

EXHIBIT ‘M’

EX-10.1 2 psaandexhibits.htm POOLING & SERVICING AGREEMENT

STRUCTURED ASSET MORTGAGE INVESTMENTS II INC.
DEPOSITOR

WELLS FARGO BANK, NATIONAL ASSOCIATION,
TRUSTEE

AND

EMC MORTGAGE CORPORATION
SERVICER, SPONSOR AND COMPANY

POOLING AND SERVICING AGREEMENT

DATED AS OF AUGUST 1, 2007

STRUCTURED ASSET MORTGAGE INVESTMENTS II INC.
Structured Asset Mortgage Investments II Trust 2007-AR4
Mortgage Pass-Through Certificates, Series 2007-AR4

TABLE OF CONTENTS

ARTICLE I DEFINITIONS.....2

ARTICLE II CONVEYANCE OF MORTGAGE LOANS; ORIGINAL ISSUANCE OF CERTIFICATES.....61

Section 2.01. Conveyance of Mortgage Loans to Trustee.....61

Section 2.02. Acceptance of Mortgage Loans by Trustee.....64

Section 2.03. Assignment of Interest in the Mortgage Loan Purchase Agreement and the Subsequent Mortgage Loan Purchase Agreement.....67

Section 2.04. Substitution of Mortgage Loans.....68

Section 2.05. Issuance of Certificates.....69

Section 2.06. Representations and Warranties Concerning the Depositor.....70

Section 2.07. Representations and Warranties of the Company and Sponsor.....71

Section 2.08. Conveyance of Subsequent Mortgage Loans.....74

Section 2.09. Purposes and Powers of the Trust.....77

ARTICLE III ADMINISTRATION AND SERVICING OF MORTGAGE LOANS.....77

Section 3.01. Servicer to Act as Servicer.....77

Section 3.02. REMIC-Related Covenants.....80

Section 3.03. Monitoring of Subservicers.....80

Section 3.04. Fidelity Bond.....81

Section 3.05. Power to Act; Procedures.....81

Section 3.06. Due-on-Sale Clauses; Assumption Agreements.....82

Section 3.07. Release of Mortgage Files.....83

Section 3.08. Documents, Records and Funds in Possession of Servicer To Be Held for Trustee.....84

Section 3.09. Standard Hazard Insurance and Flood Insurance Policies.....84

Section 3.10. Presentment of Claims and Collection of Proceeds.....86

Section 3.11. Maintenance of the Primary Mortgage Insurance Policies.....86

Section 3.12. Trustee to Retain Possession of Certain Insurance Policies and Documents.....86

Section 3.13. Realization Upon Defaulted Mortgage Loans.....87

Section 3.14. Compensation for the Servicer.....87

Section 3.15. REO Property.....87

Section 3.16. Annual Statement as to Compliance; Annual Certification.....89

Section 3.17. Assessments of Compliance and Attestation Reports.....90

Section 3.18. Reports Filed with Securities and Exchange Commission.....92

Section 3.19. UCC.....98

Section 3.20. Optional Purchase of Defaulted Mortgage Loans.....99

Section 3.21. Statements to the Trustee.....99

Section 3.22. Books and Records.....99

Section 3.23. Intention of the Parties and Interpretation.....100

ARTICLE IV ACCOUNTS.....100

Section 4.01. Custodial Account.....100

Section 4.02. Permitted Withdrawals and Transfers from the Custodial Account.....102

Section 4.03. Distribution Account.....103

Section 4.04. Permitted Withdrawals and Transfers from the Distribution Account.....103

Section 4.05. Adjustable Rate Supplemental Fund.....105

Current Principal Amount: As of any Distribution Date, with respect to each Class of Class A Certificates and Class B Certificates, the initial principal amount of such Certificate plus the amount of any Net Deferred Interest allocated thereto on the related Distribution Date and all previous Distribution Dates plus any Subsequent Recoveries added to the Current Principal Amount of such Certificates pursuant to Section 6.02(h), and reduced by (i) all amounts distributed on previous Distribution Dates on such Certificate with respect to principal and (ii) any Applied Realized Loss Amounts allocated to such Class on previous Distribution Dates. With respect to each Class of Class A Certificates and Class B Certificates, the Current Principal Amount thereof will equal the sum of the Current Principal Amounts of all Certificates in such Class. The initial Current Principal Amount for each Class of Certificates is set forth in Section 5.01(c)(iv).

Curtailment: Any Principal Prepayment made by a Mortgagor which is not a Principal Prepayment in full.

Custodial Account: The trust account or accounts created and maintained by the Servicer pursuant to Section 4.01, which shall be denominated "Wells Fargo Bank, National Association, as Trustee f/b/o holders of Structured Asset Mortgage Investments II Inc., Structured Asset Mortgage Investments II Trust 2007-AR4, Mortgage Pass-Through Certificates, Series 2007-AR4, Custodial Account." The Custodial Account shall be an Eligible Account.

Custodial Agreement: An agreement, dated as of the Closing Date among the Depositor, the Servicer, the Trustee and the Custodian in substantially the form attached hereto as Exhibit G.

Custodian: Wells Fargo Bank, National Association, or any successor custodian appointed pursuant to the provisions hereof and of the Custodial Agreement.

Cut-off Date: August 1, 2007.

Cut-off Date Balance: \$1,149,645,356.75

Debt Service Reduction: Any reduction of the Scheduled Payments which a Mortgagor is obligated to pay with respect to a Mortgage Loan as a result of any proceeding under the Bankruptcy Code or any other similar state law or other proceeding.

Deferred Interest: The amount of accrued interest on the Mortgage Loans, the payment of which is deferred and added to the Outstanding Principal Balance of a Mortgage Loan due to negative amortization on such Mortgage Loan.

Deficient Valuation: A Bankruptcy Loss that results if a court, in connection with a personal bankruptcy of a Mortgagor, establishes the value of a Mortgaged Property at an amount less than the unpaid principal balance of the Mortgage Loan secured by such Mortgaged Property.

Delinquency Recognition Policies: The generally accepted industry standard that defines the proper means of reporting delinquency status when a loan is determined to be delinquent if the payment is not received by the end of the day immediately preceding the loan's next due date.

Delinquency Test Violation: If on any Distribution Date if the percentage obtained by dividing (x) the aggregate outstanding Principal Balance of the Mortgage Loans that are 60 days or more delinquent (including for this purpose any such Mortgage Loans which were repurchased by any party for a reason other than a breach of representations and warranties under the applicable mortgage loan purchase agreement, Mortgage Loans which were substituted by the Sponsor and Mortgage Loans which have been subject to a Servicing Modification, in each case during the period which includes the previous twelve Distribution Dates) or are in bankruptcy or foreclosure or are REO Properties by (y) the aggregate outstanding Principal Balance of the Mortgage Loans plus amounts on deposit in the Pre-Funding Account, in each case, as of the last day of the previous calendar month, exceeds (i) prior to the Distribution Date in September 2013, 28.50% of the Credit Enhancement Percentage and (ii) on or after the Distribution Date in September 2013, 35.75%.

Delinquent: The delinquency method used for calculations with respect to the Mortgage Loans in accordance with the methodology used by the Mortgage Bankers Association. Under this method, a Mortgage Loan is considered "30 days or more Delinquent" if the borrower fails to make a scheduled payment prior to the Mortgage Loan's first succeeding due date. For example, if a securitization had a closing date occurring in August and a cut-off date of August 1, a Mortgage Loan with a payment due on July 1 that remained unpaid as of the close of business on July 31 would be described as 30 days Delinquent as of the cut-off date. A Mortgage Loan would be considered "60 days or more Delinquent" with respect to such scheduled payment if such scheduled payment were not made prior to the close of business on the day prior to the Mortgage Loan's second succeeding due date (or, in the preceding example, if the Mortgage Loan with a payment due on June 1 remained unpaid as of the close of business on July 31). Similarly for "90 days or more Delinquent" and so on. Unless otherwise specified, with respect to any date of determination, determinations of delinquency are made as of the last day of the prior calendar month. Mortgage Loans with Due Dates which are not the first of the month are treated as if the Due Date was the first of the following month.

Depositor: Structured Asset Mortgage Investments II Inc., a Delaware corporation, or its successors in interest.

Depository: The Depository Trust Company, the nominee of which is Cede & Co., or any successor thereto.

Depository Agreement: The meaning specified in Section 5.01(a).

Depository Participant: A broker, dealer, bank or other financial institution or other Person for whom from time to time the Depository effects book-entry transfers and pledges of securities deposited with the Depository.

Determination Date: The 15th day (or if such 15th day is not a Business Day, the Business Day immediately preceding such 15th day) of the month of the Distribution Date.

Disqualified Organization: Any of the following: (i) the United States, any State or political subdivision thereof, any possession of the United States, or any agency or instrumentality of any of the foregoing (other than an instrumentality which is a corporation if all of its activities are subject to tax and, except for the Freddie Mac or any successor thereto, a majority of its board of directors is not selected by such governmental unit), (ii) any foreign government, any international organization, or any agency or instrumentality of any of the foregoing, (iii) any organization (other than certain farmers' cooperatives described in Section 521 of the Code) which is exempt from the tax imposed by Chapter 1 of the Code (including the tax imposed by Section 511 of the Code on unrelated business taxable income), (iv) rural electric and telephone cooperatives described in Section 1381(a)(2)(C) of the Code or (v) any other Person so designated by the Trustee based upon an Opinion of Counsel that the holding of an ownership interest in a Residual Certificate by such Person may cause any 2007-AR4 REMIC contained in the Trust or any Person having an ownership interest in the Residual Certificate (other than such Person) to incur a liability for any federal tax imposed under the Code that would not otherwise be imposed but for the transfer of an ownership interest in a Residual Certificate to such Person. The terms "United States," "State" and "international organization" shall have the meanings set forth in Section 7701 of the Code or successor provisions.