

EXHIBIT B

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Prospectus supplement dated August 30, 2007 (to prospectus dated June 28, 2007)

\$1,202,796,000
(Approximate)

Structured Asset Mortgage Investments II Trust 2007-AR4
Issuing Entity

Structured Asset Mortgage Investments II Grantor Trust 2007-AR4
Grantor Trust Issuing Entity

EMC Mortgage Corporation
Servicer and Sponsor

Structured Asset Mortgage Investments II Inc.
Depositor

Structured Asset Mortgage Investments II Trust 2007-AR4
Mortgage Pass-Through Certificates, Series 2007-AR4

and

Structured Asset Mortgage Investments II Grantor Trust 2007-AR4
Mortgage Pass-Through Certificates, Series 2007-AR4

You should consider carefully the risk factors beginning on page S-12 in this prospectus supplement.

The Trust and the Grantor Trust

The trust will consist primarily of a pool of 30-year and 40-year conventional, adjustable rate, negative amortization mortgage loans secured by first liens on one- to four-family residential properties.

The trust will issue the following classes of certificates that are offered under this prospectus supplement:

- 9 classes of senior certificates designated Class A-1, Class A-2, Class A-3, Class A-4A, Class A-5, Class A-6, Class A-7, Class X-1 and Class X-2 Certificates, and
- 9 classes of subordinate certificates designated Class B-1, Class B-2, Class B-3, Class B-4, Class B-5, Class B-6, Class B-7, Class B-8 and Class B-9 Certificates,

each as more fully described in the tables beginning on page S-2 of this prospectus supplement.

The grantor trust will issue 1 class of senior certificates, the grantor trust Class A-4B Certificates (referred to herein as the grantor trust certificates), which are offered pursuant to this prospectus supplement and which will represent the entire beneficial interest in the grantor trust as further described herein.

The certificates are obligations only of the trust and the grantor trust as the issuing entities. Neither the certificates nor the mortgage loans are insured or guaranteed by any person except as described herein. Distributions on the certificates will be payable solely from the assets transferred to the related trust for the benefit of the related certificateholders.

Credit Enhancement

Credit enhancement for the offered certificates (with respect to the grantor trust certificates, indirectly through the underlying Class A-4B certificates that are issued by the trust but not offered under this prospectus supplement) will consist of excess spread, overcollateralization and additional classes of subordinated certificates. The Class A-5 Certificates and the Class A-6 Certificates may receive additional distributions in respect of interest from payments under the related corridor contracts, as described herein. The grantor trust certificates may receive additional distributions in respect of interest payments under the swap agreement, as described herein.

Distributions on the certificates will be on the 25th of each month, or, if the 25th is not a business day, on the next business day, beginning in September 2007.

Neither the Securities and Exchange Commission nor any state securities commission has approved the certificates or determined if this prospectus supplement or the prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

The Attorney General of the State of New York has not passed on or endorsed the merits of this offering. Any representation to the contrary is unlawful.

The price to investors will vary from time to time and will be determined at the time of sale. The proceeds to the depositor from the offering are expected to be approximately 97.75% of the aggregate principal amount of the offered certificates, plus accrued interest thereon, less expenses. See "Method of Distribution" in this prospectus supplement.

The underwriter will deliver to purchasers the offered certificates in book-entry form through The Depository Trust Company, Clearstream Banking, *société anonyme* and the Euroclear System, in each case, on or about August 31, 2007.

**Bear, Stearns & Co. Inc.
Underwriter**

**Important notice about information presented in this prospectus supplement
and the accompanying prospectus**

You should rely only on the information contained in this document. We have not authorized anyone to provide you with different information.

We provide information to you about the offered certificates in two separate documents that progressively provide more detail:

- the accompanying prospectus, which provides general information, some of which may not apply to these series of certificates; and
- this prospectus supplement, which describes the specific terms of your certificates.

Annex I, Annex II, Schedule A and Schedule B are incorporated into and comprise a part of this prospectus supplement as if fully set forth herein.

The description of your certificates in this prospectus supplement is intended to enhance the related description in the prospectus and you should rely on the information in this prospectus supplement as providing additional detail not available in the prospectus.

The Depositor's principal offices are located at 383 Madison Avenue, New York, New York 10179 and its telephone number is (212) 272-2000.

NOTWITHSTANDING ANY OTHER EXPRESS OR IMPLIED AGREEMENT TO THE CONTRARY, THE SPONSOR, THE SERVICER, THE TRUSTEE, THE GRANTOR TRUSTEE, THE CORRIDOR COUNTERPARTY, THE SWAP COUNTERPARTY, EACH RECIPIENT OF THE RELATED PROSPECTUS SUPPLEMENT AND, BY ITS ACCEPTANCE THEREOF, EACH HOLDER OF A CERTIFICATE, AGREES AND ACKNOWLEDGES THAT EACH PARTY HERETO HAS AGREED THAT EACH OF THEM AND THEIR EMPLOYEES, REPRESENTATIVES AND OTHER AGENTS MAY DISCLOSE, IMMEDIATELY UPON COMMENCEMENT OF DISCUSSIONS, TO ANY AND ALL PERSONS THE TAX TREATMENT AND TAX STRUCTURE OF THE CERTIFICATES AND THE REMICS, THE TRANSACTIONS DESCRIBED HEREIN AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER TAX ANALYSES) THAT ARE PROVIDED TO ANY OF THEM RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (referred to herein as a Relevant Member State), the Underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (referred to herein as a Relevant Implementation Date) it has not made and will not make an offer of notes to the public in that Relevant Member State prior to the publication of a prospectus in relation to the notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of notes to the public in that Relevant Member State at any time:

- (a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to invest in securities;
- (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (c) in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of notes to the public” in relation to any notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the notes to be offered so as to enable an investor to decide to purchase or subscribe the notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression referred to herein as Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

United Kingdom

The Underwriter has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuing Entity; and
 - (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.
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Realized Loss— With respect to any (i) Bankruptcy Loss or (ii) Liquidated Mortgage Loan, (x) the unpaid principal balance thereof plus accrued and unpaid interest thereon at the mortgage rate through the last day of the month of such liquidation, less (y) the Net Liquidation Proceeds with respect to such mortgage loan and the related mortgaged property.

With respect to each mortgage loan which is the subject of a Servicing Modification during the calendar month immediately preceding the related distribution date, the sum of (a) the total amount of interest and principal which is forgiven with respect to the mortgage loan and (b) the amount of any advances and Monthly Advances, to the extent forgiven, made by the Servicer with respect to such mortgage loan which are reimbursable from the Trust to the Servicer with respect to such Servicing Modification; provided that, the amounts expressed in clause (a) above shall not include the amounts expressed in clause (b) above.

In addition, to the extent the Servicer receives Subsequent Recoveries with respect to any mortgage loan, the amount of the Realized Loss with respect to that mortgage loan will be reduced to the extent such recoveries are applied to reduce the Current Principal Amount of any class of Certificates (other than the Class XP, Class X, Class B-IO and Residual Certificates) on any distribution date.

With respect to each mortgage loan which has become the subject of a Deficient Valuation, if the principal amount due under the related Mortgage Note has been reduced, then “Realized Loss” is the difference between the principal balance of such mortgage loan outstanding immediately prior to such Deficient Valuation and the principal balance of such mortgage loan as reduced by the Deficient Valuation.

With respect to each mortgage loan which has become the subject of a Debt Service Reduction, the portion, if any, of the reduction in each affected Monthly Payment attributable to a reduction in the Mortgage Rate imposed by a court of competent jurisdiction. Each such Realized Loss shall be deemed to have been incurred on the Due Date for each affected Monthly Payment.

Record Date— For each class of Offered Certificates (other than the Class X Certificates) and Underlying Certificates, and for any distribution date, the Business Day prior to such distribution date. For each class of Class X Certificates and Non-Offered Certificates, and for any distribution date, the last Business Day of the calendar month preceding the month in which such distribution date occurs.

Regular Certificates — All classes of certificates other than the Residual Certificates.

Remaining Excess Spread — With respect to any distribution date, the Excess Spread remaining after the distribution of any Extra Principal Distribution Amount for such distribution date.

REO Property — A mortgage property acquired by the Trust through foreclosure or deed-in-lieu of foreclosure.

Repurchase Price — With respect to any mortgage loan required to be repurchased, an amount equal to the sum of (i) (a) 100% of the Outstanding Principal Balance of such mortgage loan plus accrued but unpaid interest on the Outstanding Principal Balance at the related mortgage rate through and including the last day of the month of repurchase reduced by (b) any portion of the Servicing Fee or advances payable to the purchaser of the mortgage loan and (ii) any costs and damages incurred by the trust in connection with any violation of such mortgage loan of any predatory lending laws.

Repurchase Proceeds— The Repurchase Price in connection with any repurchase of a mortgage loan by the seller and any cash deposit in connection with the substitution of a mortgage loan. See “*Description of the Securities*” in the prospectus and “*The Pooling and Servicing Agreement and the Grantor Trust Agreement—Representations and Warranties*” in this prospectus supplement.

Reserve Fund — As described under “*The Pooling and Servicing Agreement and the Grantor Trust Agreement—The Reserve Fund*” in this prospectus supplement.

Residual Certificates — The Class R Certificates and the Class R-X Certificates.

Rules— The rules, regulations and procedures creating and affecting DTC and its operations.

S&P — Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., and any successor thereto.

Scheduled Monthly Payments— For any mortgage loan and each Due Period, the minimum payment of principal and interest due during such Due Period on such mortgage loan which either is payable by a mortgagor in such Due Period under the related mortgage note or in the case of any mortgaged property acquired through foreclosure or deed in lieu of foreclosure, would otherwise have been payable under the related mortgage note.

Senior Certificates— The Class A-1, Class A-2, Class A-3, Class A-4A, Underlying Class A-4B, Class A-5, Class A-6, Class A-7 and Class X Certificates.

Servicer— EMC Mortgage Corporation.

Servicing Fee — With respect to each mortgage loan, a fee that accrues at the Servicing Fee Rate on the same principal balance on which interest on the mortgage loan accrues for the calendar month.

Servicing Fee Rate — A per annum rate ranging from 0.250% to 0.375%, as set forth in the mortgage loan schedule.

Servicing Modification — Any modification of a mortgage loan which is effected by the Servicer in accordance with the terms of the Agreement.

Sponsor— EMC Mortgage Corporation.

Stated Principal Balance — With respect to any mortgage loan (including Subsequent Mortgage Loans) or related REO Property, and for any distribution date,

(i) the sum of (a) the principal balance thereof as of the Cut-off Date (taking account of the principal payment to be made on the related Due

Date and irrespective of any delinquency in its payment), as specified in the amortization schedule at the time relating thereto (before any adjustment to such amortization schedule by reason of any bankruptcy or similar proceeding occurring after the Cut-off Date (other than a Deficient Valuation) or any moratorium or similar waiver or grace period), (b) any amount by which the principal balance thereof has been increased for Deferred Interest pursuant to the terms of the related mortgage note on or prior to such distribution date, and (c) the amount by which the Stated Principal Balance of the mortgage loan has been increased pursuant to a Servicing Modification of such mortgage loan, minus

(ii) the sum of (a) the principal portion of the Scheduled Monthly Payments due with respect to such mortgage loan during each Due Period ending prior to such distribution date (and irrespective of any delinquency in their payment), (b) all Principal Prepayments with respect to such mortgage loan received prior to or during the related Prepayment Period, (c) all Liquidation Proceeds to the extent applied by the Servicer as recoveries of principal in accordance with the Agreement with respect to such mortgage loan, that were received by the Servicer as of the close of business on the last day of the calendar month related to such distribution date; and (d) any Realized Losses on such mortgage loan incurred prior to or during the related Prepayment Period.

The Stated Principal Balance of any Liquidated Mortgage Loan is zero.

Stepdown Date — The earlier to occur of (i) the distribution date on which the aggregate Current Principal Amount of the Class A Certificates has been reduced to zero and (ii) the later to occur of (x) the distribution date occurring in September 2010 and (y) the first distribution date for which the aggregate Current Principal Amount of the Subordinate Certificates plus the related Overcollateralization Amount divided by the aggregate Stated Principal Balance of the mortgage loans plus amounts on deposit in the Pre-Funding Account, is greater than or equal (i) prior to the distribution date in September 2013, 24.375% and (ii) on or after the distribution date in September 2013, 19.500%.

Subordinate Certificates— The Class B Certificates.

Subsequent Mortgage Loans —The mortgage loans acquired by the Trust during the Pre-Funding Period with amounts on deposit in the Pre-Funding Account.

Subsequent Recoveries — As of any distribution date, amounts received during the prior calendar month by the Servicer or surplus amounts held by the Servicer to cover estimated expenses (including, but not limited to, recoveries in respect of the representations and warranties made by the Sponsor) specifically related to a Liquidated Mortgage Loan or disposition of an REO property prior to the related Prepayment Period that resulted in a Realized Loss, after liquidation or disposition of such mortgage loan.

Subsequent Transfer Date — Each date on which any Subsequent Mortgage Loans are transferred to the Trustee, on behalf of the Trust, pursuant to any subsequent transfer instruments between the Depositor and the Trustee.

Swap Agreement— The swap agreement, dated as of the Closing Date, between the Grantor Trustee and the Swap Counterparty with respect to the of Underlying Certificates.

Swap Counterparty— Bear Stearns Capital Markets Inc.

Swap Counterparty Payment — On each distribution date and with respect to each class of Grantor Trust Certificates, the following amounts due to the Swap Counterparty pursuant to the Swap Agreement: (i) from interest payments on the Underlying Certificates, accrued and unpaid interest on the Swap Deferred Interest Amount and (ii) to the extent of principal payments on such Underlying Certificates, the Swap Deferred Interest Amount.

Swap Default— A default by the Swap Counterparty or the Grantor Trustee, or the occurrence of a termination event, under the Swap Agreement.

Swap Deferred Interest Amount — As of any distribution date and with respect to the Grantor Trust Certificates, the amount (if any) of Net Deferred Interest allocated to the Underlying Certificates, to the extent covered by a previous Swap Payment and not previously paid to the Swap Counterparty.

Swap Payment — On each distribution date and with respect to the Grantor Trust Certificates, the amount (if any, but not to be less than zero) due from the Swap Counterparty pursuant to the Swap Agreement, which will equal the amount of Net Deferred Interest allocated to the Underlying Certificates for such distribution date.

Swap Termination Date— The date on which the Swap Agreement is terminated pursuant to its terms or due to a Swap Default.

Trigger Event— The occurrence of either a Delinquency Test Violation or Cumulative Loss Test Violation. A Trigger Event may be amended to change the calculation of delinquencies and Realized Losses for purposes of this definition without consent of the related Certificateholders, provided that, a letter is obtained from each Rating Agency stating that such amendment would not result in the downgrading or withdrawal of the respective ratings then assigned to the related Certificates.

Trust — Structured Asset Mortgage Investments II Trust 2007-AR4.

Trustee — Wells Fargo Bank, National Association.

Underlying Certificates — The Underlying Class A-4B Certificates issued by the Trust on the Closing Date pursuant to the Agreement.

Unpaid Realized Loss Amount— With respect to any class of Class A Certificates or Class B Certificates and as to any distribution date, the excess of:

1. Applied Realized Loss Amounts with respect to such class; over
2. the sum of all distributions in reduction of the Applied Realized Loss Amounts on all previous distribution dates.

Any amounts distributed to a class of Offered Certificates or Underlying Certificates in respect of any Unpaid Realized Loss Amount will not be applied to reduce the Current Principal Amount of such class.