

Nomura Home Equity Loan, Inc., Home Equity Loan Trust, Series 2006-HE3



Pool Summary		December-08	
<b>Delinquency Status Summary:</b>			
	%	\$	#
Current	53.38%	\$299,357,216	-
30 Day DQ	8.75%	\$49,070,357	-
60 Day DQ	4.61%	\$25,853,068	-
90+ Day DQ	6.71%	\$37,629,954	-
Bankruptcy	1.96%	\$10,991,760	-
Foreclosure	13.93%	\$78,120,008	-
Real Estate Owned (REO)	10.66%	\$59,781,715	-
Total 90+ Days Bucket	33.26%	\$186,523,436	-
Total	100.00%	\$560,804,076	-

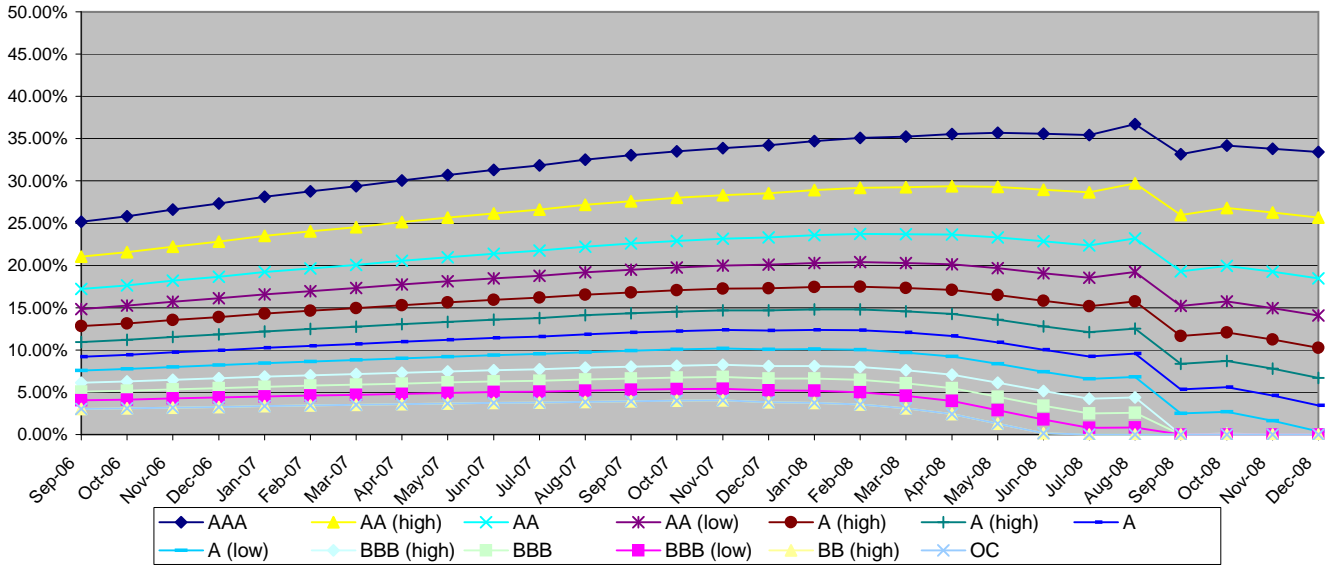
<b>Excess Spread, Delinquency and Loss Analysis:</b>		
	%	\$
Excess Spread (XS) Annualized	6.63%	37,204,914
Monthly XS - 3 month average	5.49%	30,794,324
Total 90+ Days Bucket - 3 month average	32.48%	182,168,536
Delinquency Coverage Ratio:	0.35	
3 Month Average XS + OC / potential losses from Total 90+ Days Bucket		
DBRS Single B Cum loss assumption at Deal inception	4.75%	51,059,089
Monthly losses - 3 month average	0.76%	8,152,673
Cumulative Losses to date as a percent of original balance	8.97%	96,427,051.34

<b>Pool Statistics:</b>			
<b>Current:</b>		<b>Original</b>	
Mortgage Originator	People's Choice 44%, First NLC 15%	Balance	1,074,928,198
Servicer	Ocwen 99%, Wells Fargo 1%)	Mortgage Insurer	NA
Provider of Reps and Warranties	Nomura Credit & Capital, Inc.	% of loans with MI	0.00%
Trustee	HSBC Bank USA N.A.	DT LTV Coverage	0.00%
Repurchase/EPDs	NA	LTV	79.38%
% of original balance with modifications	NA	Combined LTV	84.09%
% repayment plan/forebearance	NA	FICO	618
Current balance	\$560,804,076	RWFICO	601
Pool Factor	52.17%	WAM	355
Current OC as % of current Balance	0.00%	WAC	8.18%
Months of seasoning	28	OC (At Issuance)	2.95%
Pricing CPR	49.84%	OC Target	2.95%
Current CPR	27.75%	Fixed	17.20%
WAM	325	ARM	82.80%
WAC	8.10%	average month to reset	26
<b>Trigger &amp; Step-down Analysis</b>		Cash-out	60.27%
DQ Trigger	FAIL	Purchase	36.30%
Total 60+ days Bucket	37.87%	1st lien with piggy back	29.07%
DQ Trigger Threshold	10.85%	Second Liens	3.37%
Cum Loss Trigger	FAIL	Fully Amortizing	62.41%
Cumulative Losses to date as a percent of original balance	8.97%	Balloons	18.18%
Cum Loss Trigger Threshold	1.50%	Interest Only	19.41%
Step-down Date	No	average I/O period	61
		Investor Owned	6.33%
		Single Family	87.02%
		Full Doc	0.00%
		Limited Doc	54.15%
		Stated Doc	45.35%

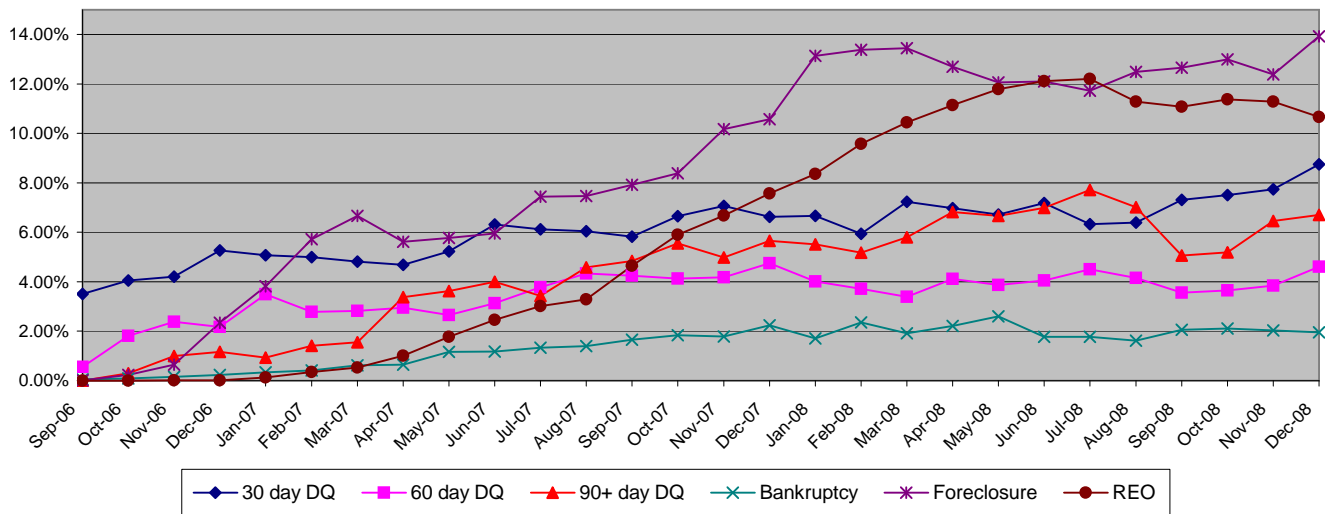
[PARsurveillance@dbrs.com](mailto:PARsurveillance@dbrs.com)

Class Information										
Class Name	Original Rating	Current Rating	Original CE %	Current CE %	Gross Loss %	Current Bond Balance \$	Current Period Writedown \$	Class Factor %	Curr CE / Orig. CE	Delinquency Coverage Ratio
I-A	AAA	A	24.65%	33.44%	27.50%	192,084,852	-	43.48%	1.36	2.46
II-A-1	AAA	AAA	24.65%	33.44%	27.50%	66,422,793	-	26.21%	1.36	2.46
II-A-2	AAA	AA	24.65%	33.44%	27.50%	26,761,000	-	100.00%	1.36	2.46
II-A-3	AAA	BBB	24.65%	33.44%	27.50%	71,405,000	-	100.00%	1.36	2.46
II-A-4	AAA	BB	24.65%	33.44%	27.50%	16,605,000	-	100.00%	1.36	2.46
M-1	AA (high)	BB	20.60%	25.68%	22.33%	43,534,000	-	100.00%	1.25	1.97
M-2	AA	B	16.85%	18.49%	19.75%	40,309,000	-	100.00%	1.10	1.52
M-3	AA (low)	C	14.55%	14.08%	17.75%	24,723,000	-	100.00%	0.97	1.24
M-4	A (high)	C	12.55%	10.25%	15.75%	21,498,000	-	100.00%	0.82	1.00
M-5	A (high)	C	10.70%	6.70%	15.75%	19,886,000	-	100.00%	0.63	0.77
M-6	A	C	9.00%	3.44%	13.75%	18,273,000	-	100.00%	0.38	0.57
M-7	A (low)	C	7.40%	0.38%	12.25%	17,198,000	-	100.00%	0.05	0.37
M-8	BBB (high)	C	6.00%	0.00%	10.75%	2,104,432	7,272,435	13.98%	0.00	-
M-9	BBB	C	4.95%	0.00%	9.25%	-	-	0.00%	0.00	-
B-1	BBB (low)	B	3.95%	0.00%	8.42%	-	-	0.00%	0.00	-
B-2	BB (high)	B (low)	2.95%	0.00%	7.58%	-	-	0.00%	0.00	-
P	NR	NR	0.00%	0.00%	-	-	-	0.00%	-	-
OC	NR	NR	2.95%	0.00%	-	-	-	0.00%	0.00	-

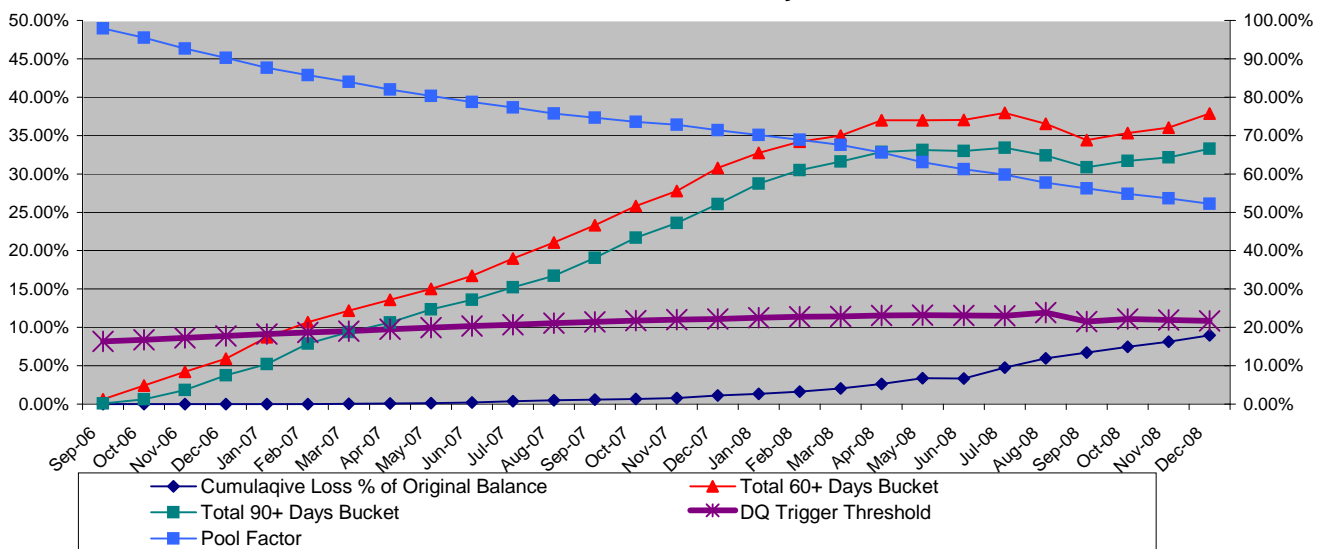
**Credit Enhancement Graph**



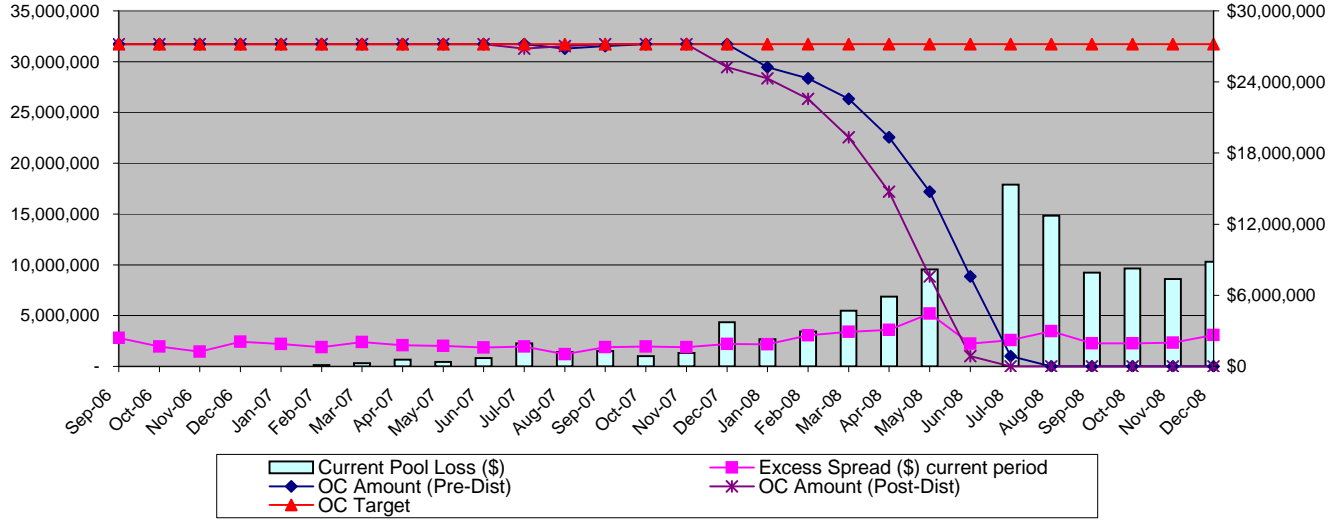
**Delinquency Graph**



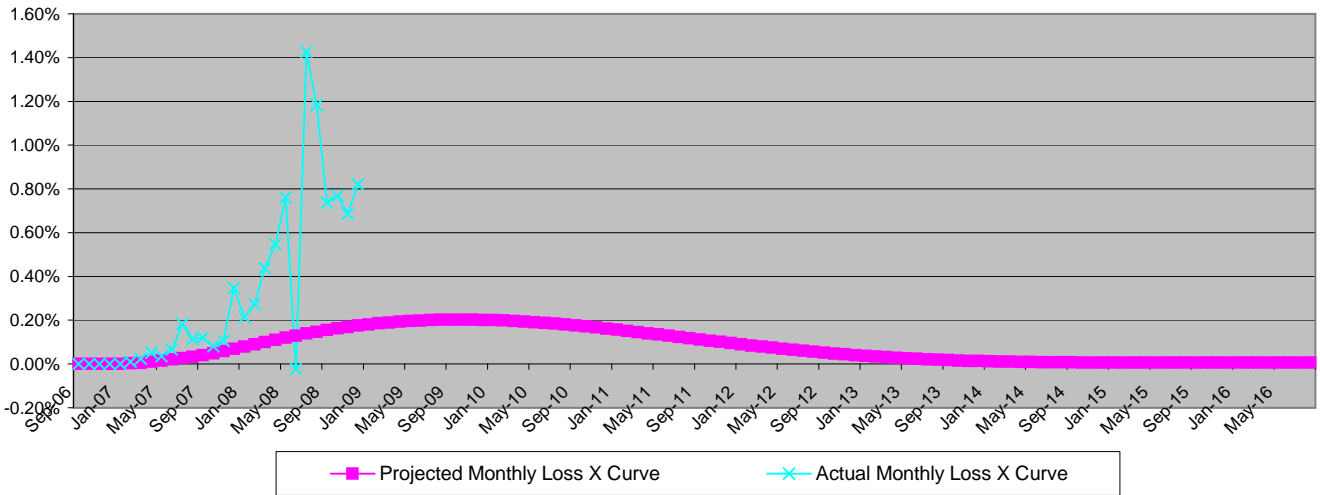
**Performance Trend Analysis**



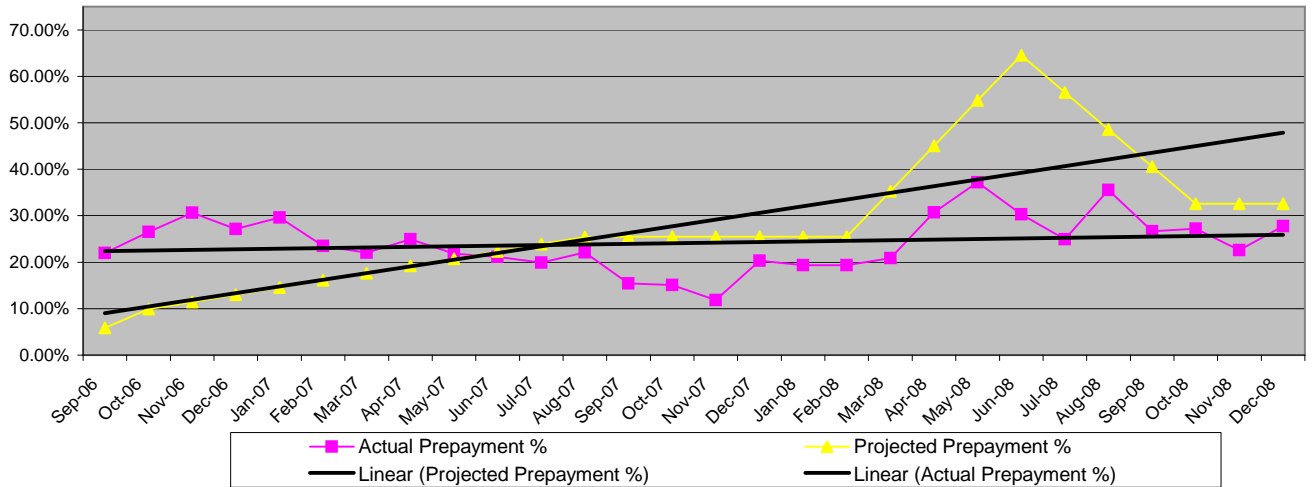
### Overcollateralization, Excess Spread & Monthly Losses



### Loss Timing Curve vs. Actual Collateral Losses



### Actual vs. Projected Prepayments



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