

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

In the Matter of the Application of

THE BANK OF NEW YORK MELLON, in
its Capacity as Trustee for 278 Residential
Mortgage-Backed Securitization Trusts,

Petitioner,

For Judicial Instructions Under CPLR Article
77 Concerning the Proper Pass-Through Rate
Calculation for CWALT Interest Only Senior
Certificates.

Index No. 150738/2019

Hon. Marcy S. Friedman

**STATEMENT OF THE FEDERAL
HOME LOAN BANK OF SAN
FRANCISCO CONCERNING THE
PETITION AND SUPPLEMENTAL
NOTICE**

The Federal Home Loan Bank of San Francisco (the Bank) respectfully submits this statement of position regarding the Petition filed on January 24, 2019 by The Bank of New York Mellon as Trustee and the additional issue identified in the supplemental notice issued by BNY Mellon on May 22, 2019.

The Bank holds 29 certificates in 22 of the 278 Covered Trusts.¹ A list of those holdings is provided in Exhibit A. The aggregate unpaid principal balance of the Bank’s certificates in those trusts is more than \$400 million.

The Bank agrees with the Trustee and various of the other Interested Persons (including the Institutional Investors² and the AIG Investors) that the method by which the Trustee asserts it has been calculating the monthly distributions of interest to the different classes of certificateholders in the Covered Trusts for the last 10 or more years – referred to in the Petition as the “dynamic method” – is correct. As a purchaser and holder of traditional certificates that

¹ Capitalized terms not otherwise defined have the meanings given to such terms in the Petition.

² One of the Institutional Investors is the Bank’s sister FHLB, the Federal Home Loan Bank of Atlanta.

pay both principal and interest, the Bank had and continues to have an expectation that the Trustee would calculate interest payments to holders of higher risk, interest-only certificates using the current interest rates on each of the underlying mortgage loans, not the original interest rates on those loans. If the Court were to order that the Trustee should have been using the so-called “static rate method,” the Bank would be harmed.

Silian Ventures LLC has taken the position in this proceeding that the Trustee may not, in fact, have been calculating interest payments made to the IO and traditional certificateholders like the Bank in the manner it claims. (Transcript of Conference, Apr. 18, 2019, at 9.) In addition, by letter to the Court dated May 14, 2019, counsel for BNY Mellon described an additional issue that has arisen concerning the Trustee’s computation of the interest being paid to IO certificateholders that led to the Court’s Order To Provide Supplemental Notice, dated May 22, 2019. As a result of these developments, both of which could have an impact on the distributions that the Bank receives on the certificates it holds, the Bank wishes to appear and have an opportunity to respond further, if necessary, to positions taken by other Interested Persons and/or join the positions taken by other Interested Persons.

Dated: New York, New York
June 14, 2019

GRAIS & ELLSWORTH LLP

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EXHIBIT A

COVERED TRUSTS IN WHICH FHLBSF HOLDS CERTIFICATES

CWALT 2005-11CB
CWALT 2005-1CB
CWALT 2005-20CB
CWALT 2005-23CB
CWALT 2005-3CB
CWALT 2005-46CB
CWALT 2005-47CB
CWALT 2005-52CB
CWALT 2005-54CB
CWALT 2005-57CB
CWALT 2005-65CB
CWALT 2005-75CB
CWALT 2005-85CB
CWALT 2005-86CB
CWALT 2006-2CB
CWALT 2006-39CB
CWALT 2006-4CB
CWALT 2007-16CB
CWALT 2007-17CB
CWALT 2007-18CB
CWALT 2007-2CB
CWHL 2006-J4