

**SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY**

In the Matter of the Application of

U.S. BANK N.A., WELLS FARGO BANK, N.A.,
WILMINGTON TRUST, N.A., WILMINGTON
TRUST COMPANY, and CITIBANK, N.A. (as
Trustees, Indenture Trustees, Securities Adminis-
trators, Paying Agents, and/or Calculation Agents
of Certain Residential Mortgage-Backed Securiti-
zation Trusts),

Petitioners,

For Judicial Instructions under CPLR Article 77
on the Administration and Distribution of a
Settlement Payment.

Index No. 651625/2018

IAS Part 60

Hon. Marcy Friedman

**ANSWER OF TILDEN PARK
CAPITAL MANAGEMENT LP**

Respondent Tilden Park Capital Management LP and affiliates, together with their advisory clients (“Tilden Park”), for its Answer to the Trustees’ Petition,¹ states as follows:

1. Tilden Park purchased and currently holds interests in certificates issued by each of the Settlement Trusts listed in Exhibit I (the “Tilden Park Trusts”).

2. Contrary to Paragraphs 34 through 36 of the Petition, the Governing Agreements for the Tilden Park Trusts – which control the application of Settlement funds in this action – unambiguously mandate an order of operations. The mandated order of operations for each Tilden Park Trust is listed on Exhibit I.

3. The Trustees’ allegations in Paragraphs 37 through 51 of the Petition regarding the consequences of various payment methods do not warrant diverging from the Governing Agreements’ plain text. The Trustees should distribute Settlement funds as “excess cashflow”

¹ Capitalized terms not defined here have the meaning ascribed in the Petition. *See* Dkt. 1.

where dictated by a Governing Agreement.

4. The “potential for portions of the Settlement payment to be without any clear method for distribution” described in Paragraphs 52 through 54 of the Petition appears speculative and does not apply to any Tilden Park Trust. If the Trustees possess information suggesting that such circumstances should plausibly occur, this Court should direct the Trustees to disclose those circumstances in detail on a trust-by-trust basis.

5. That any Zero Distribution Provision (“ZDP”) would apply to the Settlement Payments, as described in Paragraphs 55 through 59 of the Petition, also appears speculative. In any event, in such a scenario, a write-up of certificate balances reflecting the Settlement Payment would, under the Governing Agreements, cause certificates that formerly had zero balances to become re-eligible for distributions regardless of any ZDP.

WHEREFORE, Tilden Park respectfully requests that the Court enter judgment instructing the Trustees to:

(a) Apply the order of operations specified by each Trust’s Governing Agreement as written, without alteration, including, without limitation, any alteration to avoid payment of Settlement funds as “excess cashflow;”

(b) For the Tilden Park Trusts, to apply the Pay First Method or Write-up First Method as specified on Exhibit I; and

(c) For the Trusts listed on Exhibit G to the petition, increase certificate principal balances, administer and distribute the pertinent Allocable Shares, and make future distributions based on such increased certificate principal balances, recognizing that the ZDP shall not preclude such increases or principal distributions.

Tilden Park also requests such further and other relief as may be just and proper.

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Jonathan L. Hochman
Anna Vinogradov
Schindler Cohen & Hochman LLP
100 Wall Street
15th Floor
New York, NY 10005
T: (212) 277 6330
F: (212) 277 6333
jhochman@schlaw.com
avinogradov@schlaw.com

/s/ Justin M. Ellis
Justin M. Ellis
W. Alex Harris
MoloLamken LLP
430 Park Avenue
New York, NY 10022
(212) 607 8159
(212) 607 8161
jellis@mololamken.com
wharris@mololamken.com

Attorneys for Tilden Park Capital Management LP

Exhibit I: Tilden Park Trusts

Trust	Correct Order of Operations
LMT 2007-2	Write Up First
LMT 2007-4	Write Up First
LMT 2008-6	Write Up First
LXS 2007-12N	Write Up First
LXS 2007-15N	Write Up First
SARM 2007-6	Write Up First
SARM 2007-8	Write Up First
SASC 2003-26A	Pay First
SASC 2003-34A	Pay First
SASC 2005-2XS	Write Up First