

HOMEQ SERVICING

October 10, 2006

O. Max Gardner III, Esq.
403 south Washington Street
P.O. Box 1000
Shelby, NC 28151

Re: William McElrath
Loan number 0321008385

Dear Mr. Gardner:

I am writing in response to your letter dated July 17, 2006, which was received, in our Consumer Relations Department on August 31, 2006. We understand from your letter that you represent our customer, William Henry McElrath with respect to the above-referenced loan. Set forth below, are our specific answers to your requests for information contained in your July 17, 2006, letter. You request a current payoff statement, which must include the following:

- #1 The date on which it [payoff statement] was prepared and the payoff amount as of the date, including the amount by type of each fee, charge or other sum included with the payoff amount.

Response: See attached copy of payoff statement

- #2 All information reasonably necessary to calculate the payoff amount as of the requested date, including the per diem interest amount;

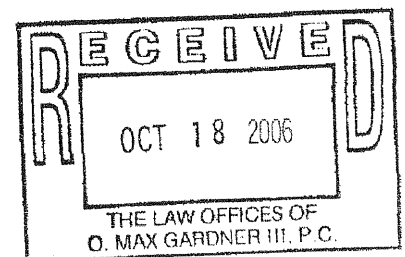
Response: See attached copy of payoff statement

- #3 The payment cutoff time, if any, the address or place where the payoff payment must be made, and any limitations to the authorized method of payment;

Response: See attached copy of payoff statement.

- #4 In the even that any dispute arises with respect to the payoff calculations, please provide me with the address designed by your Company for the receipt of any written qualified request under the Real Estate Settlement Procedures Act;

Response: HomeEq Servicing
4837 Watt Avenue, Suite 200
North Highlands, CA 95660
Attention: Consumer Relations Department



WACHOVIA

O. Max Gardner III, Esq.

October 10, 2006

Page 2

- #5 A complete history of each and every transaction in this account since the date the bankruptcy petition was filed including a list of all computer codes and a written narrative description and explanation of each Code;

Response: See attached payment history. No codes are used on the attached statements.

- #6 A copy of your written payoff procedures and protocols;

Response: Any such documents, if they exist, are proprietary in nature and the production thereof will require a court order.

- #7 Any limitations as to the authorized method of payment;

Response: Account is paid in full.

- #8 An itemized breakdown of all fees and charges including the date of the services provided, the nature of the services, the amount of the payment for such services and the name of each payee;

Response: See attached payment history. Any other information is of a proprietary nature and the production thereof will require a court order.

- #9 Copies of all checks evidencing any payments described in number 8; and

Response: Any such materials are utilized for internal purposes only, and HomeEq is not obligated to provide them.

- #10. The amount of fees, if any authorized under N.C.G.S. §45-36.7 not otherwise included in the payoff statement.

Response: Not applicable.

Mr. Gardner, should you have any questions, please feel free to contact me directly at 916-339-6939.

Very truly yours,



Danica Read
Consumer Relations

THANK YOU FOR YOUR RECENT INQUIRY

PER YOUR REQUEST, HOMEQ SERVICING CORP
HAS REVIEWED YOUR PAYMENT HISTORY.

CUSTOMER ACCOUNT ACTIVITY STATEMENT

DATE 10/13/06
PAGE 1

REQ BY DR6

WILLIAM H MCEL RATH
2305 OAK GROVE RD
SHELBY

NC 28150

LOAN NUMBER: 0321008385

----- CURRENT ACCOUNT INFORMATION -----						
DATE	TOTAL	PRINCIPAL	LOAN	CURRENT		
PAYMENT	PAYMENT	& INTEREST	INTEREST	PRINCIPAL	ESCROW	
DUE	AMOUNT	PAYMENT	RATE	BALANCE	BALANCE	
09-01-06	615.03	0.00	9.50100	0.00	75.74	

PROCESS	DUE	ACTIVITY FOR PERIOD 01/01/01 - 10/12/06	EFFECTIVE DATE
DATE	DATE	TRANSACTION CODE	TRANSACTION DESCRIPTION

TRANSACTION	PRIN.	PAID/	ESCROW PAID/	OTHER
AMOUNT	BALANCE	INTEREST	BALANCE	AMOUNT CODE/DESCRIPTION
09-21-06	09-06	181	LOAN PAID IN FULL (CASH)	
72,897.48	71,879.60	961.78	75.74	19.64-
	0.00		75.74	NEW PRINCIPAL/ESCROW BALANCES
09-19-06	09-06	147	MISAPPLICATION REVERSAL	
0.00	0.00	0.00	19.64-	19.64
			0.00	NEW PRINCIPAL/ESCROW BALANCES
08-03-06	08-06	173	PAYMENT	
615.03	45.56	569.47	0.00	
	71,879.60			NEW PRINCIPAL/ESCROW BALANCES
07-10-06	08-06	493	ARM LOAN ADJUSTMENT	
	NEW INTEREST RATE: 0.09501		NEW PRIN & INT PAYMENT:	615.03
07-10-06	07-06	173	PAYMENT	
564.48	54.56	509.92	0.00	
	71,925.16			NEW PRINCIPAL/ESCROW BALANCES
06-07-06	06-06	173	PAYMENT	
564.48	54.18	510.30	0.00	
	71,979.72			NEW PRINCIPAL/ESCROW BALANCES
05-05-06	05-06	173	PAYMENT	
564.48	53.80	510.68	0.00	
	72,033.90			NEW PRINCIPAL/ESCROW BALANCES
04-10-06	04-06	173	PAYMENT	
564.48	53.42	511.06	0.00	
	72,087.70			NEW PRINCIPAL/ESCROW BALANCES
03-07-06	03-06	173	PAYMENT	
564.48	53.04	511.44	0.00	
	72,141.12			NEW PRINCIPAL/ESCROW BALANCES

THANK YOU FOR YOUR RECENT INQUIRY

PER YOUR REQUEST, HOMEQ SERVICING CORP
HAS REVIEWED YOUR PAYMENT HISTORY.

CUSTOMER ACCOUNT ACTIVITY STATEMENT

DATE 10/13/06
PAGE 2

REQ BY DR6

WILLIAM H MCEL RATH
LOAN NUMBER: 0321008385

PROCESS		DUE		ACTIVITY FOR PERIOD 01/01/01 - 10/12/06		TRANSACTION		EFFECTIVE DATE	
DATE		DATE		TRANSACTION		DESCRIPTION		OF TRANSACTION	
TRANSACTION		PRIN. PAID/		ESCROW PAID/		OTHER			
AMOUNT		BALANCE		INTEREST		BALANCE		AMOUNT CODE/DESCRIPTION	
02-06-06	02-06	173	PAYMENT						02-03-06
564.48		52.67	511.81	0.00					
		72,194.16							NEW PRINCIPAL/ESCROW BALANCES
01-10-06	02-06	493	ARM LOAN ADJUSTMENT						
			NEW INTEREST RATE: 0.08501					564.48	
01-10-06	01-06	173	PAYMENT						01-09-06
491.04		69.14	421.90	0.00					
		72,246.83							NEW PRINCIPAL/ESCROW BALANCES
01-10-06	01-06	168	REPAY OF ESCROW ADVANCE						
0.00		0.00	0.00	249.00-				249.00	
01-10-06	01-06	166	MISCELLANEOUS ESCROW DEPOSIT						
0.00		0.00	0.00	268.64				268.64-	
				19.64					NEW PRINCIPAL/ESCROW BALANCES
12-09-05	12-05	173	PAYMENT						12-08-05
491.04		68.74	422.30	0.00					
		72,315.97							NEW PRINCIPAL/ESCROW BALANCES
11-08-05	11-05	173	PAYMENT						11-07-05
615.54		68.34	422.70	0.00				124.50	
		72,384.71							NEW PRINCIPAL/ESCROW BALANCES
10-07-05	10-05	173	PAYMENT						10-06-05
615.54		67.94	423.10	0.00				124.50	
		72,453.05							NEW PRINCIPAL/ESCROW BALANCES
09-09-05	10-05	168	REPAY OF ESCROW ADVANCE						
0.00		0.00	0.00	1179.00-				1,179.00	
09-09-05	10-05	163	HAZARD INS REFUND DEPOSIT						
1,179.00		0.00	0.00	1179.00					
				249.00-					NEW PRINCIPAL/ESCROW BALANCES
09-09-05	10-05	168	REPAY OF ESCROW ADVANCE						
0.00		0.00	0.00	930.00-				930.00	
09-09-05	10-05	163	HAZARD INS REFUND DEPOSIT						
930.00		0.00	0.00	930.00					
				1428.00-					NEW PRINCIPAL/ESCROW BALANCES
09-06-05	09-05	173	PAYMENT						09-02-05
491.04		67.55	423.49	0.00					
		72,520.99							NEW PRINCIPAL/ESCROW BALANCES
08-19-05	09-05	161	ESCROW ADVANCE						
1,179.00		0.00	0.00	1179.00					

THANK YOU FOR YOUR RECENT INQUIRY

PER YOUR REQUEST, HOMEQ SERVICING CORP
HAS REVIEWED YOUR PAYMENT HISTORY.

CUSTOMER ACCOUNT ACTIVITY STATEMENT

DATE 10/13/06
PAGE 3

REQ BY DR6

WILLIAM H MCEL RATH
LOAN NUMBER: 0321008385

PROCESS DATE	DUE DATE	TRANSACTION CODE	ACTIVITY FOR PERIOD 01/01/01 - 10/12/06 TRANSACTION DESCRIPTION	EFFECTIVE DATE OF TRANSACTION
08-19-05	08-05	351	HAZARD INS DISBURSEMENT	
			1,179.00-	0.00
			0.00	0.00
			1179.00-	2358.00-
			NEW PRINCIPAL/ESCROW BALANCES	08-05-05
08-08-05	08-05	173	PAYMENT	
			491.04	67.15
			423.89	0.00
			72,588.54	
			NEW PRINCIPAL/ESCROW BALANCES	
07-30-05	07-05	173	PAYMENT	
			510.68	66.77
			424.27	0.00
			19.64	
			72,655.69	
			NEW PRINCIPAL/ESCROW BALANCES	06-03-05
06-06-05	06-05	173	PAYMENT	
			491.04	66.38
			424.66	0.00
			72,722.46	
			NEW PRINCIPAL/ESCROW BALANCES	05-04-05
05-05-05	05-05	173	PAYMENT	
			491.04	65.99
			425.05	0.00
			72,788.84	
			NEW PRINCIPAL/ESCROW BALANCES	04-04-05
04-05-05	04-05	173	PAYMENT	
			491.04	65.61
			425.43	0.00
			72,854.83	
			NEW PRINCIPAL/ESCROW BALANCES	03-03-05
03-04-05	03-05	173	PAYMENT	
			491.04	65.23
			425.81	0.00
			72,920.44	
			NEW PRINCIPAL/ESCROW BALANCES	02-02-05
02-04-05	02-05	173	PAYMENT	
			491.04	64.85
			426.19	0.00
			72,985.67	
			NEW PRINCIPAL/ESCROW BALANCES	01-05-05
01-06-05	01-05	173	PAYMENT	
			491.04	64.47
			426.57	0.00
			73,050.52	
			NEW PRINCIPAL/ESCROW BALANCES	12-03-04
12-06-04	12-04	173	PAYMENT	
			491.04	64.10
			426.94	0.00
			73,114.99	
			NEW PRINCIPAL/ESCROW BALANCES	11-04-04
11-05-04	11-04	173	PAYMENT	
			491.04	63.73
			427.31	0.00
			73,179.09	
			NEW PRINCIPAL/ESCROW BALANCES	
10-20-04	11-04	161	ESCROW ADVANCE	
			1,179.00	0.00
			0.00	0.00
			1179.00	
10-19-04	08-04	351	HAZARD INS DISBURSEMENT	
			1,179.00-	0.00
			0.00	0.00
			1179.00-	1179.00-
			NEW PRINCIPAL/ESCROW BALANCES	

THANK YOU FOR YOUR RECENT INQUIRY

PER YOUR REQUEST, HOMEQ SERVICING CORP
HAS REVIEWED YOUR PAYMENT HISTORY.

CUSTOMER ACCOUNT ACTIVITY STATEMENT

DATE 10/13/06
PAGE 4

REQ BY DR6

WILLIAM H MCEL RATH
LOAN NUMBER: 0321008385

PROCESS DATE	DUE DATE	TRANSACTION CODE	ACTIVITY FOR PERIOD 01/01/01 - 10/12/06 TRANSACTION DESCRIPTION	EFFECTIVE DATE OF TRANSACTION
10-08-04	10-04	173	PAYMENT	10-07-04
	491.04	63.36	427.68	0.00
		73,242.82		
				NEW PRINCIPAL/ESCROW BALANCES
09-14-04	00-00	745	CORP. ADVANCE ADJUSTMENT	
	150.00-	0.00	0.00	0.00
09-14-04	00-00	745	CORP. ADVANCE ADJUSTMENT	
	150.00	0.00	0.00	0.00
09-13-04	00-00	632	STATUTORY EXPENSES	
	50.00	0.00	0.00	0.00
09-13-04	00-00	630	ATTORNEY ADVANCES	
	100.00	0.00	0.00	0.00
09-09-04	09-04	173	PAYMENT	
	491.04	62.99	428.05	0.00
		73,306.18		
				NEW PRINCIPAL/ESCROW BALANCES
08-31-04	00-00	745	CORP. ADVANCE ADJUSTMENT	
	150.00-	0.00	0.00	0.00
08-31-04	00-00	745	CORP. ADVANCE ADJUSTMENT	
	150.00	0.00	0.00	0.00
08-30-04	00-00	630	ATTORNEY ADVANCES	
	150.00	0.00	0.00	0.00
08-13-04	00-00	745	CORP. ADVANCE ADJUSTMENT	
	100.00-	0.00	0.00	0.00
08-13-04	00-00	745	CORP. ADVANCE ADJUSTMENT	
	100.00	0.00	0.00	0.00
08-12-04	00-00	601	MISC. CORPORATE DISBURSEMENT	
	100.00	0.00	0.00	0.00
08-04-04	08-04	173	PAYMENT	08-03-04
	491.04	62.63	428.41	0.00
		73,369.17		
				NEW PRINCIPAL/ESCROW BALANCES
07-02-04	07-04	172	PAYMENT	
	491.04	62.26	428.78	0.00
		73,431.80		
				NEW PRINCIPAL/ESCROW BALANCES
06-03-04	06-04	172	PAYMENT	
	491.04	61.90	429.14	0.00
		73,494.06		
				NEW PRINCIPAL/ESCROW BALANCES
05-07-04	05-04	173	PAYMENT	
	491.04	61.54	429.50	0.00
		73,555.96		
				NEW PRINCIPAL/ESCROW BALANCES

THANK YOU FOR YOUR RECENT INQUIRY

PER YOUR REQUEST, HOMEQ SERVICING CORP
HAS REVIEWED YOUR PAYMENT HISTORY.

CUSTOMER ACCOUNT ACTIVITY STATEMENT

DATE 10/13/06
PAGE 5

REQ BY DR6

WILLIAM H MCEL RATH
LOAN NUMBER: 0321008385

PROCESS DATE	DUE DATE	ACTIVITY FOR PERIOD TRANSACTION CODE	01/01/01 - 10/12/06 TRANSACTION DESCRIPTION	EFFECTIVE DATE OF TRANSACTION
04-02-04	04-04	172	PAYMENT	
491.04		61.19	429.85	0.00
		73,617.50		NEW PRINCIPAL/ESCROW BALANCES
03-02-04	03-04	173	PAYMENT	02-27-04
491.04		60.83	430.21	0.00
		73,678.69		NEW PRINCIPAL/ESCROW BALANCES
02-27-04	03-04	142	LOAN SETUP	
0.00		73,739.52-	0.00	0.00
		73,739.52		NEW PRINCIPAL/ESCROW BALANCES