

# **EXHIBIT “S”**

424B5 1 d468315\_424b5.htm BEAR STEARNS ASSET BACKED SECURITIES I TRUST 2006-HE3  
 PROSPECTUS SUPPLEMENT  
 (To Prospectus dated June 24, 2005)

**\$758,519,000**  
**(Approximate)**

**Bear Stearns Asset Backed Securities I Trust 2006-HE3**  
**Issuing Entity**

**Asset-Backed Certificates, Series 2006-HE3**

**LaSalle Bank National Association**  
**Master Servicer and Securities Administrator**

**EMC Mortgage Corporation**  
**Sponsor**

**Bear Stearns Asset Backed Securities I LLC**  
**Depositor**

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**Consider carefully the risk factors beginning on page S-15 in this prospectus supplement and on page 4 in the prospectus.**

The certificates represent obligations of the trust only and do not represent an interest in or obligation of Bear Stearns Asset Backed Securities I LLC, EMC Mortgage Corporation, Citibank, N.A., LaSalle Bank National Association or any of their affiliates.

This prospectus supplement may be used to offer and sell the offered certificates only if accompanied by the prospectus.

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The issuing entity is offering the following classes of certificates pursuant to this prospectus supplement and the accompanying prospectus:

<b>Class</b>	<b>Original Certificate Principal Balance</b>	<b>Pass-Through Rate</b>	<b>Class</b>	<b>Original Certificate Principal Balance</b>	<b>Pass-Through Rate</b>
Class A-1	\$396,254,000	(1)(2)	Class M-4	\$16,265,000	(1)(2)(3)
Class A-2	\$171,485,000	(1)(2)(3)	Class M-5	\$15,075,000	(1)(2)(3)
Class A-3	\$ 24,954,000	(1)(2)(3)	Class M-6	\$13,488,000	(1)(2)(3)
Class M-1	\$ 38,481,000	(1)(2)(3)	Class M-7	\$13,092,000	(1)(2)(3)
Class M-2	\$ 30,150,000	(1)(2)(3)	Class M-8	\$11,505,000	(1)(2)(3)
Class M-3	\$ 18,646,000	(1)(2)(3)	Class M-9	\$ 9,124,000	(1)(2)(3)

(1) The pass-through rates on these classes of certificates are adjustable or variable rates based on One-Month LIBOR as described under "Summary—Description of the Certificates—Pass-Through Rates" in this prospectus supplement.

(2) Subject to a cap as described in this prospectus supplement.

(3) Subject to a step-up if the optional termination right is not exercised.

The certificates represent interests in a pool of fixed and adjustable rate, conventional, closed-end sub-prime mortgage loans that are secured by first and second liens on one- to four-family residential properties.

Credit enhancement will be provided by:

- excess spread;
- overcollateralization;
- the interest rate swap agreement;
- the yield maintenance agreement; and
- subordination of the Class M-1, Class M-2, Class M-3, Class M-4, Class M-5, Class M-6, Class M-7, Class M-8, Class M-9 and M-10 Certificates.

Unless otherwise provided in the related prospectus supplement, payments of principal of and interest on a series of securities will be made on each distribution date specified in the prospectus supplement by check mailed to holders of that series, registered as such at the close of business on the record date specified in the prospectus supplement that is applicable to that distribution date, at their addresses appearing on the security register. However, payments may be made by wire transfer (at the expense of the holder requesting payment by wire transfer) in circumstances described in the prospectus supplement. However, final payments of principal in retirement of each security will be made only upon presentation and surrender of the security at the office of the related trustee. Notice of the final payment on a security will be mailed to each holder before the distribution date on which the final principal payment is expected to be made.

Payments of principal and interest on the securities will be made by the trustee, or a paying agent on behalf of the trustee, as specified in the related prospectus supplement. Unless otherwise provided in the related prospectus supplement, the following amounts will be deposited directly into the collection account established for a particular series of securities with the trustee (or with the master servicer in the name of the trustee):

- all payments with respect to the primary assets for that series (see, “—The Primary Assets and Their Valuation” below), together with reinvestment income thereon;
- amounts withdrawn from any cash, letters of credit, short-term investments or other instruments acceptable to the rating agencies identified in the prospectus supplement as rating that series and deposited in each reserve fund for the series established in the name of the trustee; and
- amounts available pursuant to any other credit enhancement for the series.

If provided in the related prospectus supplement, the deposits may be net of certain amounts payable to the servicer and any other person specified in the prospectus supplement. These amounts thereafter will be deposited into the separate distribution account established for the series and will be available to make payments on the related securities on the next distribution date. See “The Trust Funds—Collection and Distribution Accounts” in this prospectus.

#### **The Primary Assets and Their Valuation**

The primary assets of each trust fund may include one or more pools of the following:

- Residential Loans,
  - Home Equity Loans,
  - Home Improvement Contracts,
  - Manufactured Housing Contracts,
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