

Background Material - RMBS Investor Focus Group Meeting

The objective of the meeting is to examine the scope and level of public disclosure required for a national mortgage database to support RMBS investors' analysis and decision-making. Below is a non-exhaustive list of variables that could be reported, along with some questions to guide the discussion:

Loan features Originator ID/Name (also for any related entity – insurer, servicer, trustee, etc.) Origination and maturity date Loan term*, amount at origination Current balance* Purpose* (purchase, refinance, renewal, etc.) Type (mortgage, HELOC, other)	Borrower characteristics Income First-time home buyer (Y/N) Residency status Employment type Credit score* GDS & TDS*
Principal and interest payments Payment amount Payment type (amortizing, interest only, other) Principal & interest payment frequencies* (monthly, bi-weekly, etc.) Interest rate* (value and type – i.e. FRM, VRM, ARM, etc.) Interest adjustment date (or renewal of current loan term)	Loan performance Days in arrears Amount in arrears Principal balance in default Foreclosure process starting/closing date Loan recovery amount Total realised loss
Property-related Value, LTV*, type* (apartment, detached, etc.) Security rank (1st lien, 2nd lien, other) Occupancy type* (owner occupied, investment/rental, vacation/2nd home) FSA Code, City, Province*	

* indicates an item that is reported by MCAP Service Corp for its MRIC 2018-1 deal

- We note that for *securitized* pool-level data, some information is already offered to RMBS investors; for instance, MCAP Service Corporation offers monthly data on its underlying securitized mortgages. It includes breakdowns of mortgage balances, amortization term, LTV/GDS/TDS ratios, mortgage rates, payment frequency, occupancy type, borrowers' credit scores, property location and type.
- How informative are these variables in promoting RMBS investment analysis? Are there any variables missing?
- What should be the reporting frequency of these variables? For instance, how often should performance be reported?
- How should the variables be aggregated? At the loan-level? At the portfolio-level? By originator? By vintage or year?
- Below are two templates (similar to those by MCAP) that provide different pool feature breakdowns by mortgage balance ranges and borrower credit score. Would this reporting format for securitized pools be sufficient?

Mortgage Balance	# of Loans	Balance	% of Pool Balance	Wtg-Avg credit score	Wtg-Avg LTV ratio
\$0-\$100,000					
100,001-200,000					
201,000-300,000					
301,000-400,000					
.					
.					
.					
Total / Wtg Avg					

Credit score	# of Loans	Balance	% of Pool Balance	Wtg-Avg credit score	Wtg-Avg LTV ratio
650-669					
670-689					
690-709					
710-729					
.					
.					
.					
Total / Wtg Avg					