From Main Street to Wall Street
Connecting the Dots in the Mortgage Meltdown

Valdis Krebs
Orgnet, LLC
Financial Risk and Network Theory Conference
23 September 2014
Mortgage Meltdown in Cleveland, Ohio

- One of the highest foreclosure rates in the USA during 2005-2010
  - Especially in the former steelworker community of Slavic Village

- Foreclosed Cleveland mortgages were found in many Wall Street RBMSes and CDOs
Main Street Foreclosure

3729 East 54th Street
# Main Street Detail

Data in spreadsheet gathered by Cleveland City Councilman Anthony Brancatelli
SEC: Main Street → Wall Street

The Transaction Parties

**Sponsor.** Goldman Sachs Mortgage Company, a New York limited partnership with its principal executive offices at 85 Broad Street, New York, New York 10004, telephone number (212) 902-1000.

**Depositor.** GS Mortgage Securities Corp., a Delaware corporation with its principal executive offices at 85 Broad Street, New York, New York 10004, telephone number (212) 902-1000.

**Issuing Entity.** GSAMP Trust 2006-HE1.

Trustee. Deutsche Bank National Trust Company, a national banking association. The corporate trust office of the trustee is located at 1761 East St. Andrew Place, Santa Ana, California 92705-4034, and its telephone number is (714) 247-6000.

**Servicer.** Litton Loan Servicing LP, a Delaware limited partnership with its main office located at 4828 Loop Central Drive, Houston, Texas 77081, and its telephone number is (713) 960-9676.

Original Loan Sellers. SouthStar Funding, LLC, a Delaware limited liability company, and MLIA, Inc., a Washington corporation. The principal executive office of SouthStar is located at 400 Northbridge Road, Suite 1000, Atlanta, Georgia, 30350, and its telephone number is (770) 641-4134. The principal executive office of MLIA is located at 6021 244th Street S.W., Mountlake Terrace, Washington 98042, and its telephone number is (800) 332-6452. The original loan sellers also include certain entities that sold mortgage loans to the sponsor under its mortgage conduit program. Pursuant to the mortgage conduit program, the sponsor purchases mortgage loans originated by the original loan sellers if the mortgage loans generally satisfy the sponsor’s underwriting guidelines.

**Custodians.** J.P. Morgan Trust Company, National Association, a national banking association, will act as a custodian with respect to 73.07% of the mortgage loans, and U.S. Bank National Association, a national banking association, will act as a custodian with respect to 7.21% of the mortgage loans. The trustee will have the custodial responsibilities with respect to the mortgage files for all other mortgage loans. The principal executive office of J.P. Morgan Trust Company, National Association is located at 2220 Chesapeake Boulevard, Suite 150, Irving, Texas 75062, and its telephone number is (972) 785-5274. The principal executive office of U.S. Bank is located at U.S. Bancorp Center, 800 Nicollet Mall, Minneapolis, Minnesota 55402, and its telephone number is (612) 695-6105.

**Swap Provider.** A swap provider that has a counterparty rating of at least "Aa3" from Moody’s Investors Service, Inc. and a credit rating of "AA+" from Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. (or has a guarantor that has such ratings) will be employed in connection with this transaction.
ABACUS 2007-AC1

$2 Billion Synthetic CDO

Referencing a static RMBS Portfolio

Selected by ACA Management, LLC

February 26, 2007

The information contained herein is indicative only and the actual terms of any transaction will be set forth in the definitive Offering Circular. Capitalized terms but not defined herein shall have the meanings set forth in the definitive Offering Circular.
Key Players in Transaction Flows

Main Street → Wall Street

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Actors Involved in...
3729 East 54th Street

Main Street
Mortgage: 3729 East 54th

Wall Street
Synthetic CDO: ABACUS 2007-AC1
Wall Street: Inflow from Main Street
Obvious vs. Non-Obvious

• Real Estate transaction documents allow extraction of standard financial data
  • Map obvious transactions & see flows
• But what about the non-obvious?
  • What are the patterns behind the visible flows?
  • Who are the hidden players?
Home buyers, highlighted in pink, have been foreclosed upon.
Non-obvious Pattern Extraction

• Start with common spreadsheets found in all businesses
• Look for data that signals similarity/difference between items
• Use custom algorithms to find and extract hidden pattern data
• Map and measure patterns of similarity and difference using professional SNA software (InFlow).
Non-Obvious Main Street Network

The thicker the line the more transactions performed together. Now obvious who the non-obvious players are!
Someone Does Go to Jail...

Mortgage Broker gets 14 years in Prison!