

EXHIBIT D

THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM IS BEING PROVIDED ONLY TO "QUALIFIED INSTITUTIONAL BUYERS," AS DEFINED IN RULE 144A, AND INSTITUTIONAL INVESTORS THAT ARE "ACCREDITED INVESTORS," AS DEFINED IN RULE 501(A) (1)-(3) AND (7) OF REGULATION D, UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"). REPRODUCTION OR FURTHER DISTRIBUTION OF THIS CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM IS FORBIDDEN. THE CERTIFICATES DESCRIBED HEREIN WILL NOT BE REGISTERED UNDER THE ACT OR ANY STATE SECURITIES LAWS.

SACO I Trust 2005-2
\$239,936,000
Mortgage Pass-Through Certificates, Series 2005-2
Class A, Class A-IO, Class M-1, Class M-2, Class M-3, Class M-4, Class M-5,
Class B-1, Class B-2, Class B-3 and Class B-4

SACO I INC.
Depositor

EMC Mortgage Corporation
Seller and Master Servicer

CONFIDENTIAL

This numbered copy is for the exclusive use of the entity named below, and should be returned to SACO I Inc. (the "Depositor") or Bear, Stearns & Co. Inc. (the "Initial Purchaser") immediately upon request.

Name

Copy No. (Shown in Red)

If the above number does not appear in red, there is a presumption that this Private Placement Memorandum (this "Memorandum") has been improperly reproduced and circulated, in which case, the Depositor and the Initial Purchaser disclaim any responsibility for its contents and use.

No person has been authorized to give any information or to make any representations other than those contained in this Memorandum and, if given or made, such information or representations must not be relied upon. The delivery of this Memorandum at any time does not imply that the information herein is correct as of any time subsequent to its date.

This Memorandum has been prepared by the Depositor for the use of the Initial Purchaser solely in connection with the offering of the Class A, Class A-IO, Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class B-1, Class B-2, Class B-3 and Class B-4 Certificates (the "Offered Certificates") described herein to the person named above. Neither the Depositor nor the Initial Purchaser has authorized or assumed any liability for any use of this Memorandum in connection with any other offer or sale of such Offered Certificates by any other person.

The Offered Certificates have not been approved or disapproved by the Securities and Exchange Commission or any state securities commission, nor has the Securities and Exchange Commission or any state securities commission passed upon the accuracy or adequacy of this Confidential Private Placement Memorandum. Any representation to the contrary is a criminal offense.

It is anticipated that the purchase by the Initial Purchaser of the Offered Certificates will take place on April 29, 2005 (the "Closing Date"). It is expected that delivery of the Offered Certificates, other than the Class B-4 Certificates, will be made in book-entry form through the facilities of DTC as described herein. It is anticipated that the delivery of the Class B-4 Certificates will be made in fully registered certificated form as described herein.

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Bear, Stearns & Co. Inc.

The date of this Private Placement Memorandum is April 29, 2005.

assurance that the proceeds of such liquidation would be sufficient to pay the Offered Certificates in full. In such event, if the credit enhancement available to any class of the Offered Certificates is insufficient, such class of Offered Certificates may suffer delays in payment, shortfalls or losses.

Some of the Mortgage Loans Will Be Recorded in the Name of MERS.

The mortgages or assignments of mortgage for some of the Mortgage Loans have been or may be recorded in the name of Mortgage Electronic Registration Systems, Inc., or MERS, solely as nominee for the related Originator and its successors and assigns. Subsequent assignment of those mortgages are registered electronically through the MERS® System. However, if MERS discontinues the MERS® System and it becomes necessary to record an assignment of the mortgage to the Trustee, then any related expenses shall be paid by the Trust Fund and will reduce the amount available to pay principal of and interest on the outstanding class or classes of Offered Certificates with the lowest payment priorities. In such event, if the credit enhancement available to any class of the Offered Certificates is insufficient, such class of Offered Certificates may suffer delays in payment, shortfalls or losses.

The Ratings of the Offered Certificates May Be Reduced or Withdrawn.

Moody's and/or Fitch may change or withdraw their initial ratings at any time in the future if, in its judgment, circumstances warrant a change.

The ratings of the Offered Certificates by Moody's and/or Fitch may be lowered following the initial issuance thereof as a result of losses on the Mortgage Loans in excess of the levels contemplated by Moody's and Fitch at the time of their initial rating analysis. The ratings do not address the likelihood of receipt by holders of the Offered Certificates of any Net WAC Cap Rate Carryover Amounts, Prepayment Interest Shortfalls or Relief Act Shortfalls. None of the Depositor, the Master Servicer, any Originator, the Trustee, the Initial Purchaser or any of their respective affiliates or any other person will have any obligation to replace or supplement any credit enhancement, or to take any other action to maintain the ratings of the Offered Certificates.

If Moody's and/or Fitch reduce or withdraw their rating on one or more classes of the Offered Certificates, the liquidity and market value of the affected Certificates is likely to be reduced.

The Offered Certificates Will Not Be Liquid, and Will Have Restrictions on Transfer.

The Initial Purchaser may make a secondary market in the Offered Certificates, but it has no obligation to do so. There is currently no market for the Offered Certificates, and there can be no assurance that a secondary market will develop or, if it does develop, that it will provide Certificateholders with liquidity of investment or will continue for the life of the Offered Certificates. The Offered Certificates will not be listed on any securities exchange. You may not be able to sell your Certificates readily or at prices that will enable you to realize your desired yield. As a result, investors must be prepared to bear the risk of holding the Offered Certificates to maturity.

The secondary markets for asset-backed securities have experienced periods of illiquidity and can be expected to do so in the future. Illiquidity can have a severely adverse effect on the prices of securities that are especially sensitive to prepayment, credit, or interest rate risk, or that have been structured to meet the investment requirements of limited categories of investors. The market values of the Offered Certificates are likely to fluctuate; these fluctuations may be significant and could result in significant losses to you.

The liquidity of the Offered Certificates may also be affected by present uncertainties and future unfavorable determinations concerning legal investment. The Offered Certificates will not be “mortgage related securities” for purposes of SMMEA. See “Legal Investment Considerations” herein.

The Offered Certificates will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”) or the securities laws of any other jurisdiction. The Offered Certificates may not be offered or sold except to (i) “qualified institutional buyers” (as defined in Rule 144A under the 1933 Act) or (ii) to “accredited investors” (as defined under Regulation D of the 1933 Act). As described herein under “Description of the Offered Certificates –Transfer and Exchange of the Offered Certificates” and “—Form, Denomination and Registration”, no sale, pledge or other transfer of any Offered Certificate or any interest therein may be made by any person unless such transfer is in compliance with the terms and provisions of the Pooling and Servicing Agreement and only in a transaction that does not require registration under the 1933 Act or the securities laws of any state. The transferee of any interest in an Offered Certificate that is a Global Certificate will be deemed to have made, and transferee of any interest in an Offered Certificate that is a definitive certificate in fully registered form (a “Definitive Certificate”) will be required to make, certain representations as set forth in the Pooling and Servicing Agreement. Neither the Depositor nor the Initial Purchaser will register the Offered Certificates under the 1933 Act, register or qualify the Offered Certificates under the securities laws of any state or other jurisdiction or provide registration rights to any purchaser.

The Offered Certificates are subject to additional restrictions on transfer to certain Plans (as defined herein) subject to ERISA or Section 4975 of the Code or other persons investing “plan assets” of any Plan, as described herein under “ERISA Considerations”.

The Offered Certificates May Not Be Suitable as Investments.

The Offered Certificates are complex investments that should be considered only by institutional investors who, either alone or with their accounting, financial, regulatory, tax and legal advisors (i) have the expertise to analyze the documents described herein and the appendices and hereto and thereto, (ii) have the expertise to analyze the prepayment, reinvestment, default and market risk, tax consequences and other attributes of an investment in the Offered Certificates and the interaction of these factors and (iii) who are familiar with complex asset securitization structures. Prospective investors are advised to consult their own accounting, financial, legal, regulatory and tax advisors before investing in the Offered Certificates.

The yields and the aggregate amount and timing of distributions on the Offered Certificates may be subject to material variability from period to period and over the lives of the Offered Certificates, and the Offered Certificates are not suitable investments for any investor that requires a regular or predictable schedule of monthly payments or payment on any specific date. An investment in the Offered Certificates, particularly the Class M Certificates and Class B Certificates, involves substantial risks and uncertainties and should only be considered by sophisticated institutional investors with substantial investment experience with similar types of securities and particularly with respect to (but not by way of limitation) the Class B Certificates, with the financial ability to absorb a substantial loss on such investment.

This Memorandum Contains Forward-Looking Information.

Certain of the information contained in this Memorandum constitutes “forward-looking statements”. These statements may include projections of average life and maturity dates of the Offered Certificates. These statements are intended to convey our projections or expectations as of the date of this Memorandum. These statements are inherently subject to a variety of risks, uncertainties and other factors

that may cause the actual results and performance of the Offered Certificates and the Mortgage Loans to be materially different from any future results or performance expressed or implied by the forward-looking statements. These factors may include general economic and business conditions, political and/or social conditions, interest rate changes, prepayment amounts, loss and delinquency history, servicing performance, and the law and government regulatory initiatives.

DESCRIPTION OF THE OFFERED CERTIFICATES

The description of the Offered Certificates that follows (i) is generally not intended to be duplicative of information that may be obtained from the Mortgage Loan Purchase Agreement and the Pooling and Servicing Agreement and (ii) does not purport to be complete. Such description is subject to, and is qualified in its entirety by reference to, the actual terms and provisions of the Mortgage Loan Purchase Agreement and the Pooling and Servicing Agreement (including the forms of the Offered Certificates). Prospective investors are urged to review the Mortgage Loan Purchase Agreement and the Pooling and Servicing Agreement and the exhibits hereto and thereto in their entirety. Capitalized terms used herein not otherwise defined herein shall have the meanings ascribed thereto in the Pooling and Servicing Agreement.

A copy of the final Mortgage Loan Purchase Agreement and the final Pooling and Servicing Agreement will be made available by the Initial Purchaser to the recipient of this Memorandum, free of charge, upon written request therefor.

General

The SACO I Trust 2005-2, Mortgage Pass-Through Certificates, Series 2005-2 (the “Certificates”) will consist of the following fifteen classes of Certificates: (i) the Class A Certificates; (ii) the Class A-IO Certificates; (iii) the Class M-1 Certificates; (iv) the Class M-2 Certificates; (v) the Class M-3 Certificates; (vi) the Class M-4 Certificates, (vii) the Class M-5 Certificates, (viii) the Class B-1 Certificates; (ix) the Class B-2 Certificates; (x) the Class B-3 Certificates; (xi) the Class B-4 Certificates; (xii) the Class C Certificates; (xiii) the Class R-1 Certificates; (xiv) the Class R-2 Certificates; and (xv) the Class R-3 Certificates. The Class M-1, Class M-2, Class M-3, Class M-4 and Class M-5 Certificates are referred to in this Memorandum collectively as the “Class M Certificates”. The Class B-1, Class B-2, Class B-3 and Class B-4 Certificates are referred to in this Private Placement Memorandum collectively as the “Class B Certificates”. The Class R-1, Class R-2 and Class R-3 Certificates are referred to in this Memorandum collectively as the “Residual Certificates”. The Class A, Class A-IO, Class M and Class B Certificates are referred to in this Memorandum collectively as the “Offered Certificates” and are the only Certificates offered pursuant to this Memorandum.

Each class of Offered Certificates will have the initial Certificate Principal Balance or, in the case of the Class A-IO Certificates, the initial Notional Amount set forth on page 2 of this Memorandum. Each class of the Offered Certificates will accrue interest from time to time in the manner and at the applicable Pass-Through Rate.

The Certificates will evidence interests in a trust fund (the “Trust Fund”) consisting primarily of a pool of certain fixed-rate junior-lien Mortgage Loans, with terms to maturity of not more than 30 years, deposited by the Depositor into the Trust Fund for the benefit of the Certificateholders. Certain characteristics of the Mortgage Loans are described under “The Mortgage Pool” in this Memorandum and in Appendix A to this Memorandum. The Trust Fund will be created pursuant to the Pooling and Servicing Agreement.

Distributions on each class of the Offered Certificates will be made monthly on each Distribution Date in an amount, subject to funds available and subject to the priorities and allocations described below under “Description of the Offered Certificates—Interest Distributions”, “—Principal Distributions” and “—Overcollateralization Provisions”.

The Offered Certificates transferred to investors, other than the Class B-4 Certificates, will initially be represented by one or more global certificates registered in the name of a nominee of The

Depository Trust Company (“DTC”). The Depositor has been informed by DTC that DTC’s nominee will be Cede & Co. No person acquiring an interest in any such class of the Offered Certificates (other than the Class B-4 Certificates) will be entitled to receive a Definitive Certificate representing such person’s interest, except as set forth in the Pooling and Servicing Agreement. Unless and until Definitive Certificates are issued under the limited circumstances set forth in the Pooling and Servicing Agreement, all references to actions by Certificateholders with respect to the Offered Certificates, other than the Class B-4 Certificates, shall refer to actions taken by DTC upon instructions from its participants and all references in this Memorandum to distributions, notices, reports and statements to Certificateholders with respect to such Offered Certificates shall refer to distributions, notices, reports and statements to DTC or Cede & Co., as the registered holder of such Offered Certificates, for distribution to beneficial owners of Offered Certificates registered in the name of DTC or its nominee (“Certificate Owners”) in accordance with DTC procedures. The Class B-4 Certificates will be issued in fully registered definitive physical form, as described in the Pooling and Servicing Agreement.

Payments on the Offered Certificates will be made by wire transfer in immediately available funds (if the Trustee has received appropriate and timely wire transfer instructions) or by a U.S. dollar check. Final payments in respect of the Offered Certificates will be made only against surrender of such Certificates at the office of the Trustee set forth in the Pooling and Servicing Agreement.

Form, Denomination and Registration

The Offered Certificates may be sold only to qualified institutional buyers (as defined in Rule 144A under the 1933 Act) who purchase such Offered Certificates for their own account or for the account of a qualified institutional buyer. The Offered Certificates (other than the Class B-4 Certificates) sold in reliance on Rule 144A under the 1933 Act will be represented by one or more permanent global certificates in registered form without interest coupons (each, a “Rule 144A Global Certificate”). Investors may hold their interests in the Rule 144A Global Certificates directly through DTC if they are DTC participants, or indirectly through organizations that are DTC participants. The Rule 144A Global Certificates will be deposited with the Trustee, and registered in the name of a nominee of DTC. The Rule 144A Global Certificates are sometimes referred to herein as “global certificates”. Beneficial interests in global certificates will be subject to certain restrictions on transfer set forth therein and in the Pooling and Servicing Agreement and in Rule 144A, and such global certificates will bear legends regarding such restrictions set forth or described under “Transfer and Exchange of the Offered Certificates”. By acquisition of a beneficial interest in a Rule 144A Global Certificate, the purchaser thereof will be deemed to have made the representations, warranties and covenants described below under “Transfer and Exchange of the Offered Certificates”. The Class B-4 Certificates will be represented by certificates in definitive, fully registered, certificated form, without coupons. The Class B-4 Certificates are subject to certain restrictions on transfer set forth therein and in the Pooling and Servicing Agreement, and transferees of the Class B-4 Certificates will be required to execute the documents required by the Pooling and Servicing Agreement and described under “Transfer and Exchange of the Offered Certificates” prior to any transfer of the Class B-4 Certificates.

No service charge will be made for any registration of transfer or exchange of Offered Certificates, but the Trustee may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith. Offered Certificates may be surrendered, transferred or exchanged only at the office designated by the Trustee for such purposes. As of the Closing Date, the Trustee designates the office of its agent located c/o DTC Transfer Agent Services, 55 Water Street, Jeanette Park Entrance, New York, New York 10041 for such purposes.