

December 23, 2002

**NOTICE TO CERTIFICATEHOLDERS
OF
MANUFACTURED HOUSING SENIOR/SUBORDINATE PASS-THROUGH CERTIFICATES
ISSUED BY CONSECO FINANCE CORP.,
CONSECO FINANCE SECURITIZATIONS CORP.,
AND CERTAIN AFFILIATES**

U.S. Bank National Association (the “*Trustee*”) serves as Trustee for the above-referenced securitizations pursuant to a [Pooling and Servicing Agreement/Sale and Servicing Agreement/Indenture] (the “*Agreement*”). Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to such terms in the Agreement.

On December 17, 2002, Conseco Finance Corp. (“*CFC*”) filed a voluntary petition seeking protection under Chapter 11 of the United States Bankruptcy Code. The bankruptcy petition was filed in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division before the Honorable Judge Doyle as Case No. 02-B-49071 (the “*Bankruptcy Case*”) and is being jointly administered with the case styled *In re Conseco, Inc., et al.*, Case No. 02-B-49672.

CFC has advised the Trustee that it is incurring significant losses from its servicing of the trusts that own manufactured housing loans originated by CFC, including the MH trust established under the Agreement, (collectively, the “*MH Trusts*”) and that it is no longer capable of absorbing such losses. CFC has further advised the Trustee that, unless the Pooling and Servicing Agreements pursuant to which CFC services the MH Trusts, including the Agreement, (collectively, the “*Pooling and Servicing Agreements*”) are modified in such a manner that CFC will receive additional compensation for servicing the MH Trusts, CFC will be forced to reject the Pooling and Servicing Agreements in the Bankruptcy Case.

The failure of CFC to continue to service the MH Trusts would have an immediate and material adverse effect on the performance of the MH Trusts. In addition, there are no other market participants presently capable of assuming the role of servicer without incurring significant servicing disruption and a material adverse impact on such performance, and that, in any event, such other potential servicers would only agree to act as servicer of the MH Trusts for monthly servicing fees which are higher than, and which have a higher priority than, the monthly servicing fees presently provided for in the Pooling and Servicing Agreements.

Accordingly, on December 18, 2002, subsequent to the commencement of the case, CFC and the Trustee submitted to the Court a joint motion requesting, among other things, that the Court issue an interim order (the “*Interim Order*”) approving (i) an increase in the amount and priority of the monthly servicing fee payable to CFC under each Pooling and Servicing Agreement during the period of the effectiveness thereof (the “*Interim Period*”), (ii) the grant by CFC in favor of the Trustee on behalf of the beneficiaries of each of the Securitization Trusts, to be allocated by the Trustee based on the relative diminution in value as determined by the Trustee (the “*Adequate Protection Lien*”), on all assets of

CFC and CFSC whether constituting real or personal property¹ (but specifically excluding causes of action (including under Chapter 5 of the Bankruptcy Code) of CFC or CFSC in their individual capacity). In the case of those assets subject to one or more other liens, the lien in favor of the Trustee will be junior and subordinate to such other liens. The Adequate Protection Lien is to secure (A) the continuing payment by CFC as Servicer of the Trustee's fees and expenses incurred prior to the termination of the Interim Order in accordance with the provisions of the Pooling and Servicing Agreements, (B) the amount, if any, by which the Revised Monthly Servicing Fee exceeds the original Monthly Servicing Fee at the contractual level of priority that would be actually paid to the Servicer during the term of this Interim Order (the continuation thereafter to be resolved in the Final Order) and (C) any losses to the Securitization Trusts for which the Trustee acts as trustee and CFC acts as servicer resulting from any misappropriation, misapplication or other diversion by the Servicer of funds that are property of such Securitization Trust during the effective period of the Interim Order., and (iii) the form of this notice. The relief requested in the Joint Motion was approved by an Interim Order entered by the Court on December 18, 2002, as supplemented by an Order entered by the Court on December 20, 2002, copies of which are attached hereto.

During the Interim Period, CFC desires to negotiate a permanent resolution of the servicing issues with the Trustee. The Trustee has advised CFC that negotiation of a permanent resolution should address a protocol for acceptable servicing and transition of servicing in the event a transition of servicing becomes necessary. Certificateholders will be provided notice of the availability of the terms of any resolution reached. If an acceptable arrangement is negotiated, these materials will be available at least fifteen (15) days prior to the Final Hearing provided for herein.

PLEASE BE ADVISED that a Hearing approving any final resolution will be before the Honorable Judge Doyle in the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division 219 South Dearborn Street, Chicago, Illinois at 2:00 p.m. on January 29, 2003. This hearing may be continued from time to time at the discretion of CFC and the Trustee. Objections to any resolution must be filed with the Clerk of the Court on or before January 22, 2003. The Objection shall also be served (by hand or first class mail, postage prepaid) upon (a) James E. Spiotto, Esq., Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603 and (b) James H.M. Sprayregen, P.C., Kirkland & Ellis, 200 E. Randolph Dr. Chicago, IL 60611. Any objection shall contain: (a) a written statement setting forth the Certificateholder's name and address, certifying the principal amount of Certificates held, and stating any intention concerning appearing in person at the hearing and the name of legal counsel, if any; and (b) any affidavits or other paper which the objector intends to submit into evidence at the hearing, any brief containing any legal argument pertinent to the objection and a list of any witnesses such objector anticipates calling at the hearing.

Only persons who have timely filed and served objections to the proposed resolution and have otherwise complied with this Notice will be permitted to be heard at the Hearing. The failure to comply with these procedures will be deemed a waiver of all rights and interests which a Certificateholder may have to object to the proposed resolution.

¹ Including but not limited to the servicing platform, receivables, general intangibles, rights to and interests in intellectual property, inventory, equipment (including all equipment used in servicing), investment property, accounts, deposits, records and any equity and/or residual value in the Securitization Trusts and in other trusts in which CFC and CFSC have an interest.

Any questions you have about the matters in this notice should not be directed to the Court but should be directed by telephone or in writing to:

James E. Spiotto, Esq.
Franklin H. Top, III, Esq.
CHAPMAN & CUTLER
111 West Monroe Street
Chicago, Illinois 60603
(312) 845-3000

**PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE
FOR INFORMATION.**

Date: December 23, 2002

By Order Of The United States Bankruptcy Court
for the Northern District of Illinois, Eastern Division.