

# **EXHIBIT C**

# MOODY'S

## INVESTORS SERVICE

### Rating Action: Moody's downgrades \$81 Million of Scratch and Dent RMBS issued by Credit Suisse in 2006

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Global Credit Research - 24 May 2011

New York, May 24, 2011 -- Moody's Investors Service has downgraded the ratings of 9 from 2 RMBS transactions. The collateral backing these deals primarily consists of first-lien, fixed and adjustable rate "scratch and dent" residential mortgages.

Scratch and Dent deals are classified outside of our primary categorizations (Prime Jumbo, Subprime, Option ARMs and Alt-A) for a number of reasons. The pools may include mortgages that have been originated outside an originator's program guidelines in some way, or mortgages where borrowers missed payments in the past. These pools may also include loans with document defects at origination that were since rectified. Due to the varied content of Scratch and Dent mortgage pools, which can range from seasoned prime-like loans to non-prime loans that were seriously delinquent at the time of securitization, credit quality of these pools varies considerably.

#### RATINGS RATIONALE

The actions are a result of deteriorating performance of Scratch and Dent pools under stressed housing and macroeconomic conditions. The actions reflect Moody's updated loss expectations on Scratch and Dent pools.

The principal methodology used in these ratings is described in the Monitoring and Performance Review section in "Moody's Approach to Rating US Residential Mortgage-Backed Securities" published in December 2008. Other methodologies used include "US RMBS Surveillance Methodology for Scratch and Dent" published in May 2011, which accounts for the deteriorating performance and outlook.

Moody's final rating actions are based on current levels of credit enhancement, collateral performance and updated pool-level loss expectations. Moody's took into account credit enhancement provided by seniority, cross-collateralization, excess spread, time tranching, and other structural features within the senior note waterfalls.

The above mentioned approach "US RMBS Surveillance Methodology for Scratch and Dent" is adjusted slightly when estimating losses on pools left with a small number of loans to account for the volatile nature of small pools. Even if a few loans in a small pool become delinquent, there could be a large increase in the overall pool delinquency level due to the concentration risk. To project losses on pools with fewer than 100 loans, Moody's first estimates a "baseline" average rate of new delinquencies ranging from 3% for prime-like loans to 11% for non-prime loans in Scratch and Dent pools. The baseline rate is generally higher than the average rate of new delinquencies for larger pools. Once the baseline rate is set, further adjustments are made based on 1) the number of loans remaining in the pool and 2) the level of current delinquencies in the pool. The fewer the number of loans remaining in the pool, the higher the volatility in performance. Once the loan count in a pool falls below 75, the rate of delinquency is increased by 1% for every loan less than 75. For example, for a near-prime Scratch and Dent pool with 74 loans, the adjusted rate of new delinquency would be 3.03%. In addition, if the current delinquency level in a small pool is low, future delinquencies are expected to reflect this trend. To account for that, the rate calculated above is multiplied by a factor ranging from 0.75 to 2.50 for current delinquencies ranging from less than 10% to greater than 50% respectively. Delinquencies for subsequent years and ultimate expected losses are projected using the approach described in the methodology publication.

The primary source of assumption uncertainty is the current macroeconomic environment, in which unemployment levels remain high, and weakness persists in the housing market. Overall, Moody's assumes a further 5% decline in home prices with stabilization in late 2011, accompanied by continued stress in national employment levels through that timeframe.

For more information please see [www.moody.com](http://www.moody.com).

Moody's Investors Service received and took into account one or more third party due diligence reports on the underlying assets or financial instruments in this transaction and the due diligence reports had a neutral impact on the rating.

Complete rating actions are as follows:

Issuer: Credit Suisse Mortgage Capital Trust 2006-CF1

Cl. M-1, Downgraded to A1 (sf); previously on Feb 20, 2006 Assigned Aa2 (sf)

Cl. M-2, Downgraded to B1 (sf); previously on Mar 30, 2009 Downgraded to Baa2 (sf)

Cl. B-1, Downgraded to Caa3 (sf); previously on Mar 30, 2009 Downgraded to Ba1 (sf)

Cl. B-2, Downgraded to C (sf); previously on Mar 30, 2009 Downgraded to Ba3 (sf)

Cl. B-3, Downgraded to C (sf); previously on Mar 30, 2009 Downgraded to Ca (sf)

Issuer: CS Mortgage-Backed Pass-Through Certificates, Series 2006-CF3

Cl. A-1, Downgraded to Baa2 (sf); previously on Mar 30, 2009 Downgraded to A1 (sf)

Cl. M-1, Downgraded to Caa3 (sf); previously on Mar 30, 2009 Downgraded to Ba3 (sf)

Cl. M-2, Downgraded to C (sf); previously on Nov 18, 2010 B3 (sf) Placed Under Review for Possible Downgrade

Cl. M-3, Downgraded to C (sf); previously on Mar 30, 2009 Downgraded to Ca (sf)

A list of these actions including CUSIP identifiers may be found at:

Excel: [http://www.moody.com/viewresearchdoc.aspx?docid=PBS\\_SF247128](http://www.moody.com/viewresearchdoc.aspx?docid=PBS_SF247128)

A list of updated estimated pool losses and sensitivity analysis is being posted on an ongoing basis for the duration of this review period and may be found at:

Excel: [http://www.moody.com/viewresearchdoc.aspx?docid=PBS\\_SF247004](http://www.moody.com/viewresearchdoc.aspx?docid=PBS_SF247004)

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Please see ratings tab on the issuer/entity page on Moodys.com for the last rating action and the rating history.

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New York  
Junil Park  
Associate Analyst  
Structured Finance Group  
Moody's Investors Service  
JOURNALISTS: 212-553-0376  
SUBSCRIBERS: 212-553-1653

New York  
Amita Shrivastava  
Vice President - Senior Analyst  
Structured Finance Group  
Moody's Investors Service  
JOURNALISTS: 212-553-0376  
SUBSCRIBERS: 212-553-1653

Moody's Investors Service  
250 Greenwich Street  
New York, NY 10007

U.S.A.  
JOURNALISTS: 212-553-0376  
SUBSCRIBERS: 212-553-1653



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