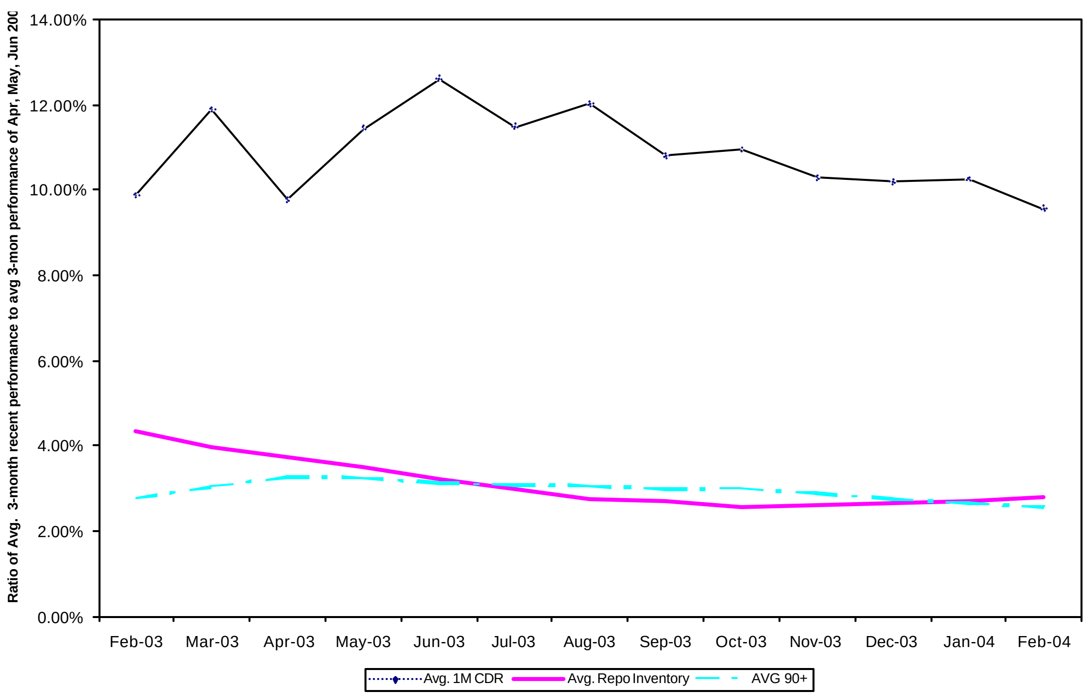
We provide a snapshot of the recent performance of 1999 – 2002 Conseco Manufactured Housing Deals. Tables 1, 2 and 3 show the historical performance of defaults, repossession inventory and 90+ delinquencies for the past year. We compared the most recent 3-month performance (Dec, Jan Feb 2004) to the 3-month period in April, May and June 2003 when the majority of these deals were experiencing peak defaults.

SEE TABLES 1, 2 & 3: Click Here

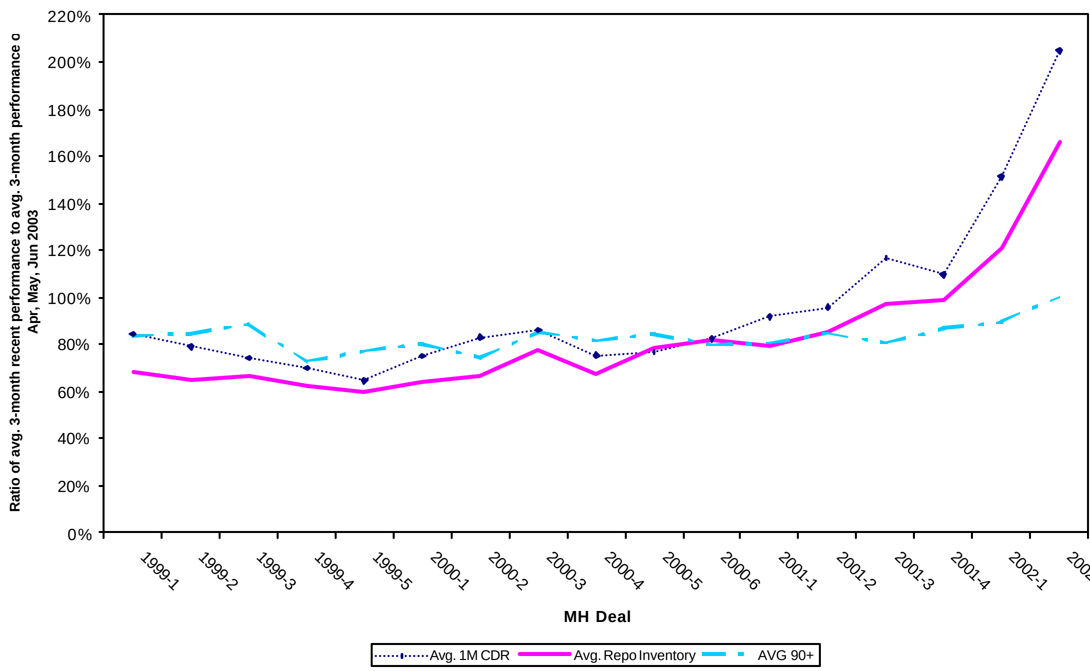
The ratios of the recent 3-month averages of CDR, repossession inventory and delinquency rates for all deals show an overall improving picture and were about only 83% of the 3-month averages experienced in April, May and June of 2003. Figure 1 graphically depicts the improving performance of deals originated in 1999 through 2002 from February 2003 to February 2004.

Figure 1: Conseco MH Performance Data by Month



On a vintage basis, however, performance is mixed. Deals issued prior to 2001-3 show an improvement of 20% compared to last April, May and June. In contrast, the performance of more recent vintages has shown some deterioration. For example, the 3-month average of repossession inventories for 2002-1 and 2002-2 are 20 and 60 percent greater, respectively, compared to the 3-month average over April, May and June 2003. Delinquencies greater than 90 days are also higher for these deals, which tends to indicate further defaults in the pipeline. We continue to expect further improvements as the balance of repossession inventory and seriously delinquent loans is reduced and as deals pass their peak loss periods. However, less seasoned deals will continue to experience increasing defaults until months 24 to 30 as part of the normal aging process expected.

Figure 2: Conseco MH Performance Data by Deal



ADCo. does in-depth analysis of MH deals as part of its consulting practice. We have derived a default aging curve for Conseco MH deals, which is depicted in Figure 3. We then scale our default aging curve with deal specific performance information to forecast deal specific assumptions. Figure 4 is an example of deal-specific CDR forecasts for a Conseco MH deal. In the October '03 issue of *The Pipeline*, we demonstrated the methodology for forecasting future losses and warned readers about the shortcomings of forecasting future losses based solely on cumulative defaults. Our CDR forecasting methodology relies on cumulative defaults as well as the inventory of repossessions and seriously delinquent loans.

Figure 3: Default Aging Curve for Conseco MH Collateral

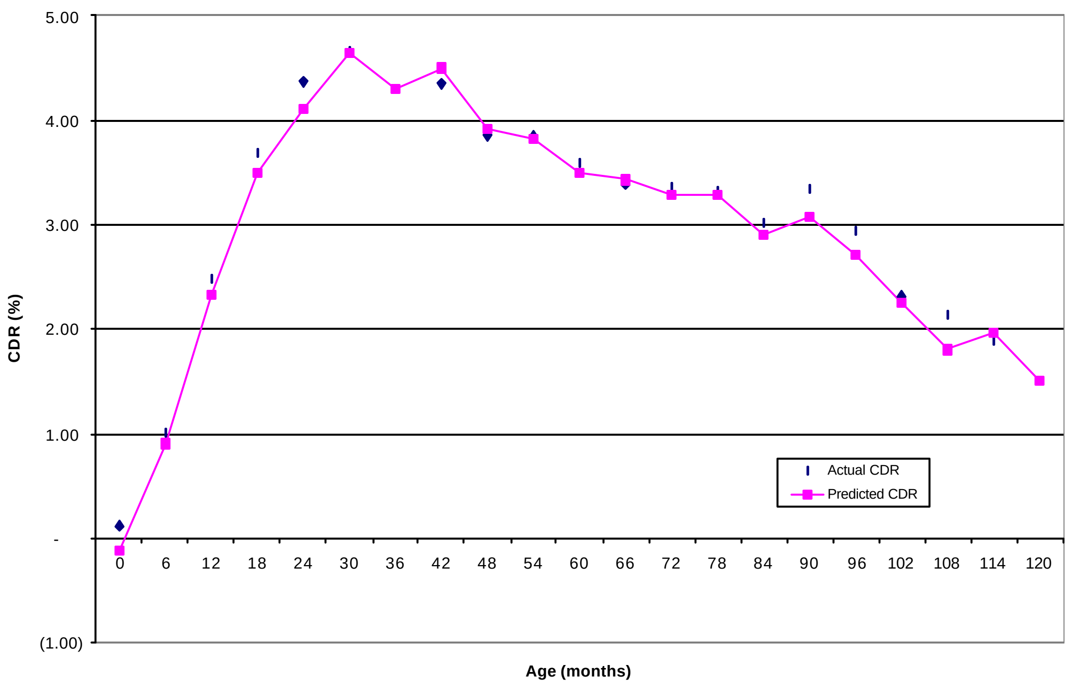


Figure 4: Deal Specific Default Forecasts for Conseco MH Deal