i) that certain Mortgage Loan Purchase Agreement (the "MLPA") entered into in connection with the above-referenced transaction (the "Transaction"), dated as of April 28, 2006, between EMC Mortgage Corporation ("EMC"), as Mortgage Loan Seller, and Structured Asset Mortgage Investments II Inc. ("SAMI II"), as Purchaser; and (ii) that certain Pooling and Servicing Agreement (the "PSA") entered into in connection with the above-referenced Transaction, dated as of April 1, 2006, among SAMI II, as Depositor, EMC, as Servicer, Sponsor and Company, and Wells Fargo Bank, National Association, as Trustee.

This notice is issued in connection with Section 2.03(b) of the PSA.

Ambac Assurance Corporation ("Ambac"), as Certificate Insurer, on its own behalf and as management services provider for the Segregated Account of Ambac Assurance Corporation, hereby officially notifies you of its discovery of breaches by EMC of one or more of the representations and warranties contained in Section 7 of the MLPA with respect to the Mortgage Loans identified in Appendix A attached hereto, which breaches materially and adversely affect the value of the interests of Ambac in the related Mortgage Loans. The foregoing breaches are described with specificity in Appendix A with respect to each Mortgage Loan identified therein.

Accordingly, Ambac hereby requests that the Trustee give notice to EMC and the other requisite parties of the foregoing breaches, as soon as possible, in accordance with the terms of Section 7 of the MLPA and Section 2.03(b) of the PSA.

MN-3242

**Ambac**

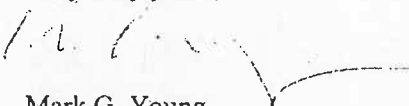
The claims made and sums demanded pursuant to this letter are without prejudice to any additional claims or demands with respect to indemnification, expense reimbursement, breaches of representations or warranties, breaches of other provisions of any documents relating to the Transaction, claims in tort, or otherwise that Ambac or any other party may make with respect to any matter relating to the Transaction. Ambac is continuing its investigation of the Transaction, including of the loans set forth in Appendix A, and will communicate additional issues or concerns if, as and when it considers it appropriate to do so. Nothing contained in this letter shall bind, prejudice or estop Ambac to any extent whatever or be construed as an admission by Ambac. All rights and remedies of Ambac and of every other person or entity that might be benefited or otherwise affected by Ambac's exercise of rights and remedies in this letter are completely reserved.

Kindly direct all communications with Ambac relating to the foregoing as follows:

Ambac Assurance Corporation  
One State Street Plaza  
New York, NY 10004  
Attention: Risk Management, Consumer Asset-Backed  
Securities (GreenPoint 2006-AR3) (Policy # AB0990BE)  
Telephone: (212) 668-0340  
Facsimile: (212) 363-1459

With a copy to: Mark G. Young, Esq.  
First Vice President &  
Assistant General Counsel

Very truly yours,

  
Mark G. Young  
First Vice President &  
Assistant General Counsel

cc: Structured Asset Mortgage Investments II Inc.  
as Depositor  
383 Madison Avenue  
New York, New York 10179  
Attention: Vice President-Servicing

Structured Asset Mortgage Investments II Inc.  
as Purchaser  
383 Madison Avenue

New York, New York 10179  
Attention: Baron Silverstein

EMC Mortgage Corporation  
as Mortgage Loan Seller  
Mac Arthur Ridge II  
909 Hidden Ridge Drive, Suite 200  
Irving, Texas 75038

**Ambac**

EMC Mortgage Corporation  
as Company and Sponsor  
383 Madison Avenue  
New York, New York 10179  
Attention: Vice President-Servicing

EMC Mortgage Corporation  
as Servicer and Sponsor  
P Mac Arthur Ridge II  
909 Hidden Ridge Drive, Suite 200  
Irving, Texas 75038  
Attention: GreenPoint Mortgage Funding 2006-AR3

EMC Mortgage LLC  
2780 Lake Vista Drive  
Lewisville, Texas 75067  
Attention: Legal Department