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DBRS Rates BNC Mortgage Loan Trust 2007-1

Industry: Sec.--RMBS

DBRS has today assigned the following ratings to the Mortgage Pass-Through Certificates, Series 2007-1 issued by BNC Mortgage Loan Trust 2007-1.

- \$420.0 million Class A1 rated at AAA
- \$205.9 million Class A2 rated at AAA
- \$35.3 million Class A3 rated at AAA
- \$73.9 million Class A4 rated at AAA
- \$29.6 million Class A5 rated at AAA
- \$44.9 million Class M1 rated at AA (high)
- \$44.9 million Class M2 rated at AA
- \$14.7 million Class M3 rated at AA (low)
- \$17.1 million Class M4 rated at A (high)
- \$16.6 million Class M5 rated at "A"
- \$9.8 million Class M6 rated at A (low)
- \$9.3 million Class M7 rated at BBB (high)
- \$8.3 million Class M8 rated at BBB
- \$9.3 million Class M9 rated at BBB (low)
- \$12.2 million Class B1 rated at BB (high)
- \$10.7 million Class B2 rated at BB

The AAA ratings on the Class A senior certificates reflect 21.75% of credit enhancement provided by the subordinate classes, initial overcollateralization (1.50%) and monthly excess spread. The AA (high) rating on Class M1 reflects 17.15% of credit enhancement. The AA rating on Class M2 reflects 12.55% of credit enhancement. The AA (low) rating on Class M3 reflects 11.05% of credit enhancement. The A (high) rating on Class M4 reflects 9.30% of credit enhancement. The "A" rating on Class M5 reflects 7.60% of credit enhancement. The A (low) rating on Class M6 reflects 6.60% of credit enhancement. The BBB (high) rating on Class M7 reflects 5.65% of credit enhancement. The BBB rating on Class M8 reflects 4.80% of credit enhancement. The BBB (low) rating on Class M9 reflects 3.85% of credit enhancement. The BB (high) rating on Class B1 reflects 2.60% of credit enhancement. The BB rating on Class B2 reflects 1.50% of credit enhancement.

The ratings of the certificates also reflect the quality of the underlying assets and the capabilities of JPMorgan Chase Bank, National Association (98.22%), Option One Mortgage Corporation (1.05%)



and Wells Fargo Bank, N.A. (0.72%) as Servicers, Aurora Loan Services LLC as Master Servicer, as well as the integrity of the legal structure of the transaction. U.S. Bank National Association will act as Trustee. The trust will enter into an interest rate swap agreement with Lehman Brothers Special Financing, Inc. (the Swap Provider). The trust will pay to the Swap Provider a fixed payment ranging from 4.99% to 5.47% per annum and receive a floating payment at LIBOR from the Swap Provider. The trust will also enter into an interest rate cap agreement with Lehman Brothers Special Financing, Inc. (the Cap Provider), with a strike rate of 6.50%.

Interest will be paid to the Class A certificates, followed by interest to the subordinate classes. Unless paid down to zero, principal collected will be paid exclusively to the Class A certificates until the step-down date. After the step-down date, and provided that certain performance tests have been met, principal payments may be distributed to the subordinate certificates. Additionally, provided that certain performance tests have been met, the level of overcollateralization may be allowed to step down to 3.00% of the then-current balance of the mortgage loans.

The Underlying Trust consists of first and second lien residential mortgage loans that were originated by BNC Mortgage, Inc. (100.00%). As of the cut-off date (February 1, 2007), the aggregate principal balance of the mortgage loans is \$977,074,930. The weighted-average mortgage coupon is 7.905%, the weighted-average FICO is 624 and the weighted-average original combined loan-to-value ratio is 82.73%, without taking into consideration the combined loan-to-value on the piggybacked loans. Approximately 30.90% of the first lien mortgage loans with original combined loan-to-value ratio greater than 80% have loan level mortgage insurance coverage provided by Mortgage Guaranty Insurance Corporation and PMI Mortgage Insurance Co.

Note:

All figures are in U.S. dollars unless otherwise noted.

Issuer	Debt Rated	Rating Action	Rating	Trend	Latest Event
BNC Mortgage Loan Trust 2007-1	Mortgage Pass-Through Certificates, Series 2007-1, Class A1	New Rating	AAA	--	Feb 28, 2007
BNC Mortgage Loan Trust 2007-1	Mortgage Pass-Through Certificates, Series 2007-1, Class A2	New Rating	AAA	--	Feb 28, 2007
BNC Mortgage Loan Trust 2007-1	Mortgage Pass-Through Certificates, Series 2007-1, Class A3	New Rating	AAA	--	Feb 28, 2007

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Issuer	Debt Rated	Rating Action	Rating	Trend	Latest Event
BNC Mortgage Loan Trust 2007-1	Mortgage Pass-Through Certificates, Series 2007-1, Class A4	New Rating	AAA	--	Feb 28, 2007
BNC Mortgage Loan Trust 2007-1	Mortgage Pass-Through Certificates, Series 2007-1, Class A5	New Rating	AAA	--	Feb 28, 2007
BNC Mortgage Loan Trust 2007-1	Mortgage Pass-Through Certificates, Series 2007-1, Class M1	New Rating	AA (high)	--	Feb 28, 2007
BNC Mortgage Loan Trust 2007-1	Mortgage Pass-Through Certificates, Series 2007-1, Class M2	New Rating	AA	--	Feb 28, 2007
BNC Mortgage Loan Trust 2007-1	Mortgage Pass-Through Certificates, Series 2007-1, Class M3	New Rating	AA (low)	--	Feb 28, 2007
BNC Mortgage Loan Trust 2007-1	Mortgage Pass-Through Certificates, Series 2007-1, Class M4	New Rating	A (high)	--	Feb 28, 2007
BNC Mortgage Loan Trust 2007-1	Mortgage Pass-Through Certificates, Series 2007-1, Class M5	New Rating	A	--	Feb 28, 2007
BNC Mortgage Loan Trust 2007-1	Mortgage Pass-Through Certificates, Series 2007-1, Class M6	New Rating	A (low)	--	Feb 28, 2007
BNC Mortgage Loan Trust 2007-1	Mortgage Pass-Through Certificates, Series 2007-1, Class M7	New Rating	BBB (high)	--	Feb 28, 2007
BNC Mortgage Loan Trust 2007-1	Mortgage Pass-Through Certificates, Series 2007-1, Class M8	New Rating	BBB	--	Feb 28, 2007
BNC Mortgage Loan Trust 2007-1	Mortgage Pass-Through Certificates, Series 2007-1, Class M9	New Rating	BBB (low)	--	Feb 28, 2007
BNC Mortgage Loan Trust 2007-1	Mortgage Pass-Through Certificates, Series 2007-1, Class B1	New Rating	BB (high)	--	Feb 28, 2007

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Issuer	Debt Rated	Rating Action	Rating	Trend	Latest Event
BNC Mortgage Loan Trust 2007-1	Mortgage Pass-Through Certificates, Series 2007-1, Class B2	New Rating	BB	--	Feb 28, 2007

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