



Santander US Capital Markets LLC

Santander US Capital Markets
Non-Agency
Mortgage Market Monitor
February 2024 Remittance

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Key Assumptions

We use 'Investor Balance'

This is the balance known by the trust of a deal and may differ from the balance known to a borrower if any forbearance amounts have been incurred.

Our denominators may differ from conventional calculations

Certain performance measures herein are reflected as a percentage of a given cohort balance and may cause our rates to vary from those represented as a percentage of total collateral balance. For example, Voluntary Prepayment Rates (VPRs) on Always Performing Loans (APLs) are calculated as a percentage of the related APL balance, not total collateral.

Categories are mutually exclusive

We create categories that do not overlap for interpretational ease. For example, when we present data for states, we bucket certain states distinctly, i.e. CA or NY/NJ, and then group the rest into Non-Judicial or Judicial. These buckets are mutually exclusive.

Classification of liquidations or prepayments

We categorize any loan that leaves the pool with less than a 1.5% loss severity as a prepayment. This is assumed to account for prepayment interest shortfalls and other noise that would otherwise cause us to categorize prepayments as liquidations.

Delinquent loan abatements

We refer to any loan that leaves a pool as an abated loan. Slides related to this concept exclude loans from called deals, attempt to control for repurchase activity, and utilize our determination of whether a loan has liquidated or prepaid.

Net cure and transition rates

This is calculated as a percentage of the balance of total transitions and cures in a period. For example, Net Cure Rate is calculated as the total balance cured divided by the sum of the balance of all loans that either cured or transitioned in a given period. This is meant to show the trajectory of loans that changed states but remain outstanding.

Certain exclusions

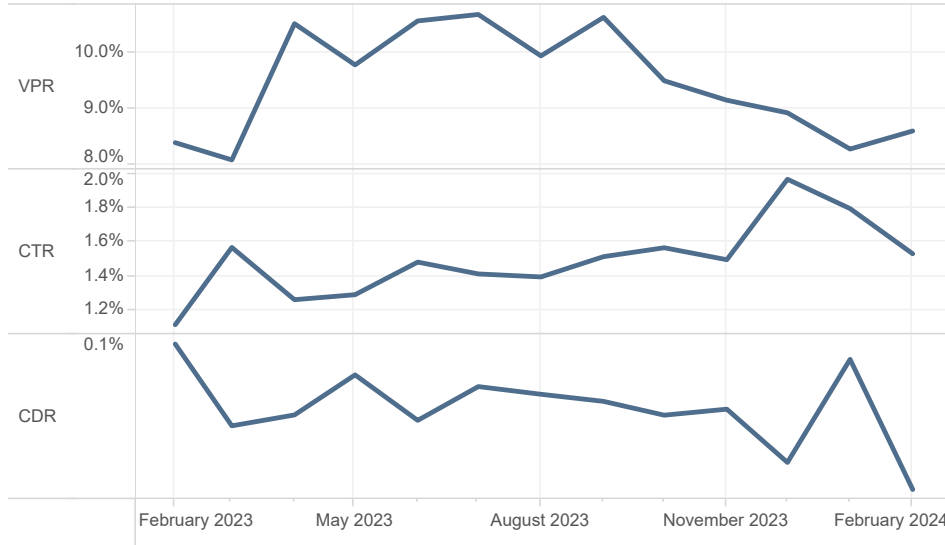
For ease of reporting, we are currently excluding all loans issued within a 'post-crisis' deal (i.e. with a vintage of greater than or equal to 2009) and also any loans located in Puerto Rico. Also, any data related to the period in which the clean-up call for a deal was exercised is excluded, if any.

Acronyms

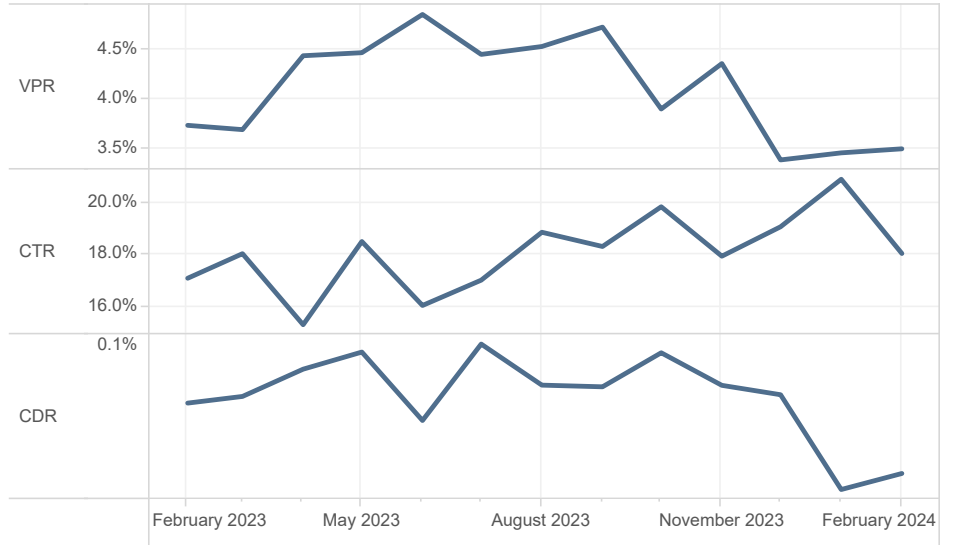
Always Performing Loans ("APLs"), Re-Performing Loans ("RPLs"), Non-Performing Loans ("NPLs"), Voluntary Prepayment Rate ("VPR"), Constant Modification Rate ("CMR"), Constant Default Rate ("CDR"), Constant Transition Rate ("CTR"), Constant Cure Rate ("CCR")

PLS Balance and Performance Snap-Shot

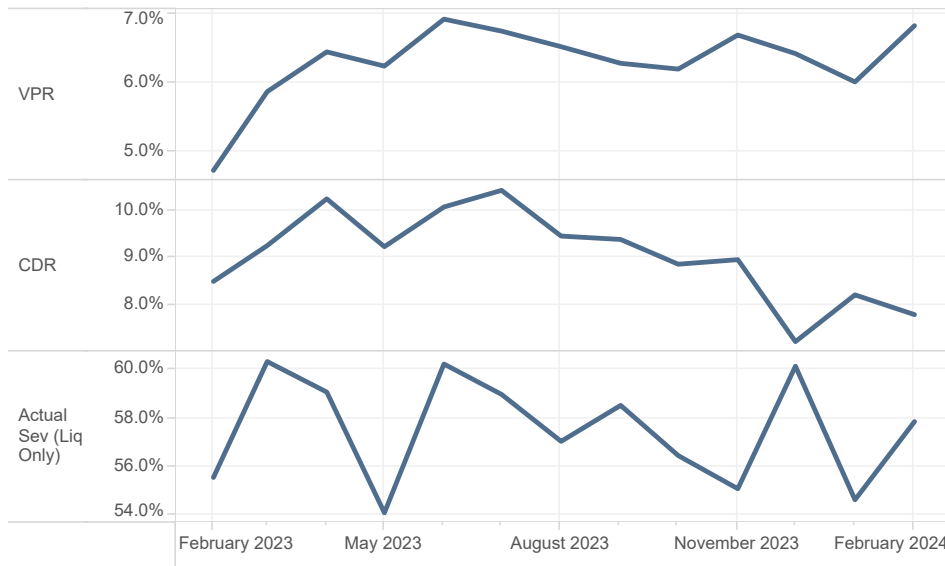
Always Performing Loans (% of APL Balance)



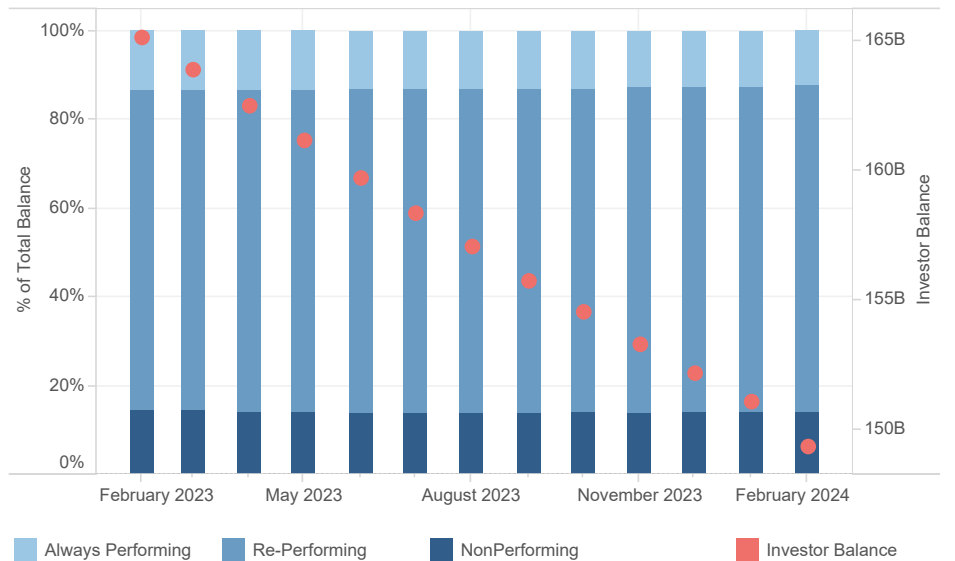
Re-Performing Loans (% of RPL Balance)



Non-Performing Loans (% of NPL Balance)

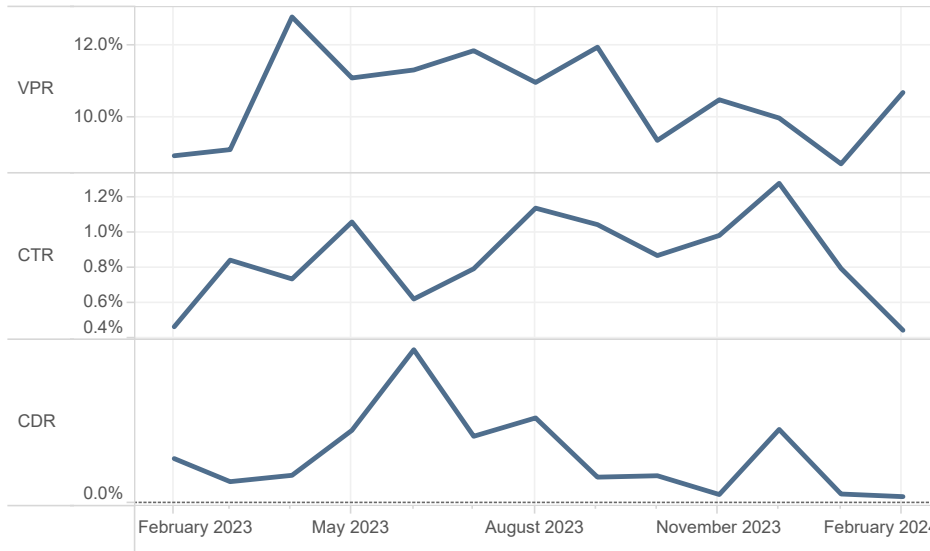


Balance Composition

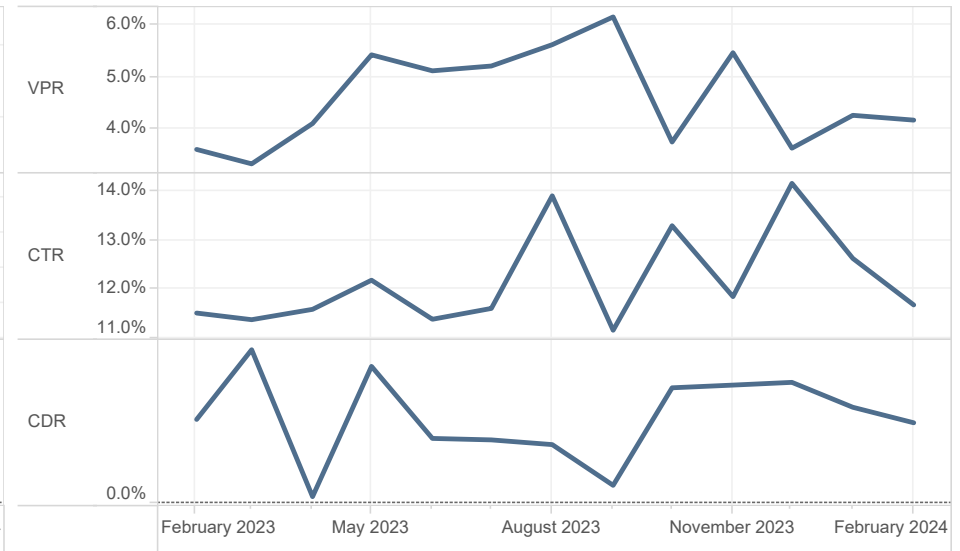


Prime Balance and Performance Snap-Shot

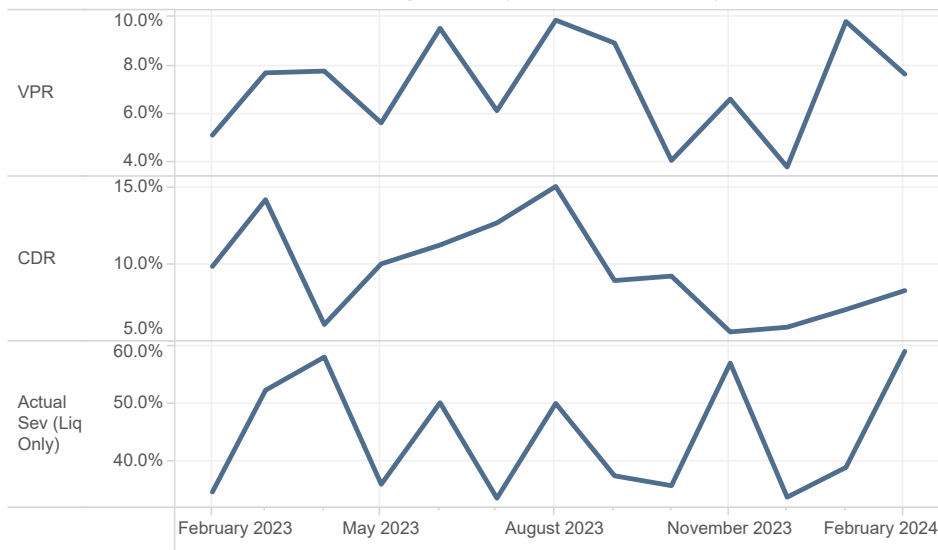
Always Performing Loans (% of APL Balance)



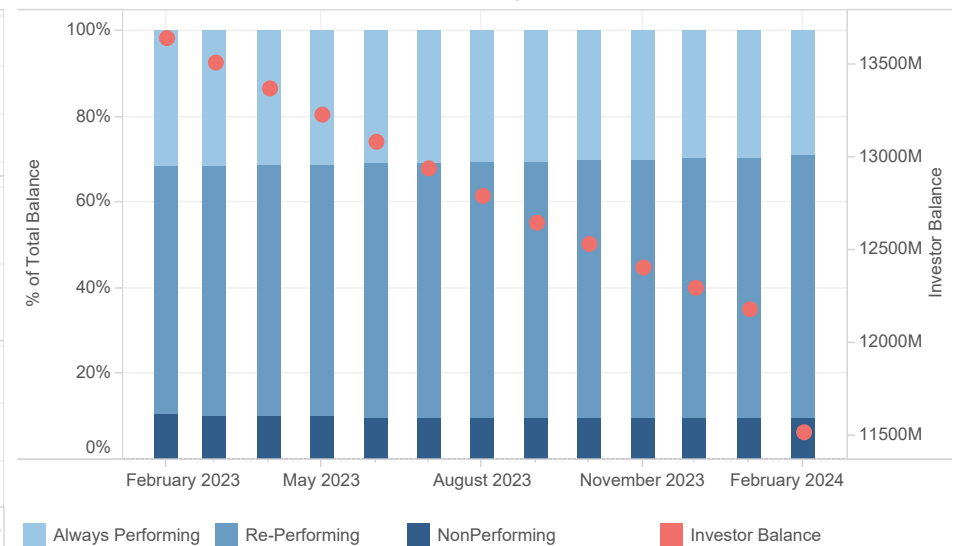
Re-Performing Loans (% of RPL Balance)



Non-Performing Loans (% of NPL Balance)

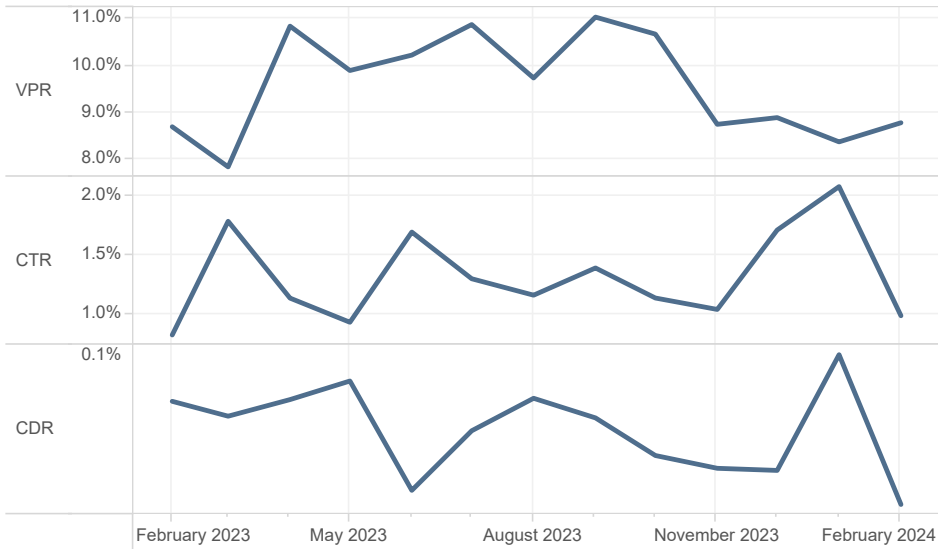


Balance Composition

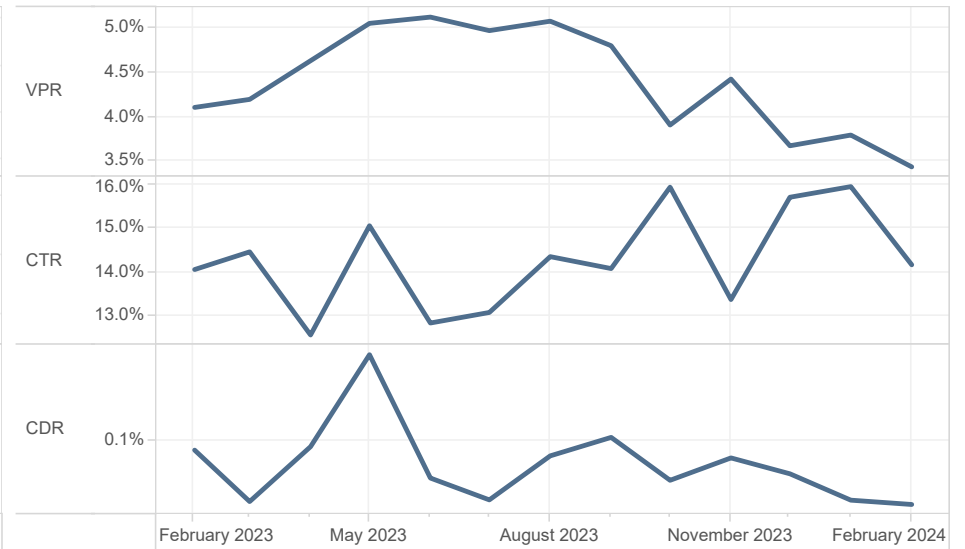


Alt-A Balance and Performance Snap-Shot

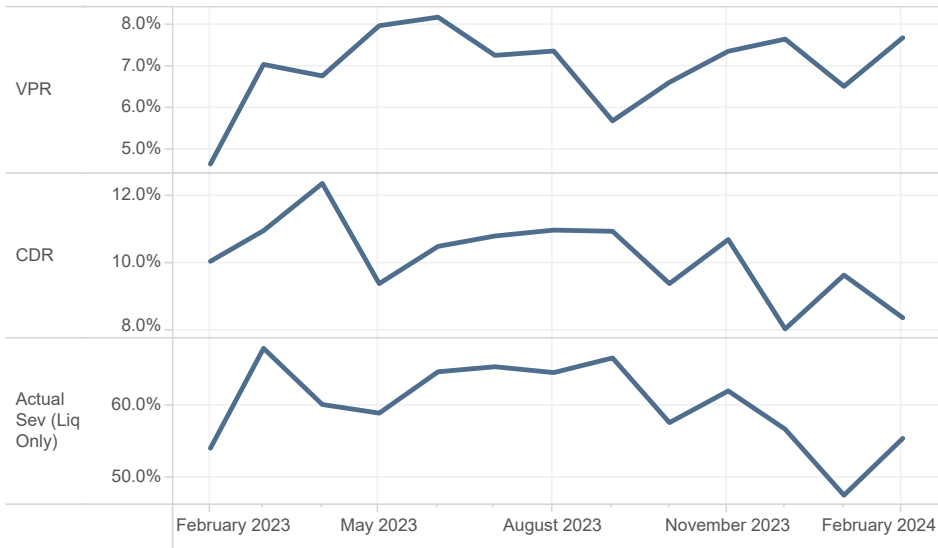
Always Performing Loans (% of APL Balance)



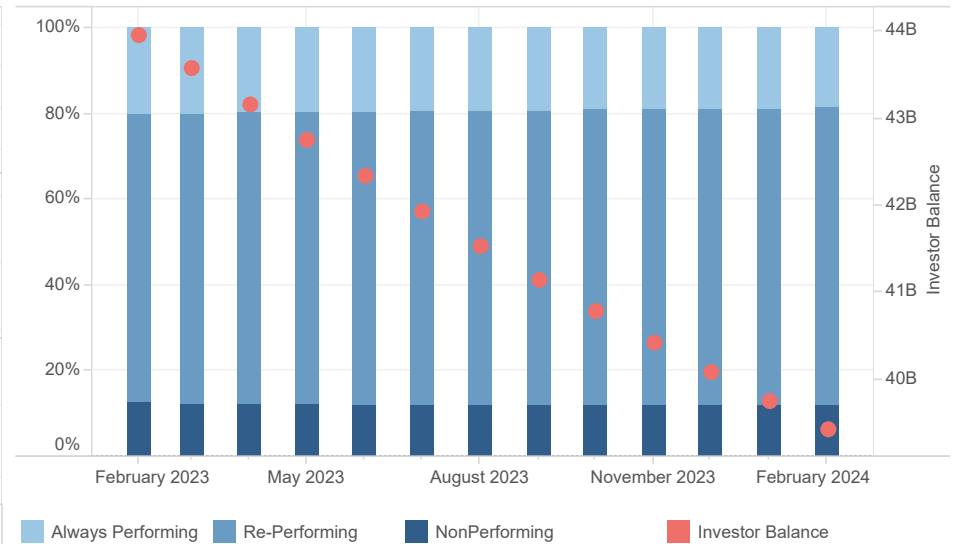
Re-Performing Loans (% of RPL Balance)



Non-Performing Loans (% of NPL Balance)

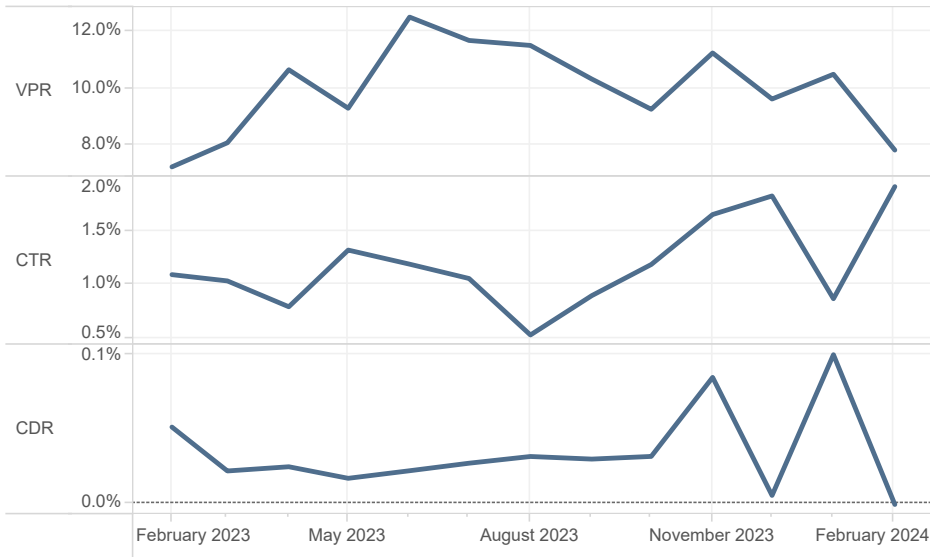


Balance Composition

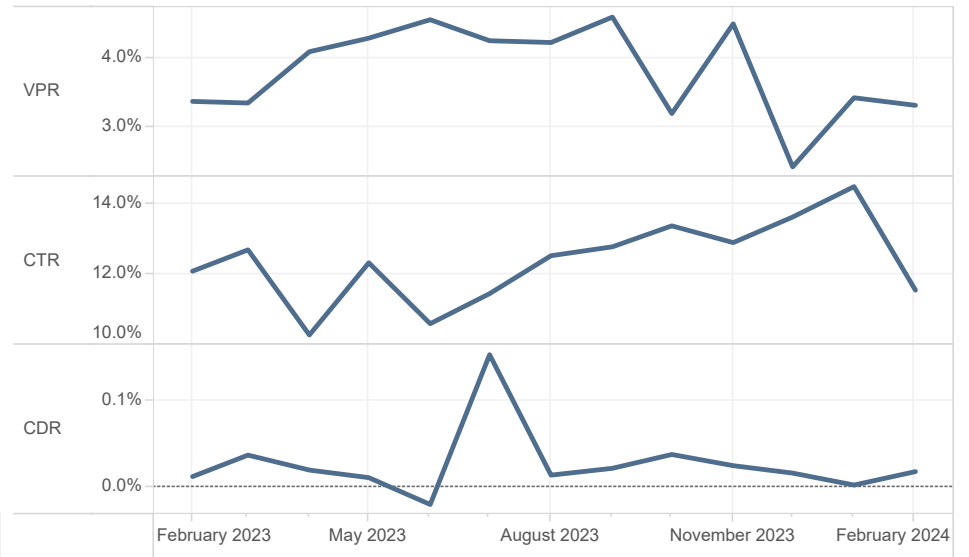


Option ARM Balance and Performance Snap-Shot

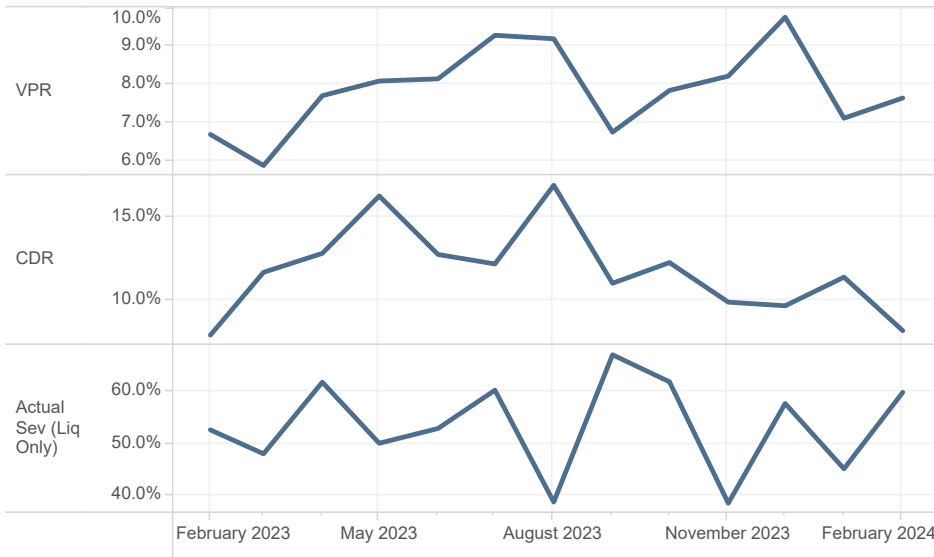
Always Performing Loans (% of APL Balance)



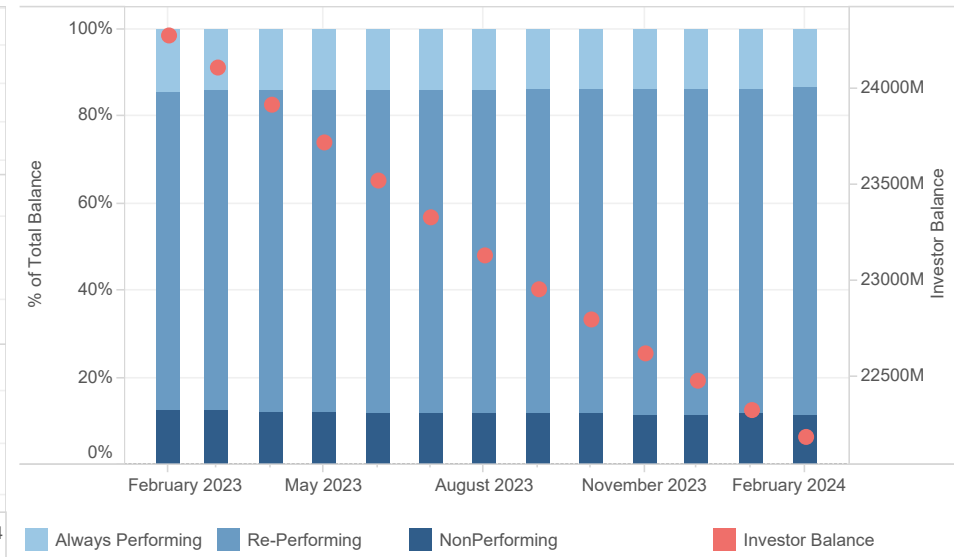
Re-Performing Loans (% of RPL Balance)



Non-Performing Loans (% of NPL Balance)

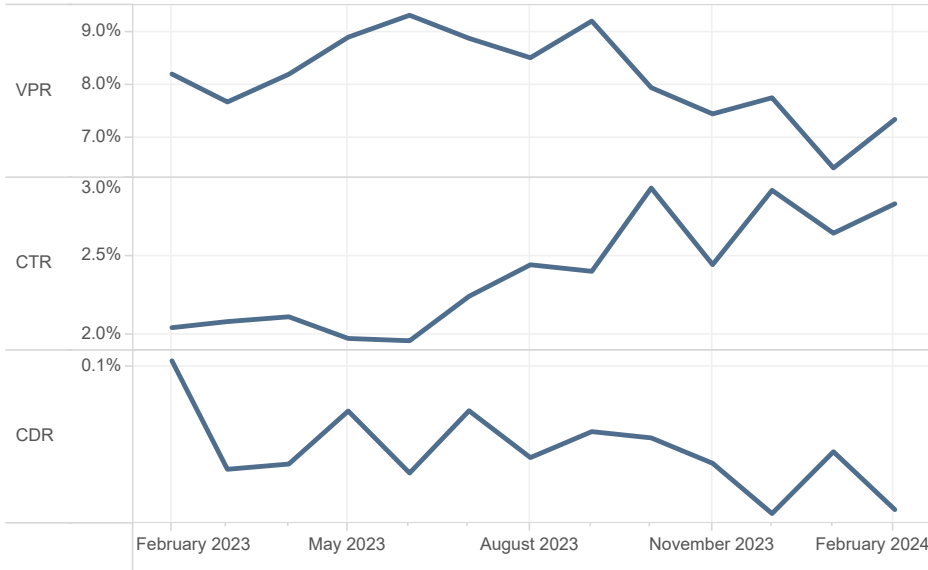


Balance Composition

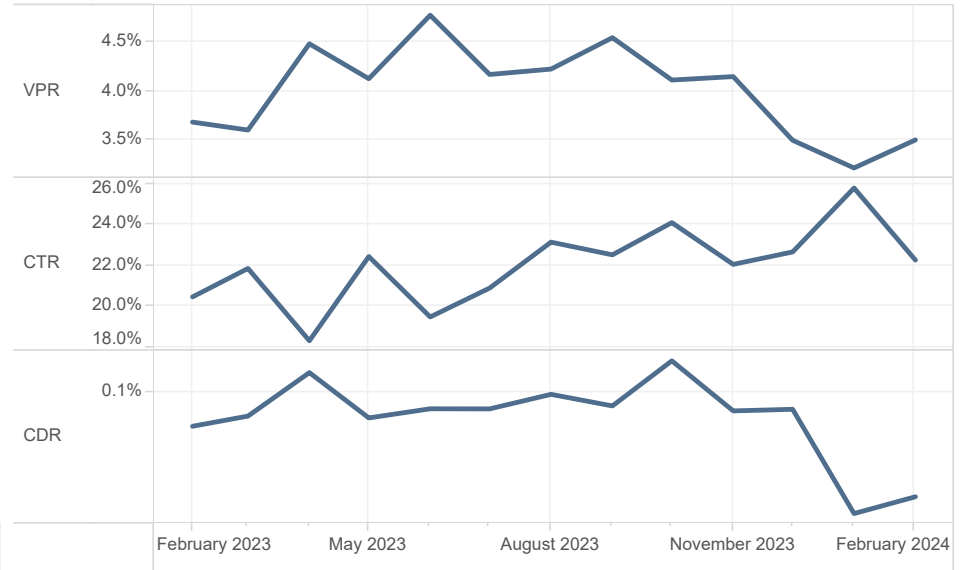


Subprime Balance and Performance Snap-Shot

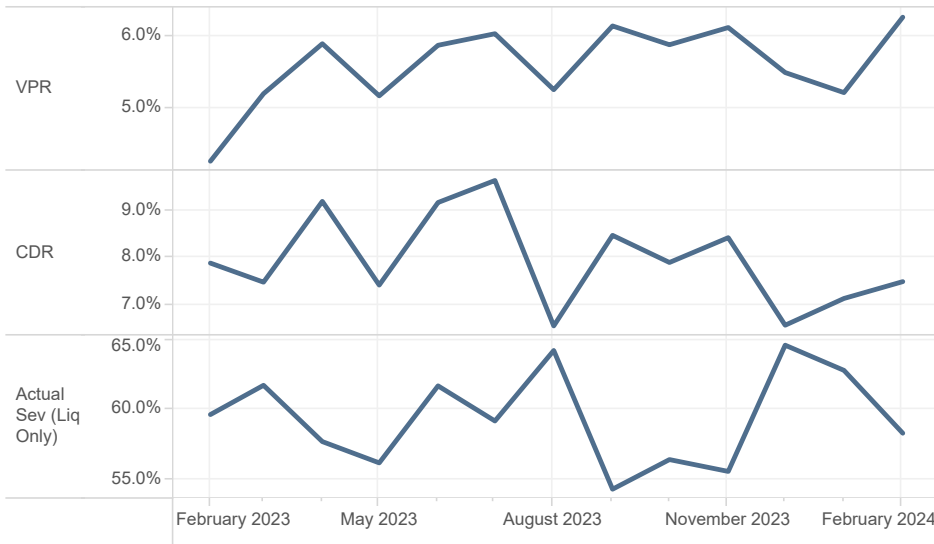
Always Performing Loans (% of APL Balance)



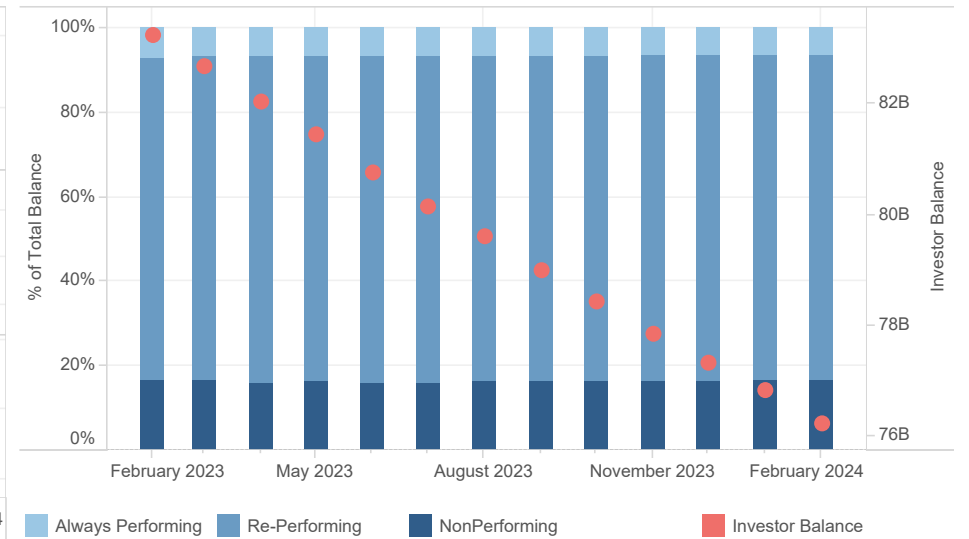
Re-Performing Loans (% of RPL Balance)



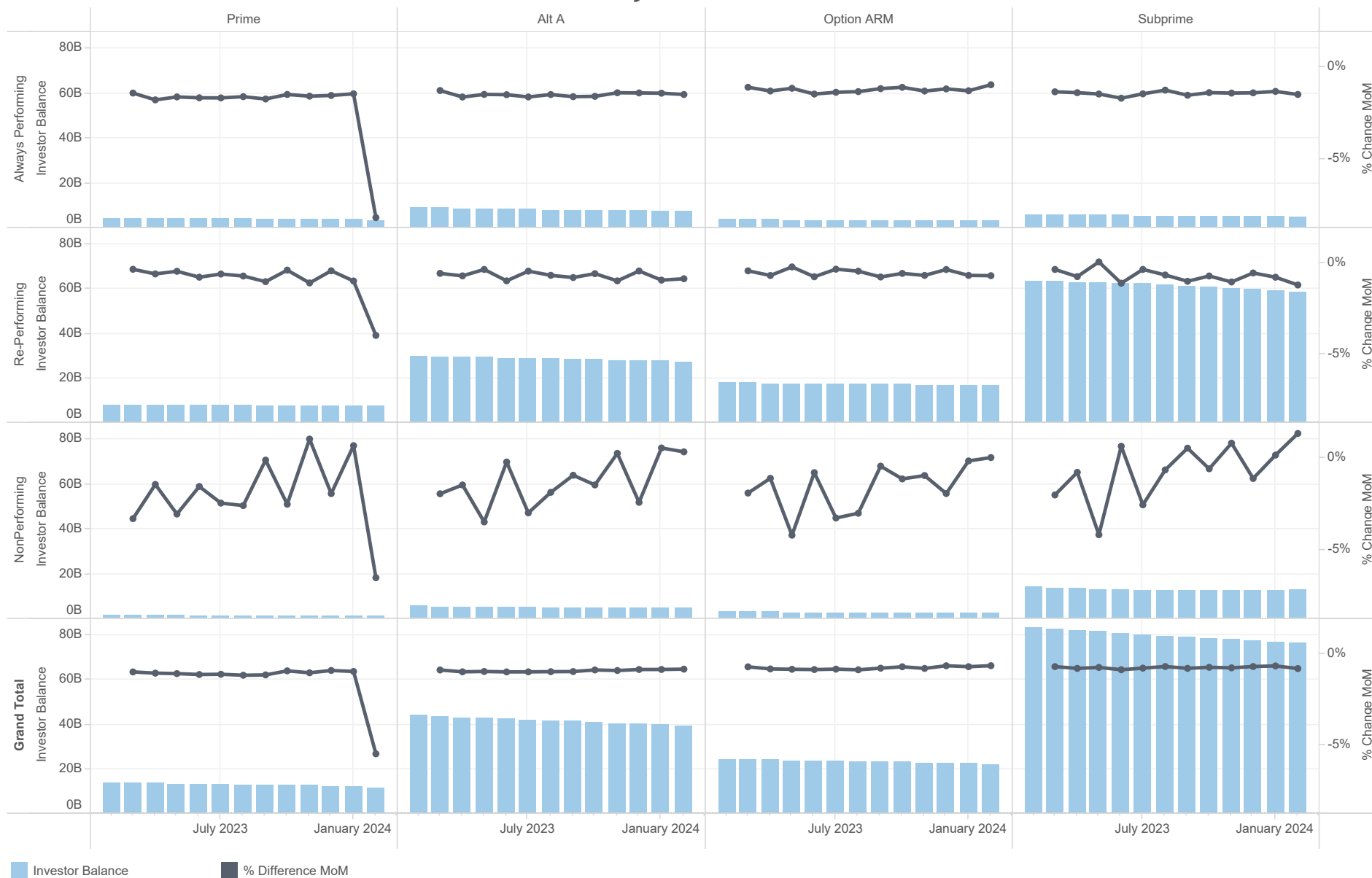
Non-Performing Loans (% of NPL Balance)



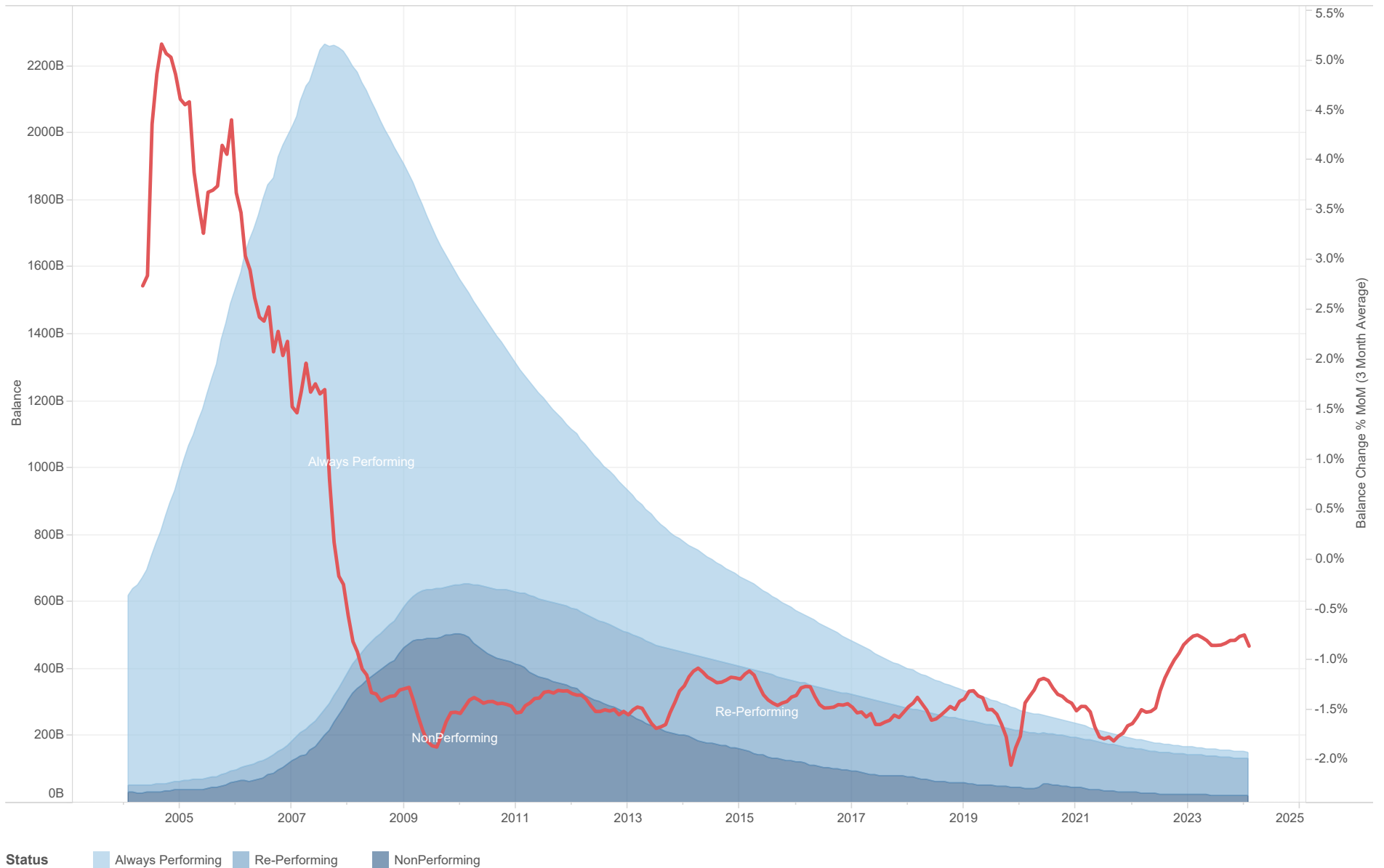
Balance Composition



Balance by Credit and Status



Universe Balance Composition

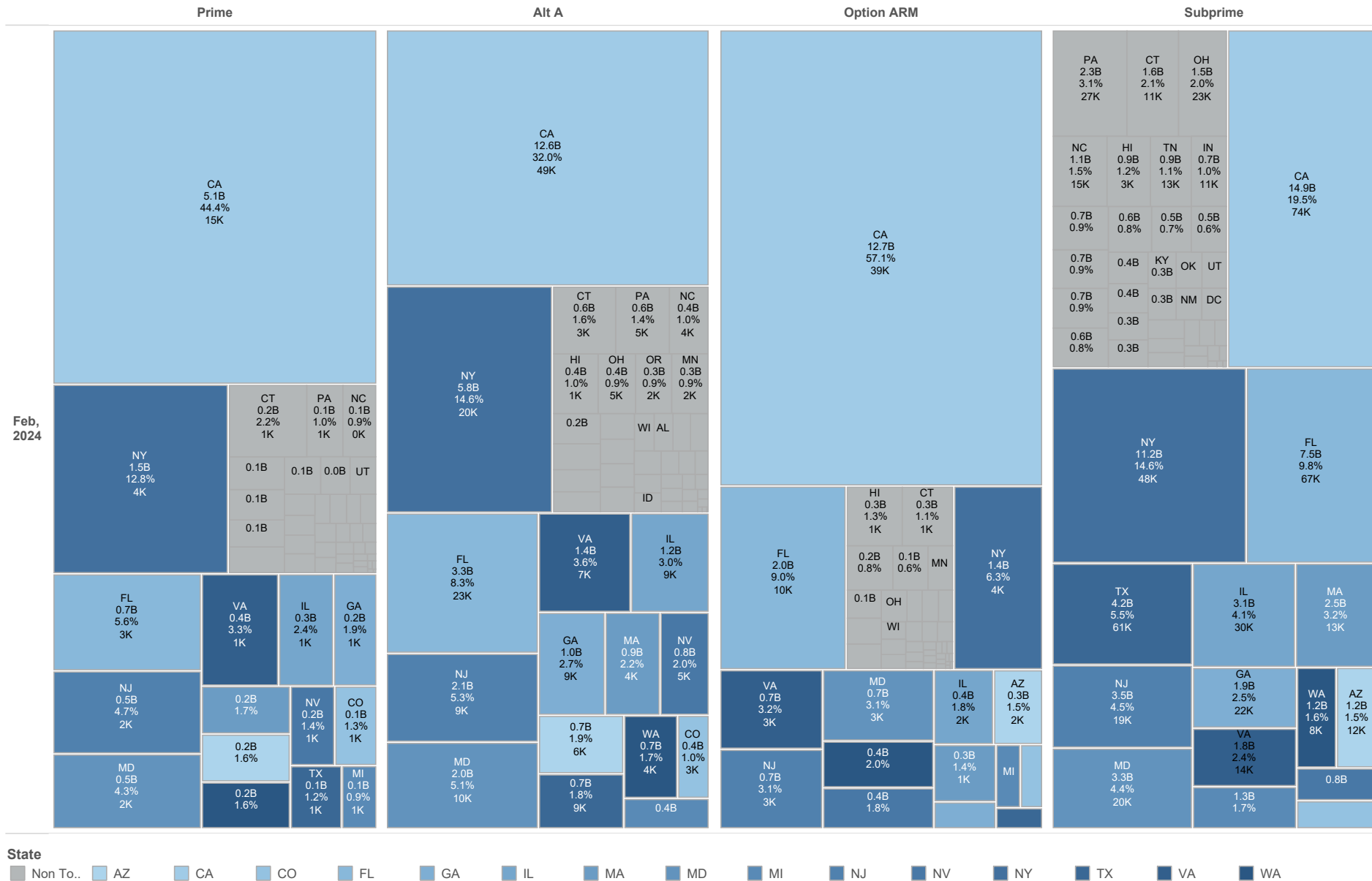


Source: SCIB US, Corelogic
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Top 15 State Balance Composition

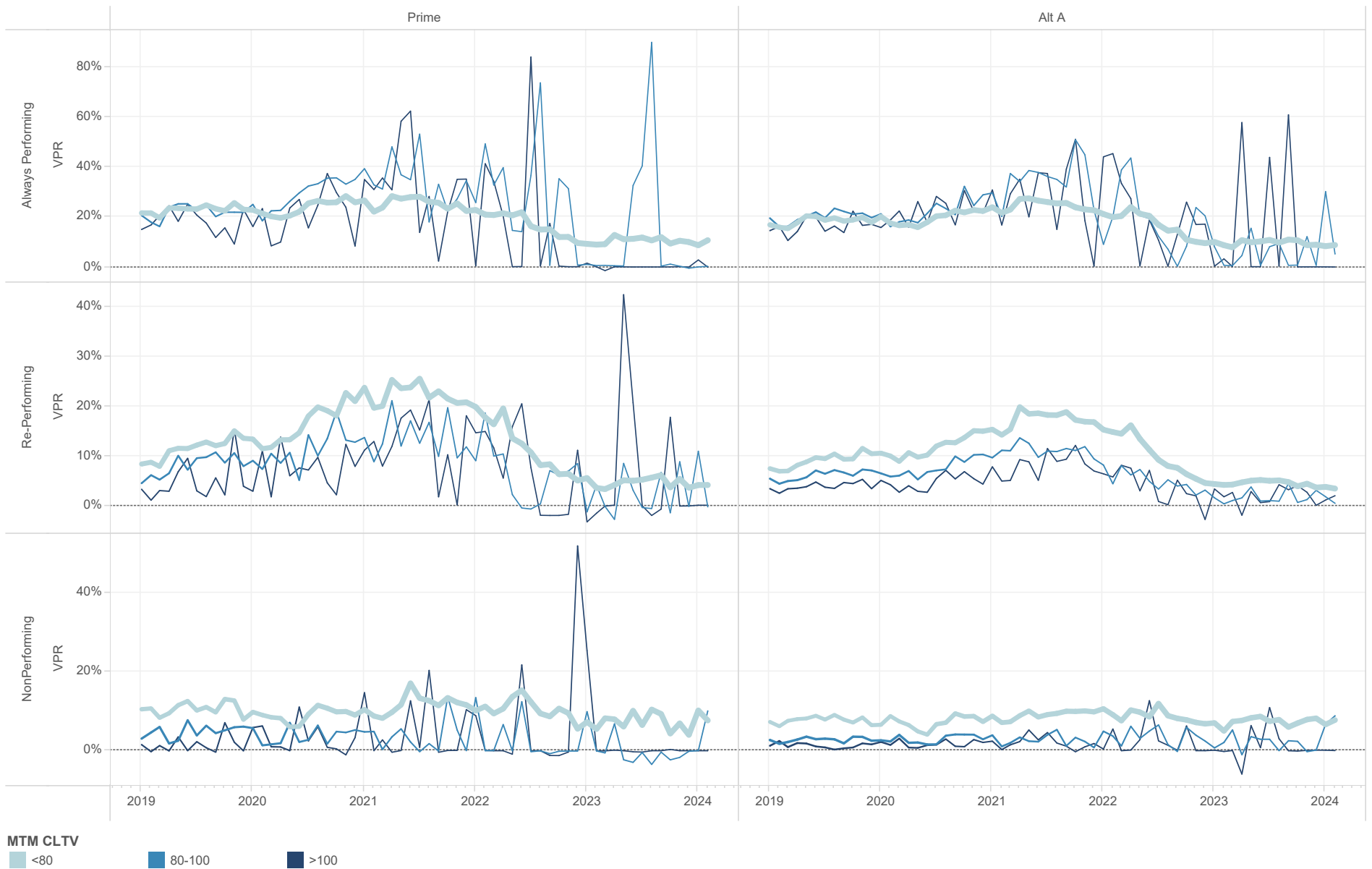


Source: SCIB US, Corelogic
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Annualized Voluntary Prepayment Rates



Source: SCIB US, Corelogic
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Annualized Voluntary Prepayment Rates



Source: SCIB US, Corelogic
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Annualized Performing to Non-Performing Transition Rates

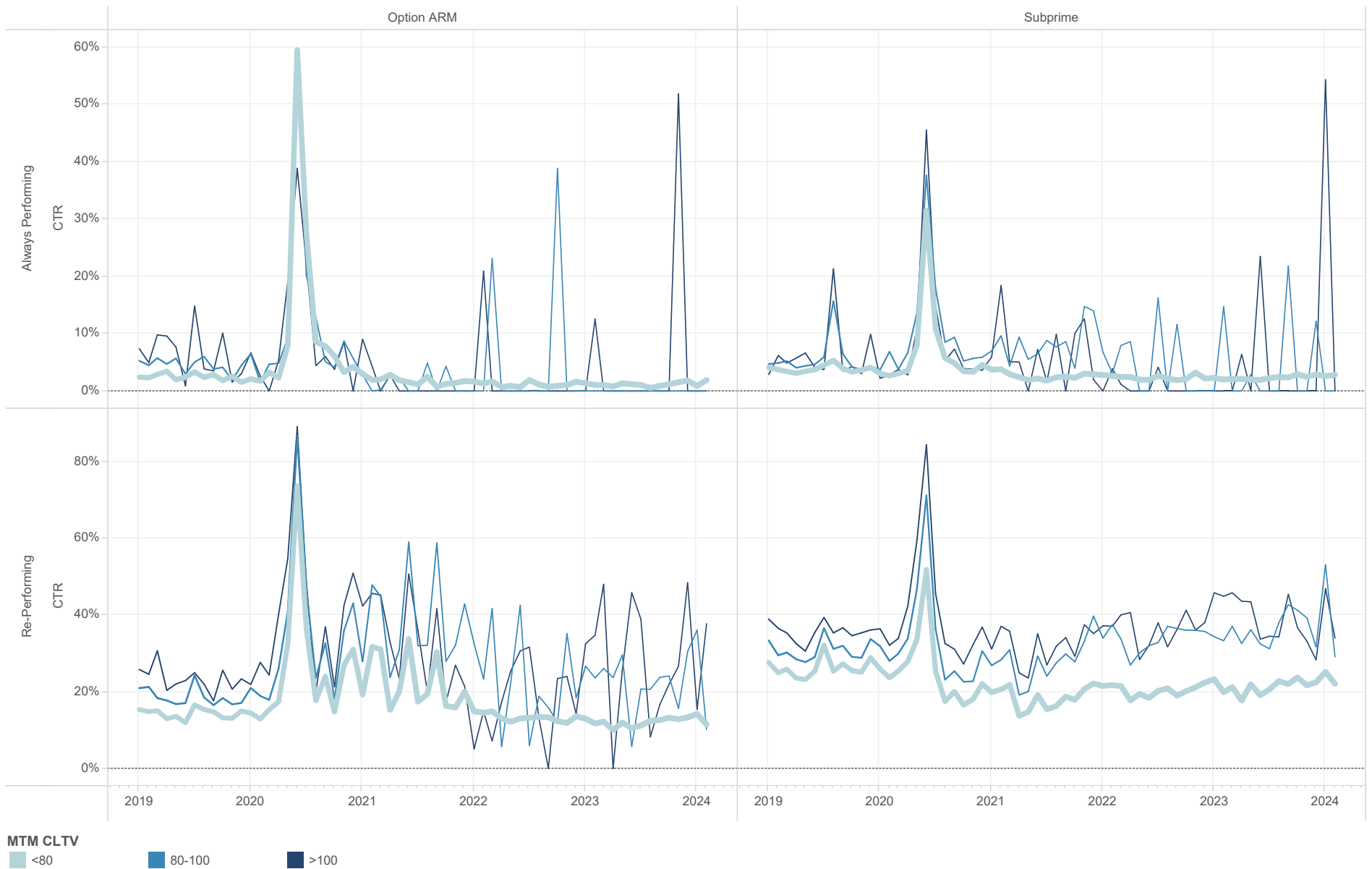


Source: SCIB US, Corelogic
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Annualized Performing to Non-Performing Transition Rates

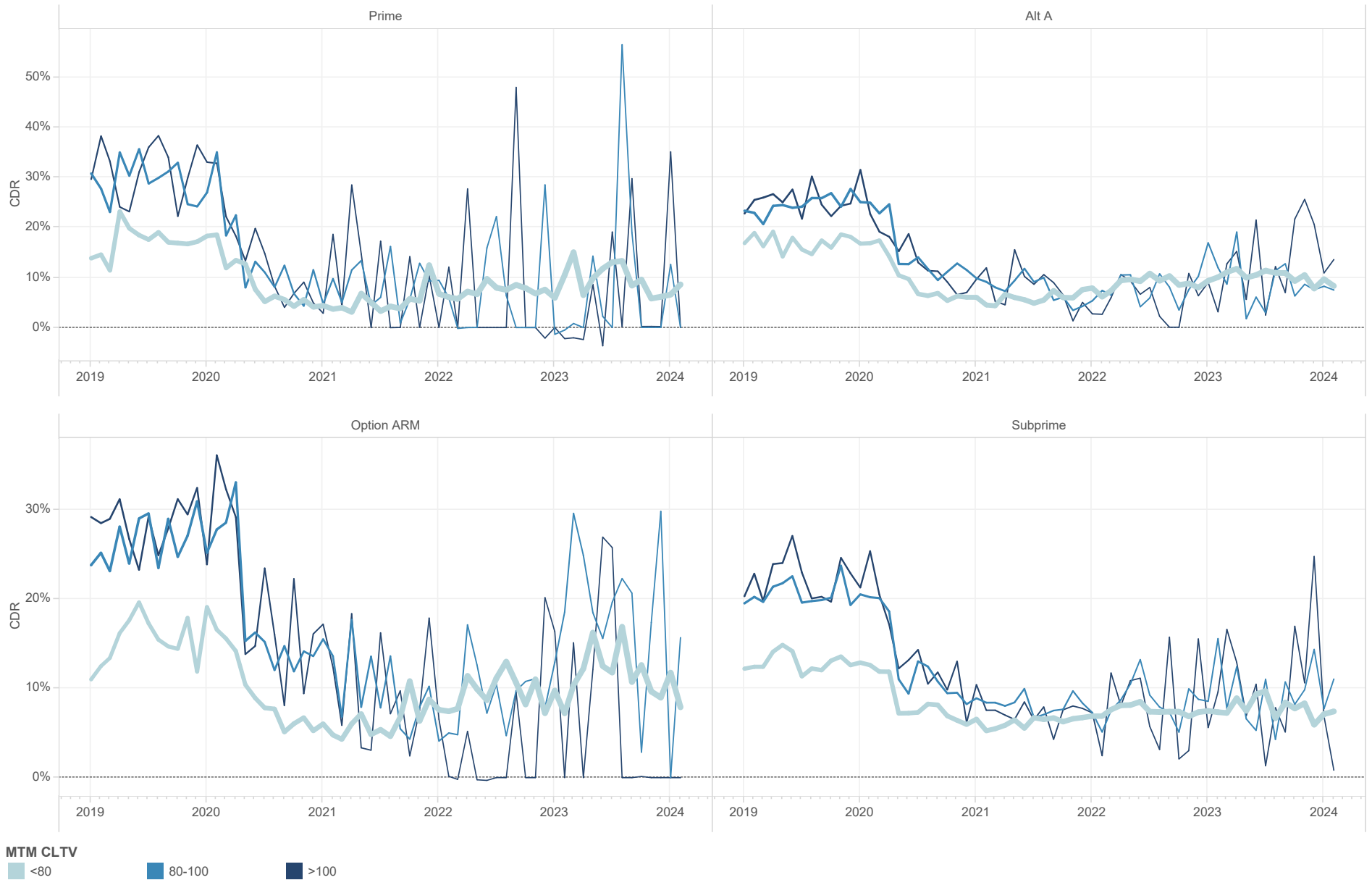


Source: SCIB US, Corelogic
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Annualized Liquidation Rates of Non-Performing Loans

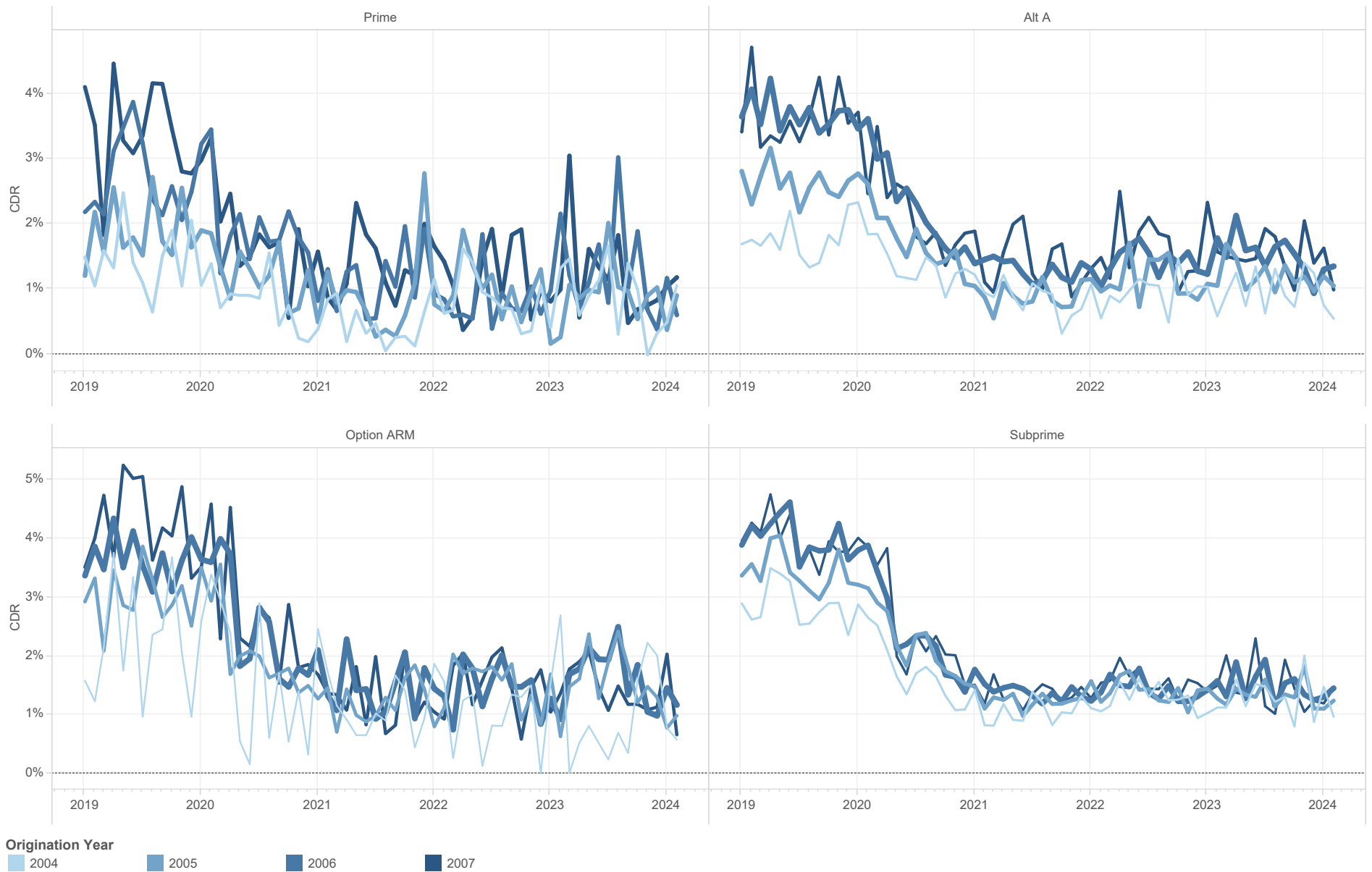


Source: SCIB US, Corelogic
February 2024 Remittance

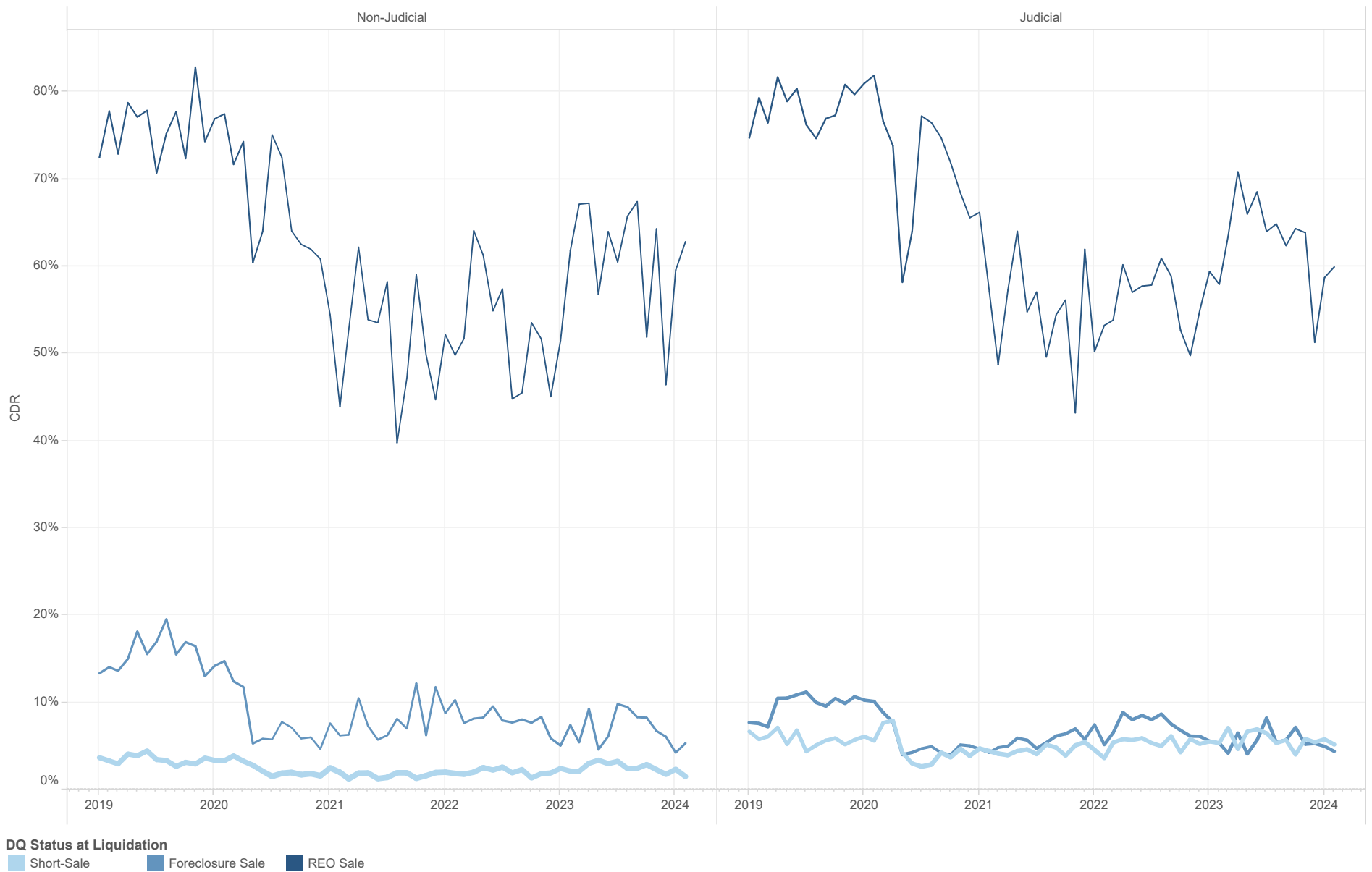
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Annualized Liquidation Rates by Vintage



Annualized Liquidation Rates by DQ Status

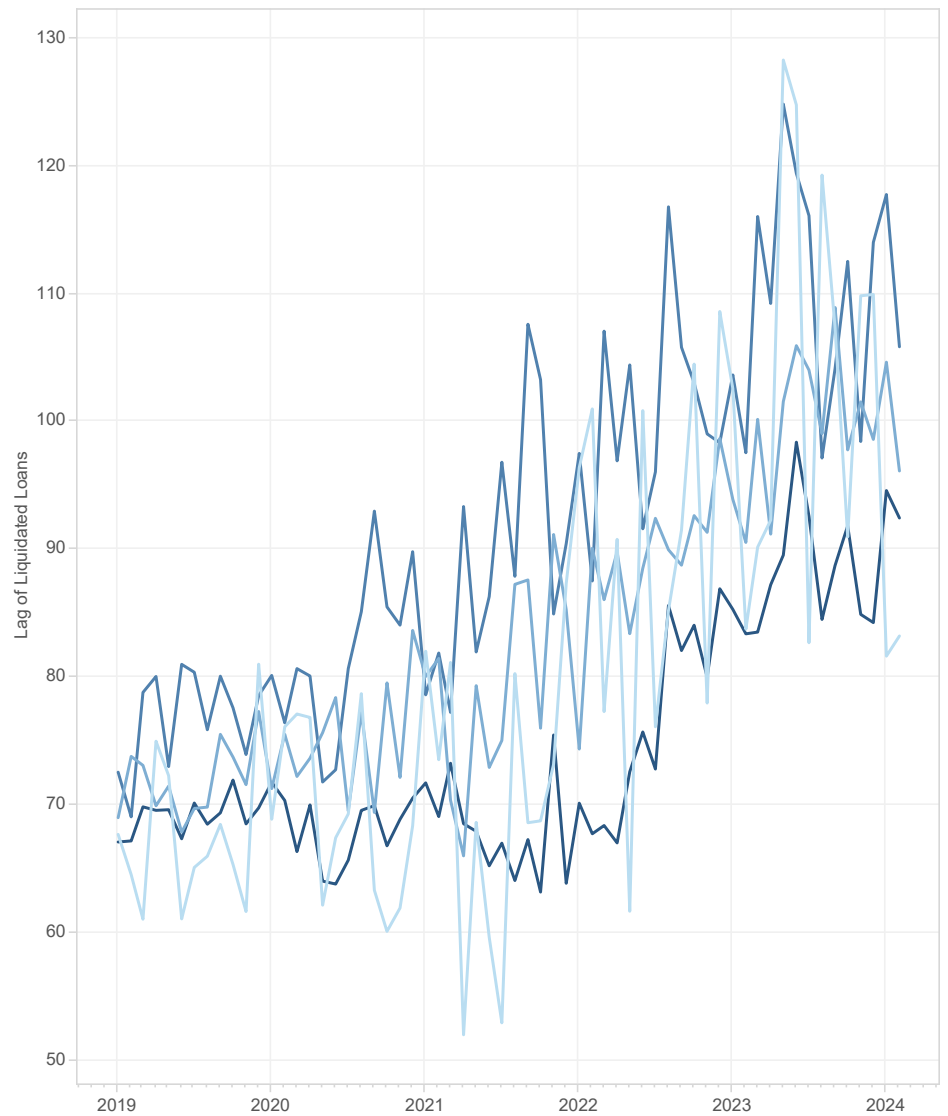
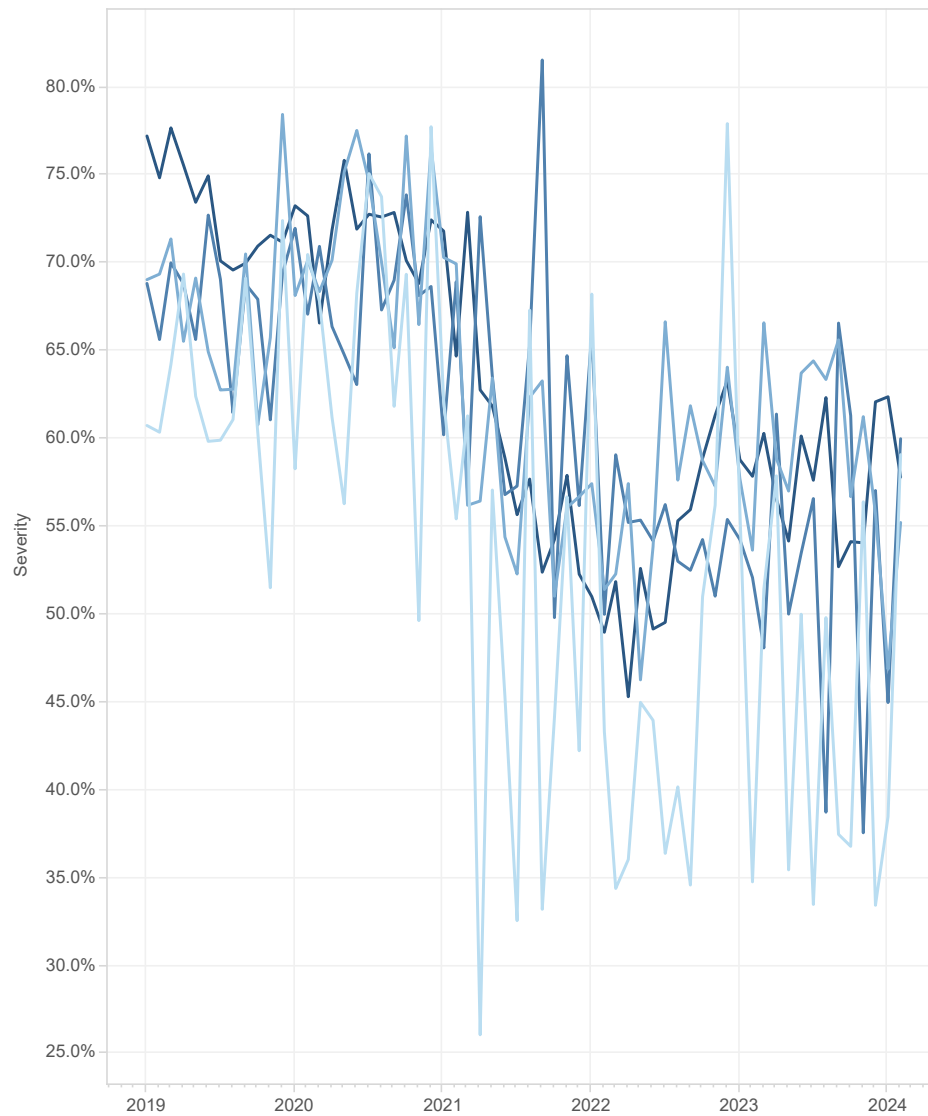


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Liquidated Loan Loss Severities and Lags



Credit Type

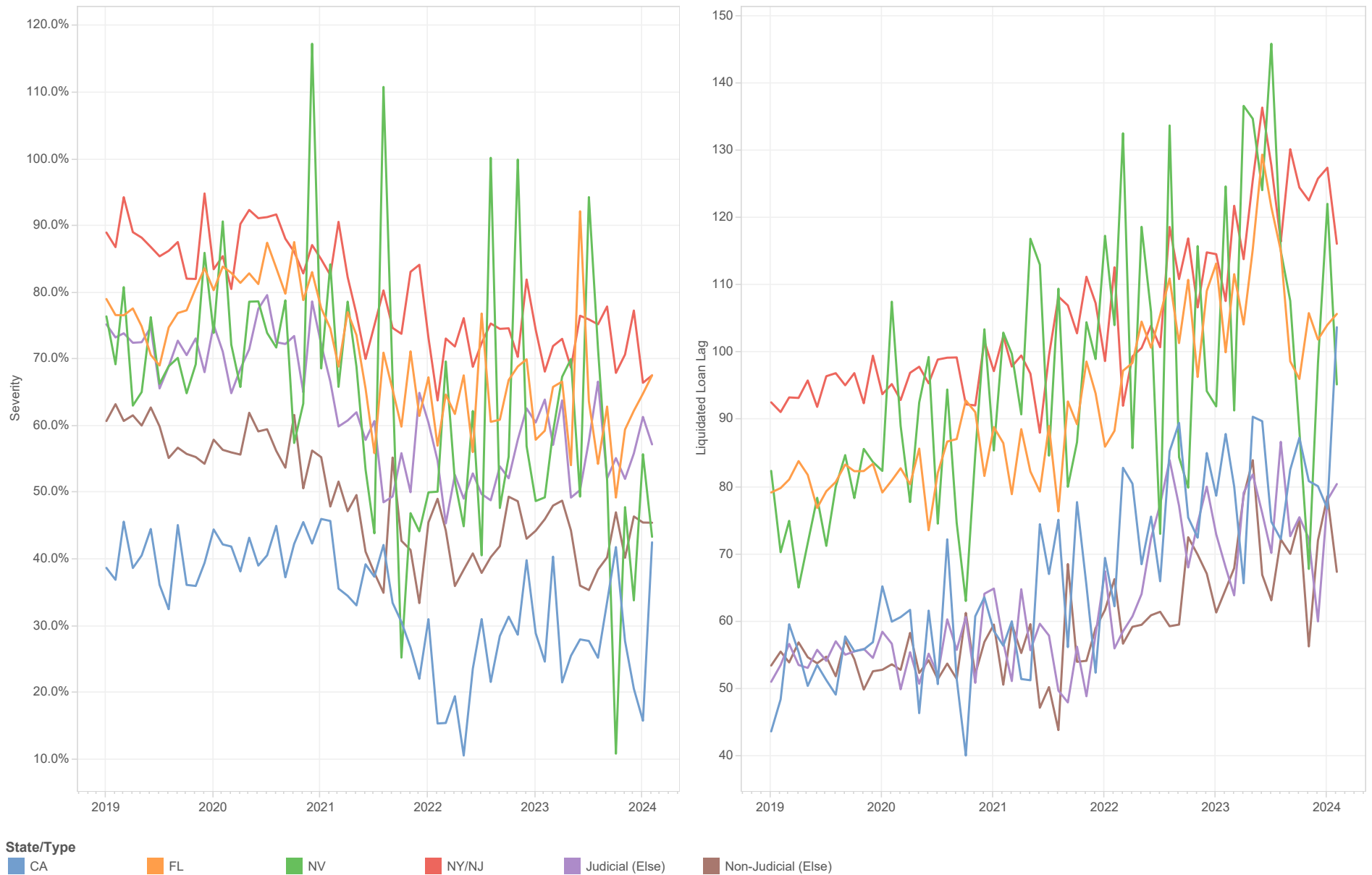
■ Prime
 ■ Alt A
 ■ Option ARM
 ■ Subprime

Source: SCIB US, Corelogic
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Liquidated Loan Loss Severities and Lags

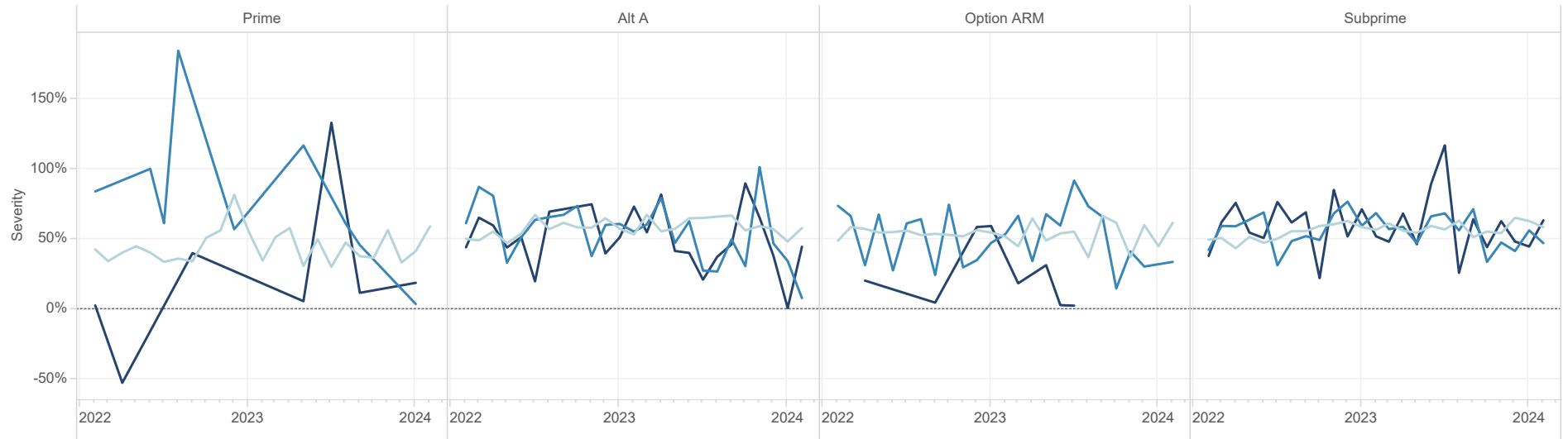


Source: SCIB US, Corelogic
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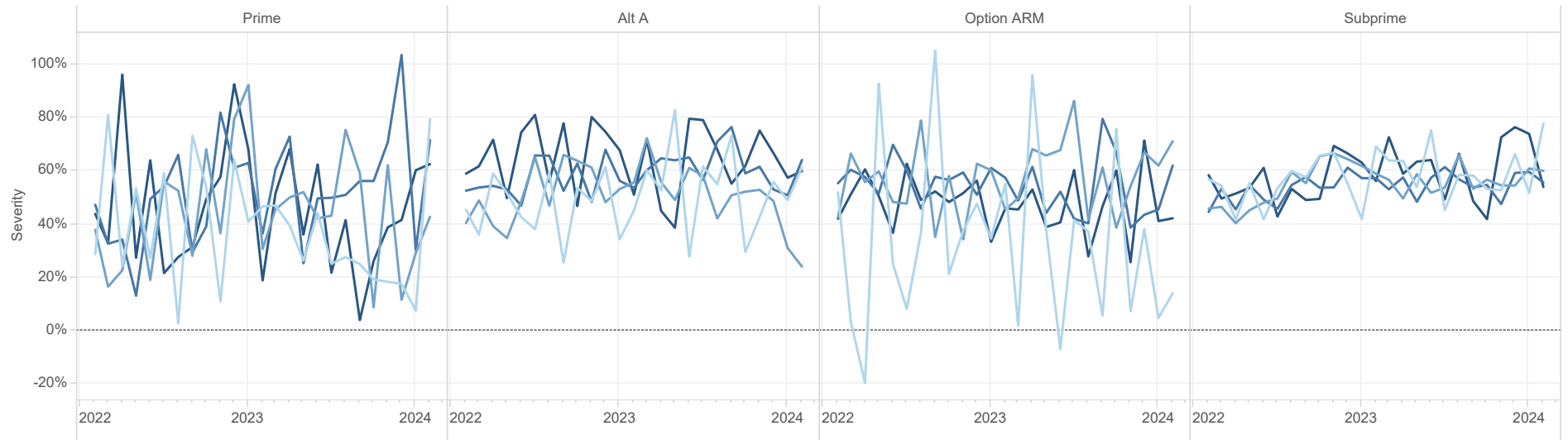
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Liquidated Loan Loss Severities



MTM CLTV <80 80-100 >100



Origination Year
 2004 2005 2006 2007

Liquidated Loan Loss Severities

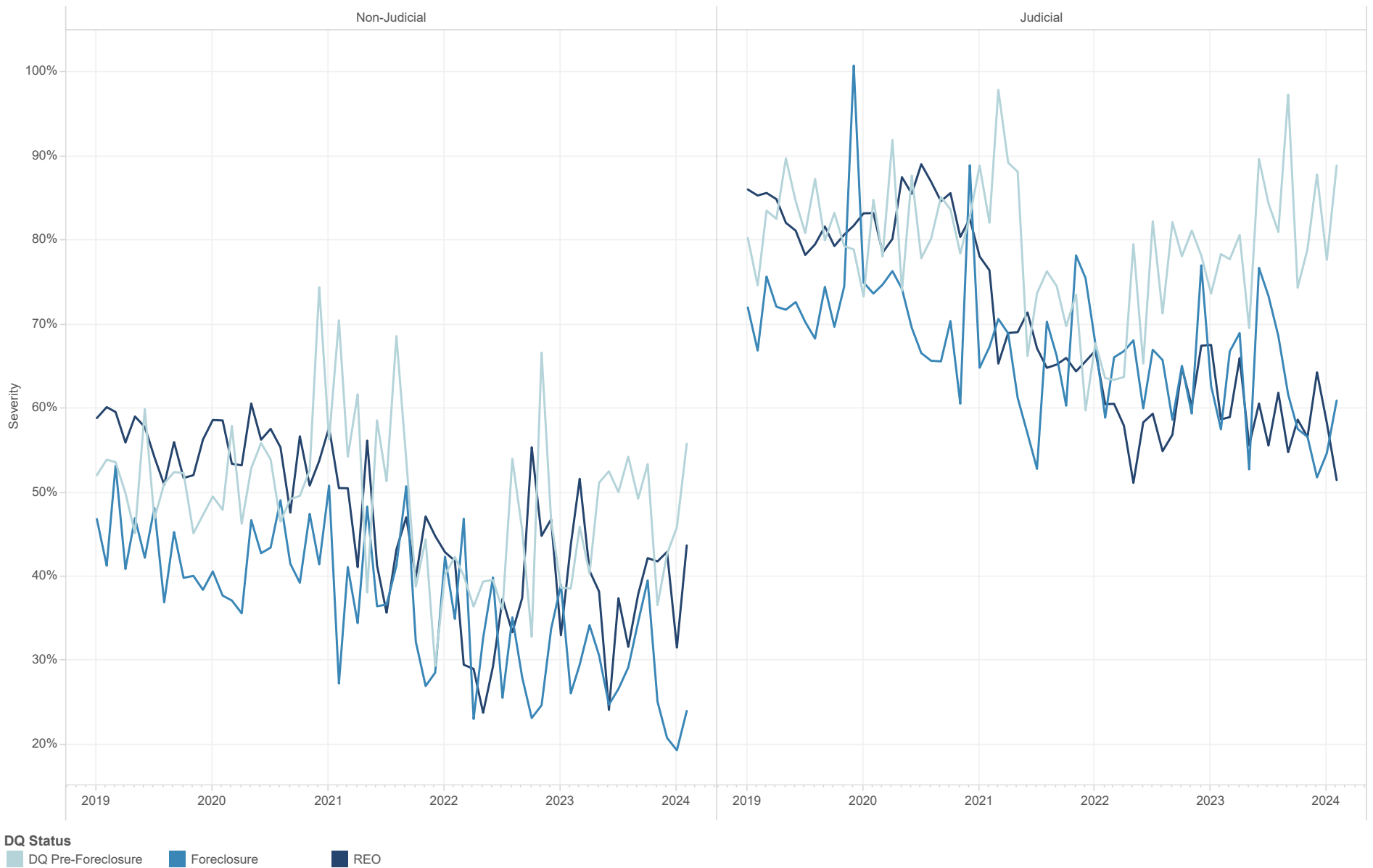


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Liquidated Loan Loss Severities by DQ Status

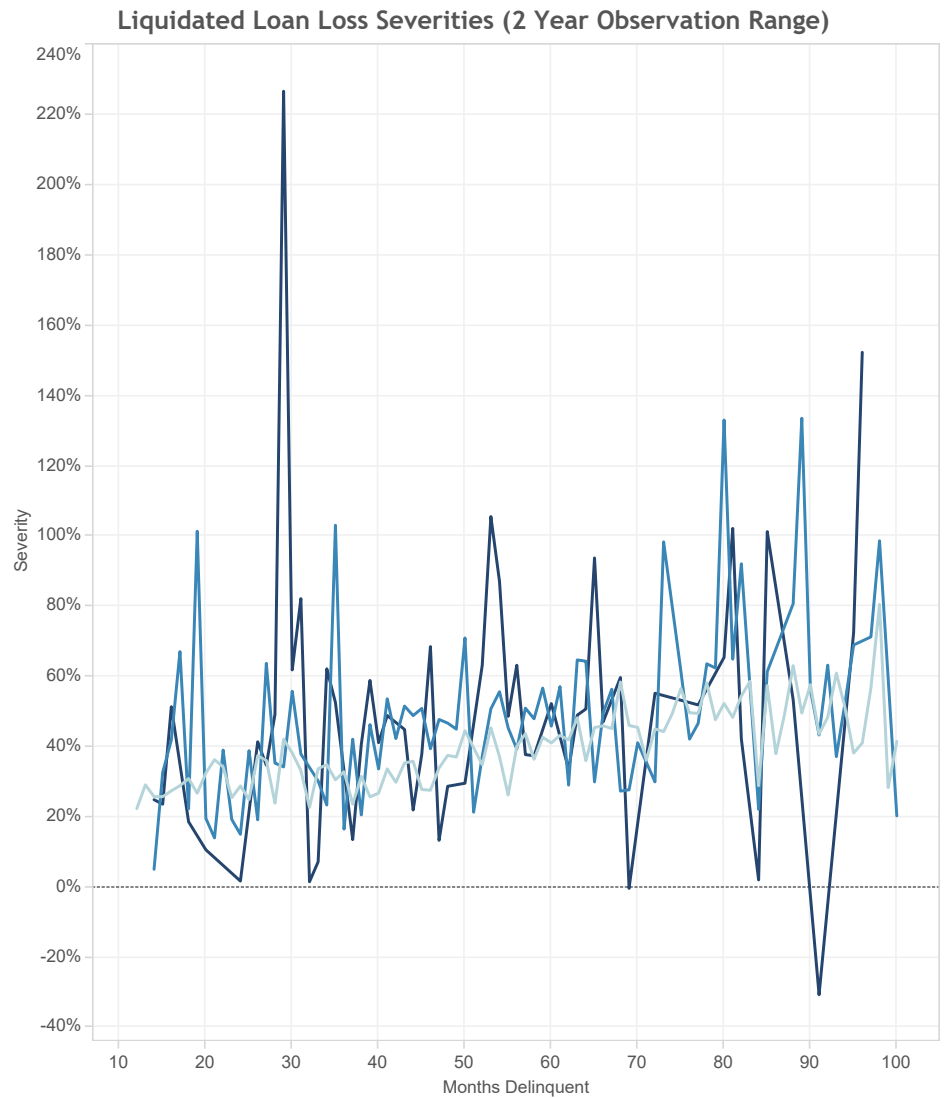
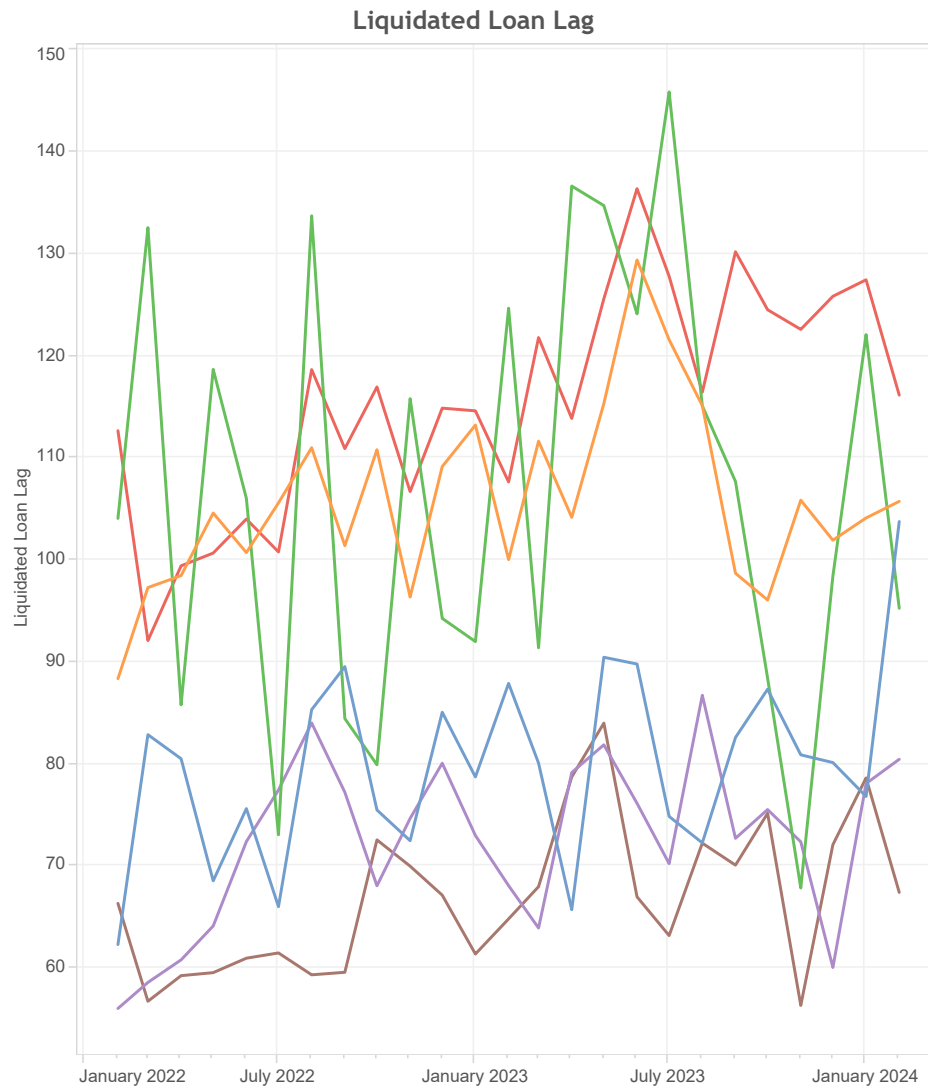


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Liquidated Loan Lag and Severities



State / Type

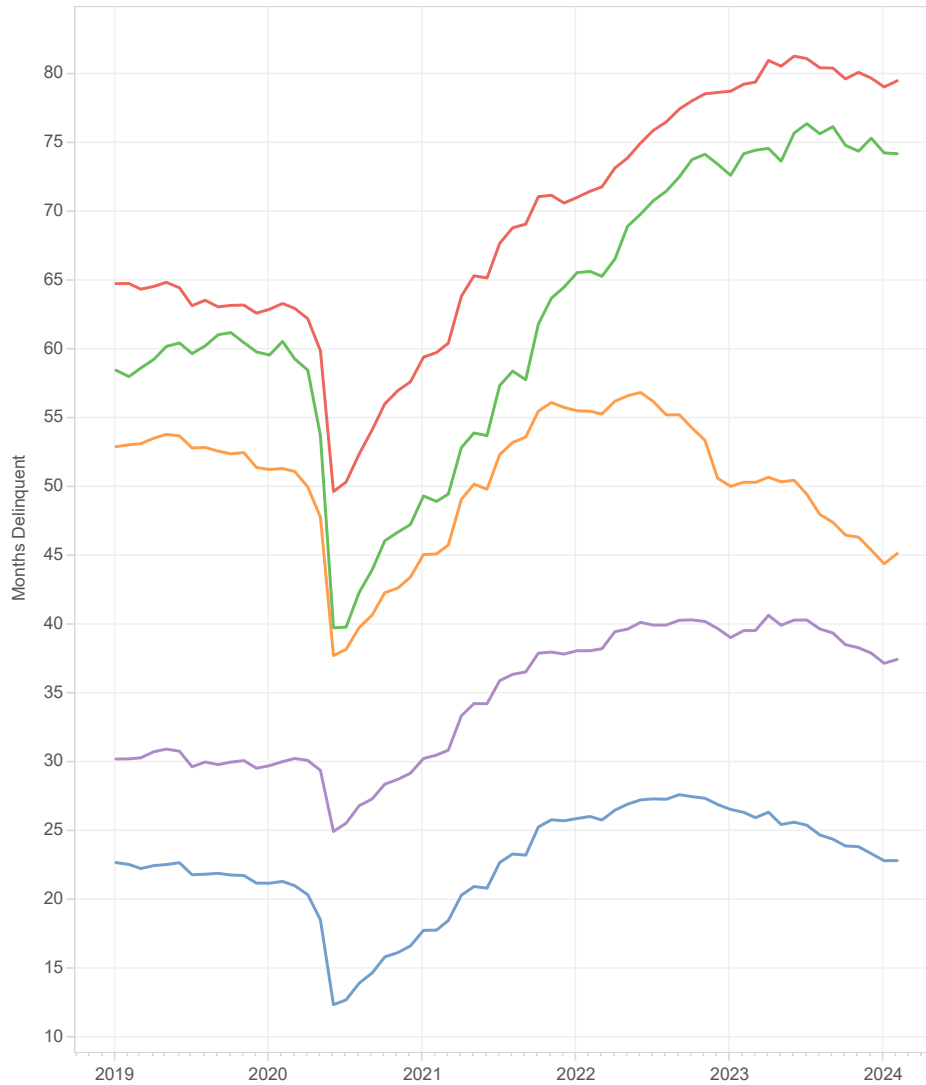
CA FL NV NY/NJ Judicial (Else) Non-Judicial (Else)

MTM CLTV

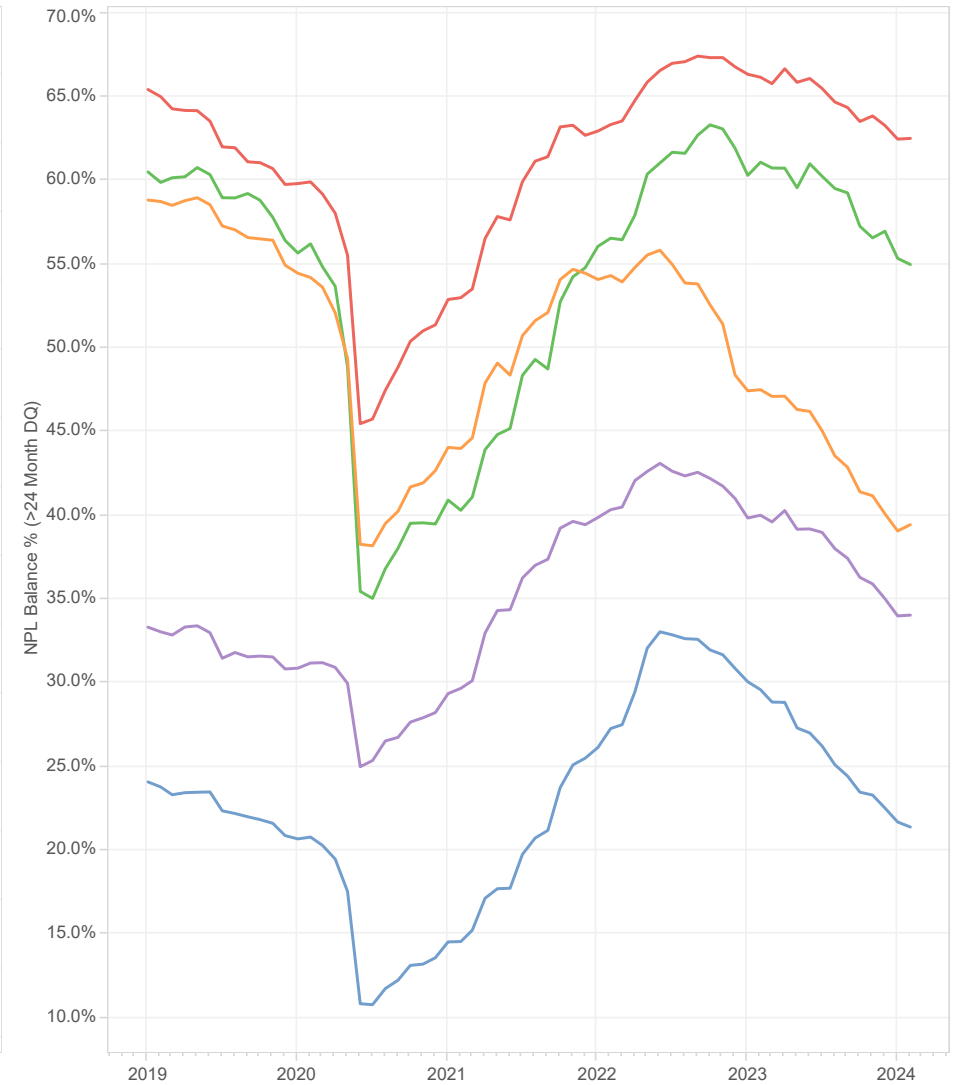
<80 80-100 >100

Months Delinquent of Non-Performing Loans

NPL Months Delinquent



Percent of NPLs > 24 Months DQ



State / Type

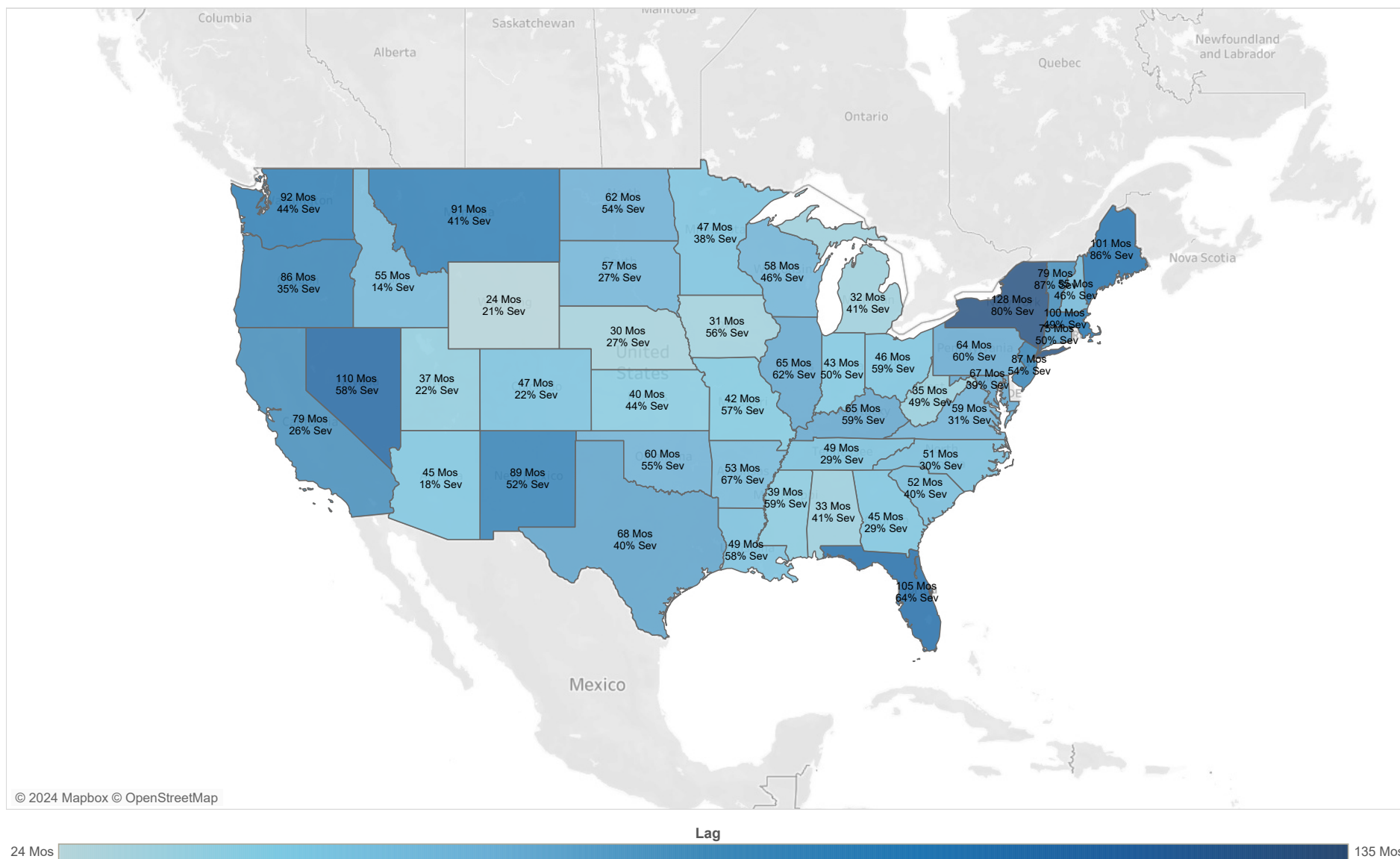
CA FL NV NY/NJ Judicial (Else)

Source: SCIB US, Corelogic
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Liquidated Loan Lag and Loss Severity (24 Month Observation)

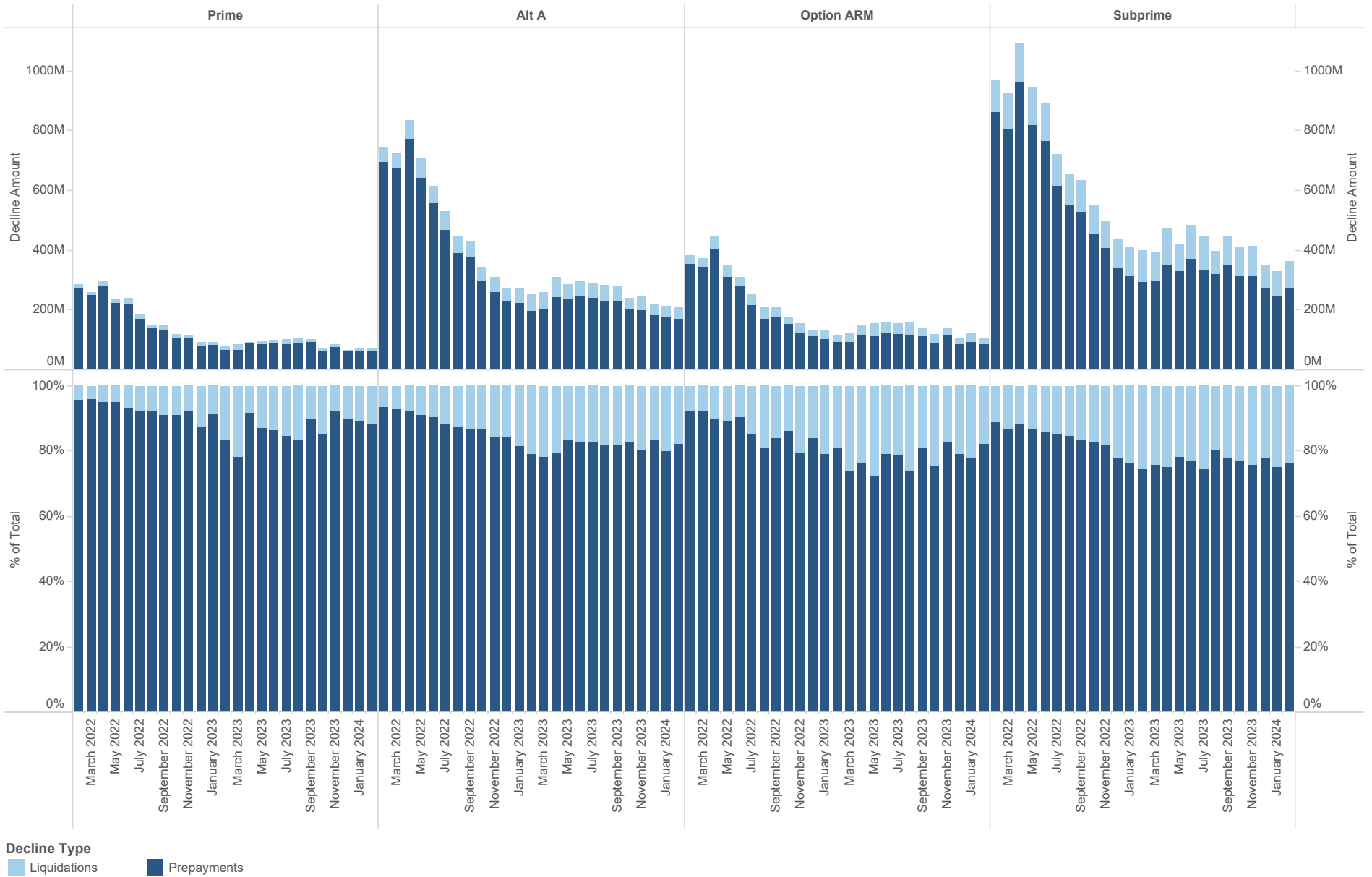


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Balance Decline Composition

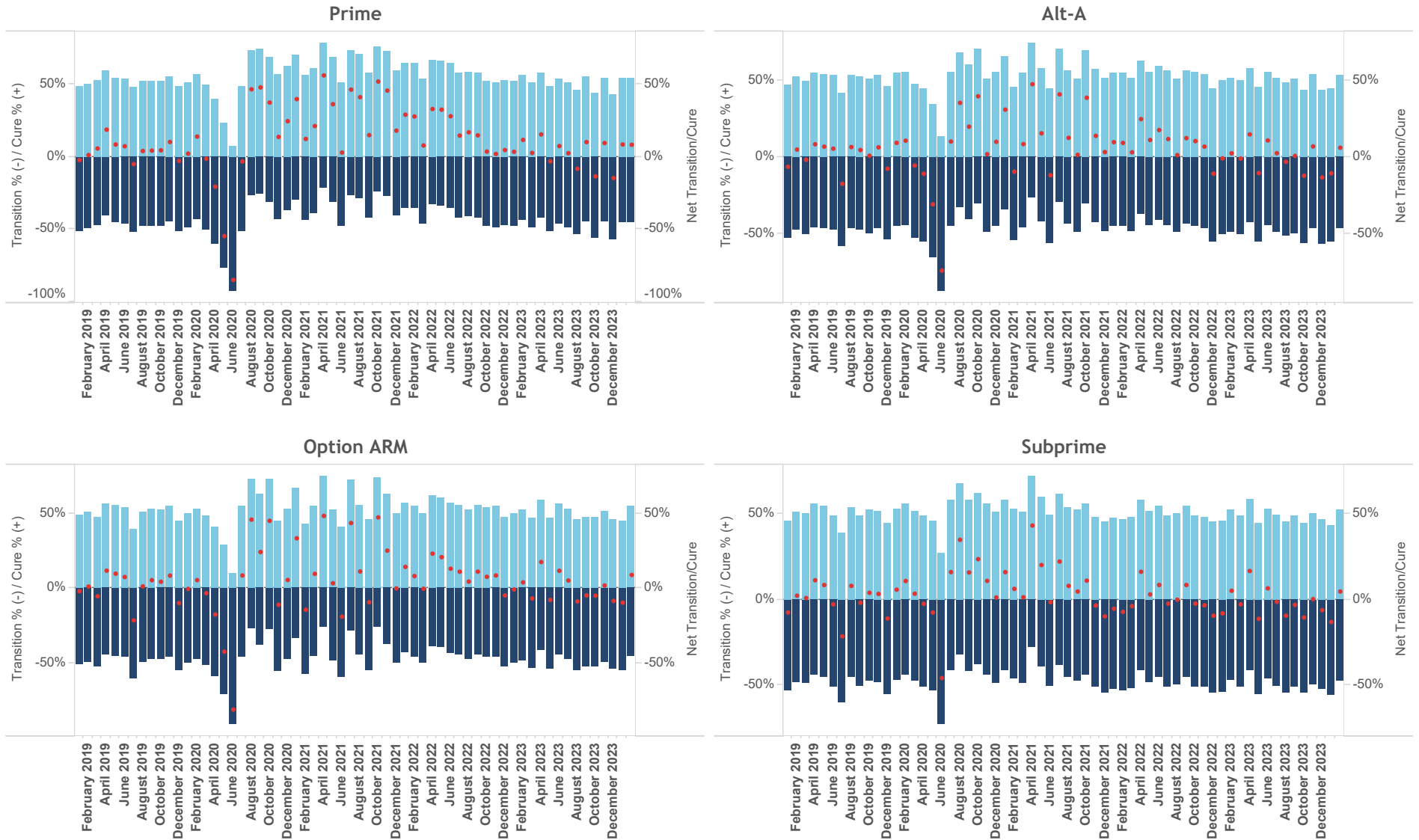


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Net Cure/Transition Rates by Credit Type



Type
■ Cure %
■ Transition %
● Net Cure/Transition

Relative Net Transition Rates (6 Month Average)

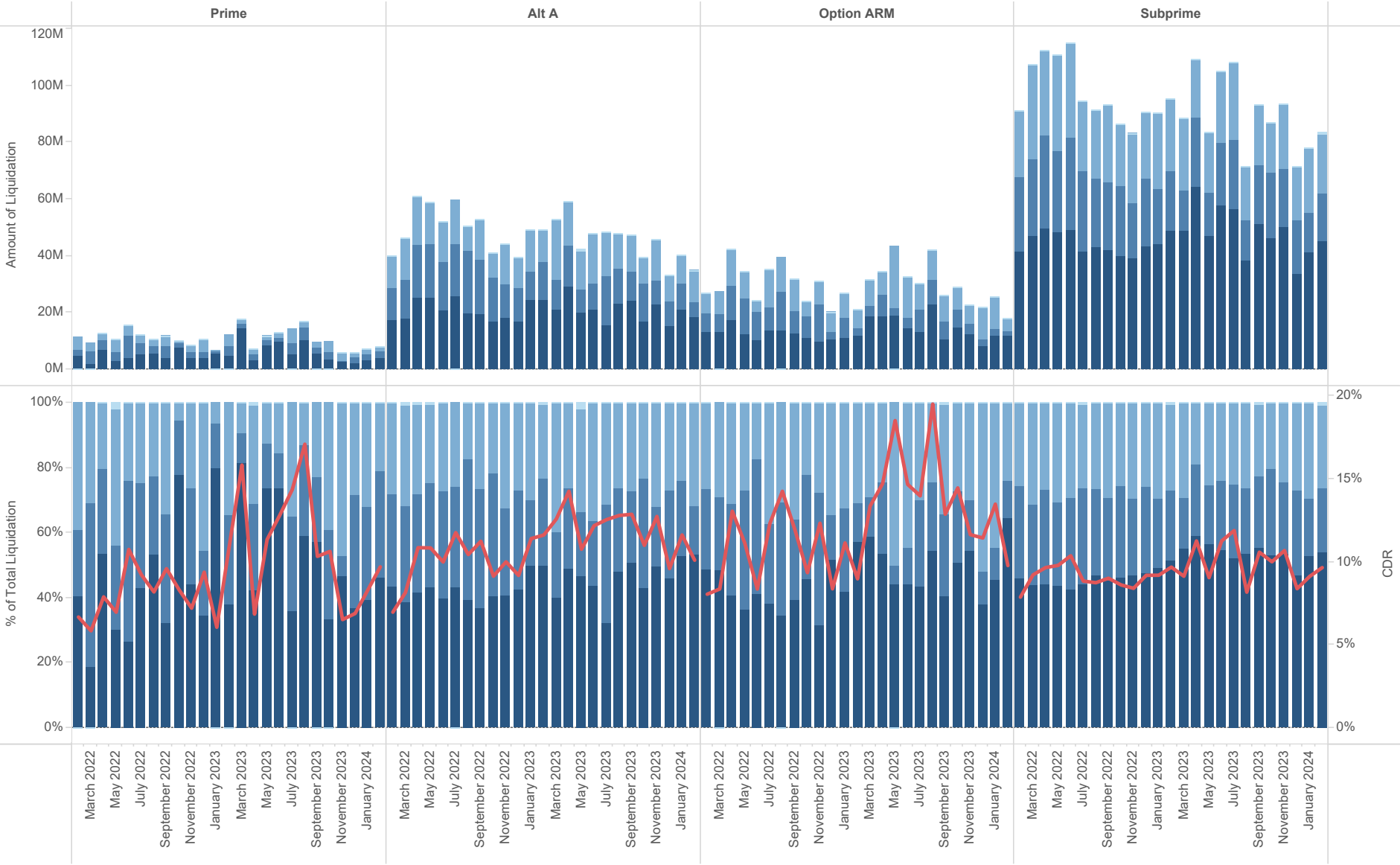


Source: SCIB US, Corelogic
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Non-Performing Loan Liquidation Composition



DQ Status

6 9 F R

Right Side Axis

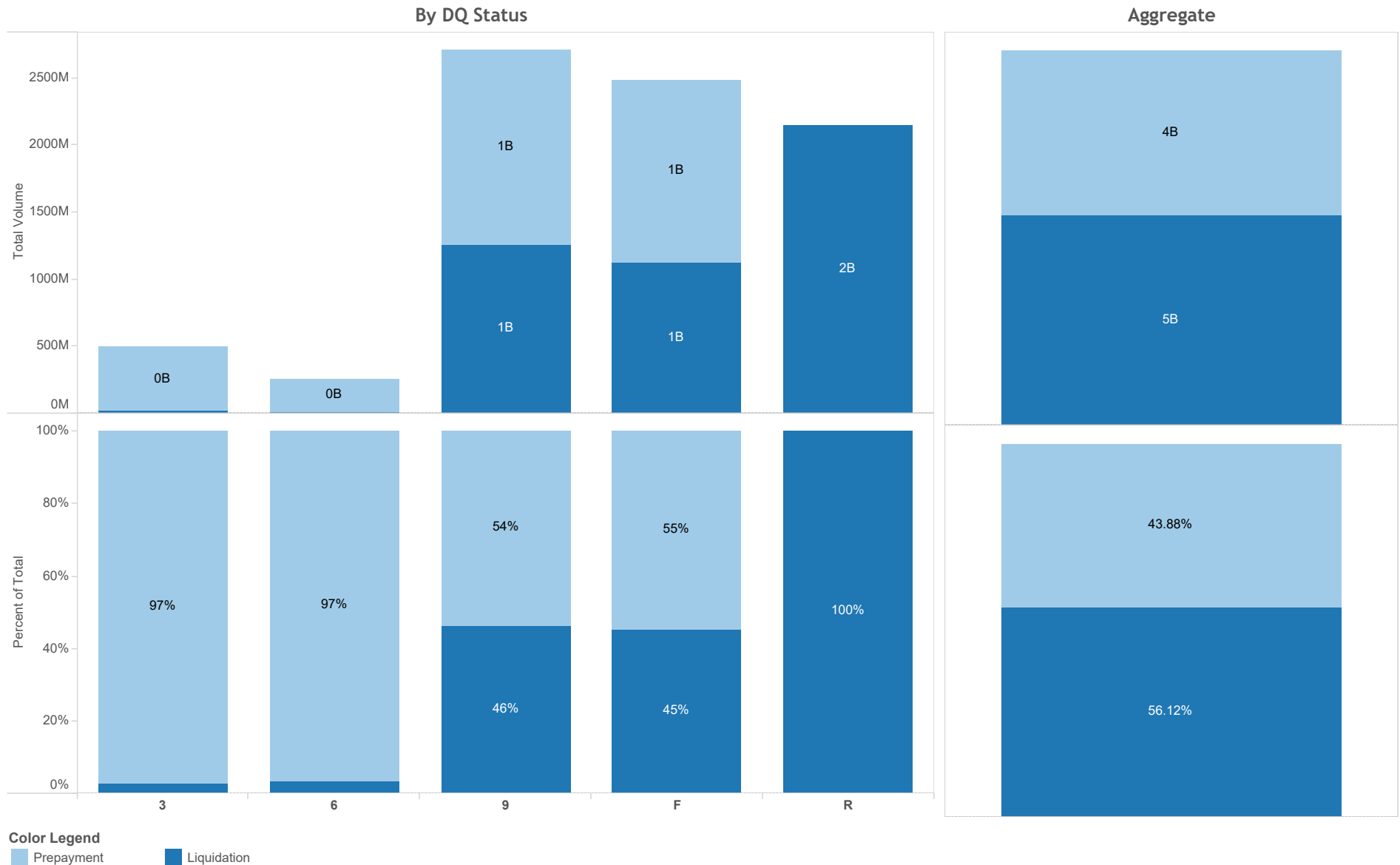
CDR

Source: SCIB US, Corelogic
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Delinquent Loan Abatements (24 Month Observation)



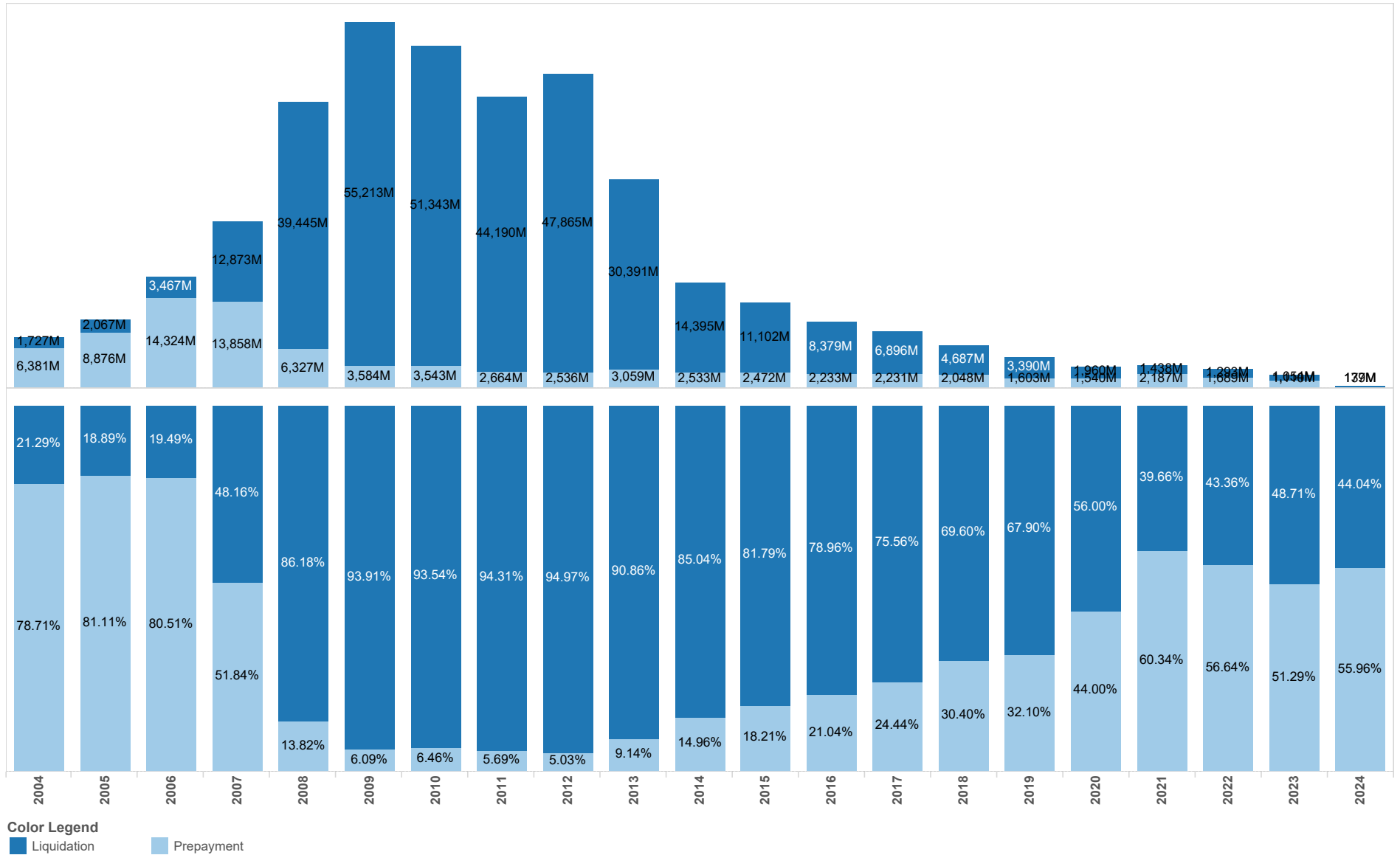
Source: SCIB US, Corelogic
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Delinquent Loan Abatements

90+ and Foreclosure Only

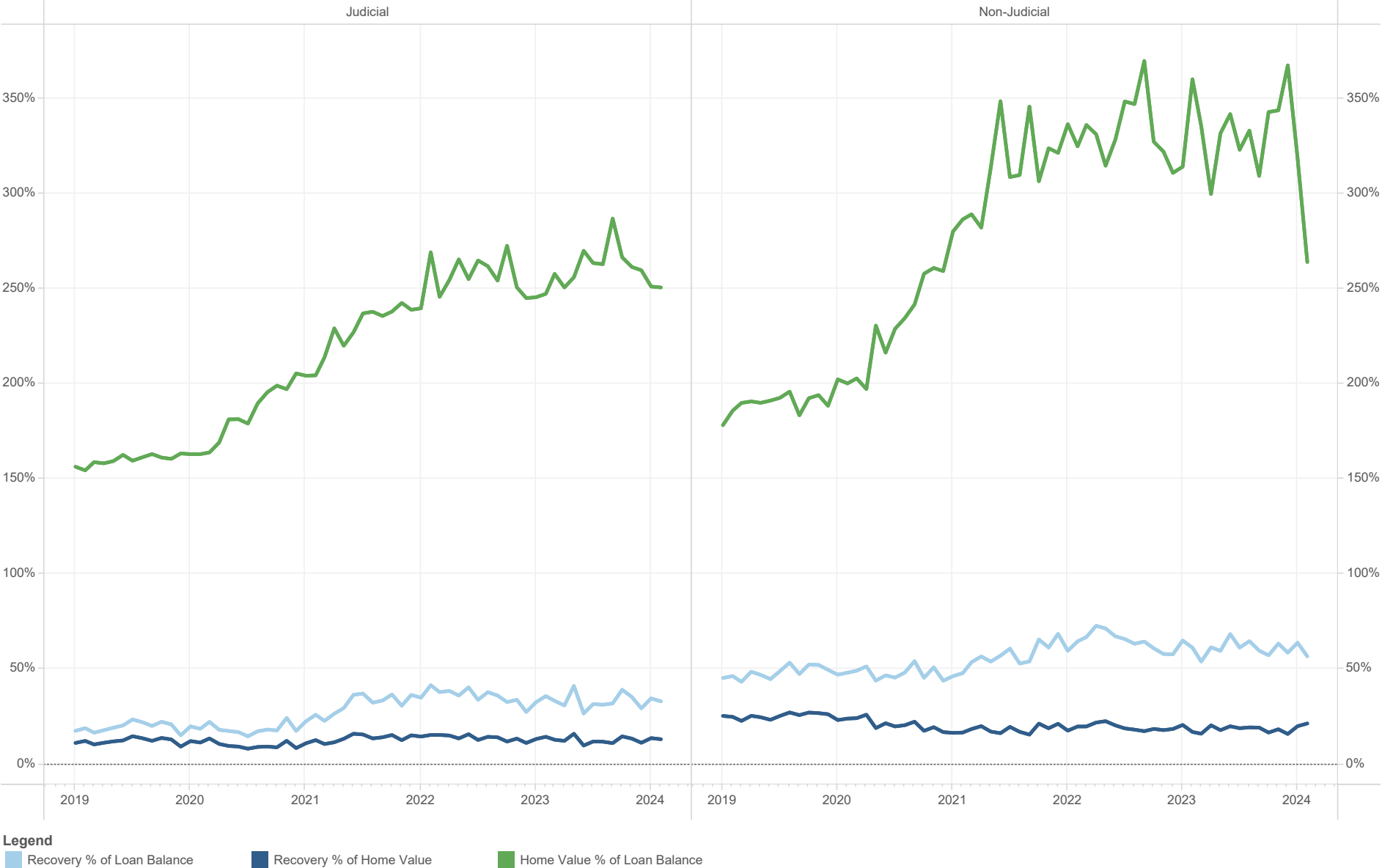


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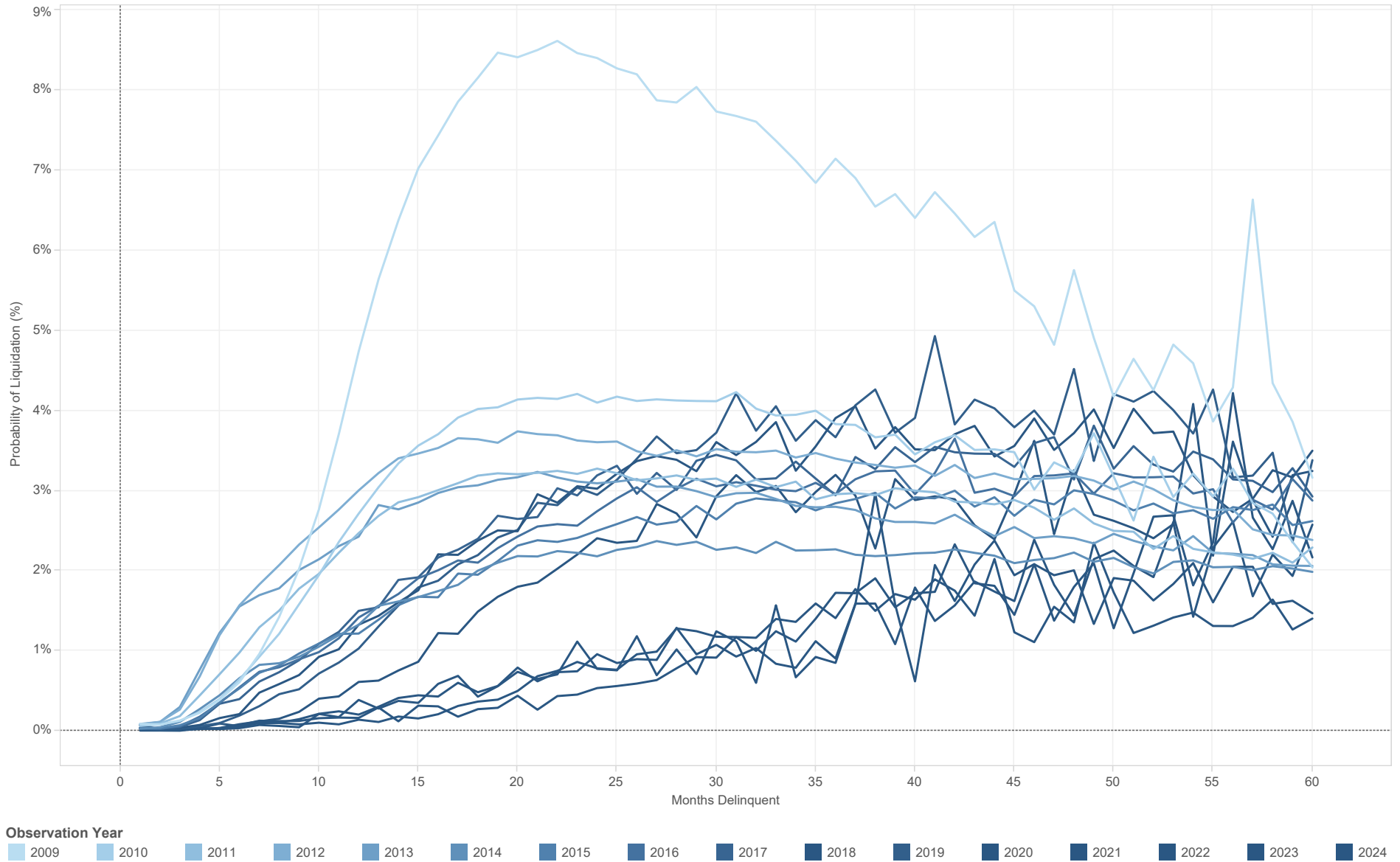
Liquidation Recovery Percents of Loan Balance and Home Values



Source: SCIB US, Corelogic
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Monthly Liquidation Probability of Delinquent Loans

Balance of Liquidated Loans Divided by Total Balance



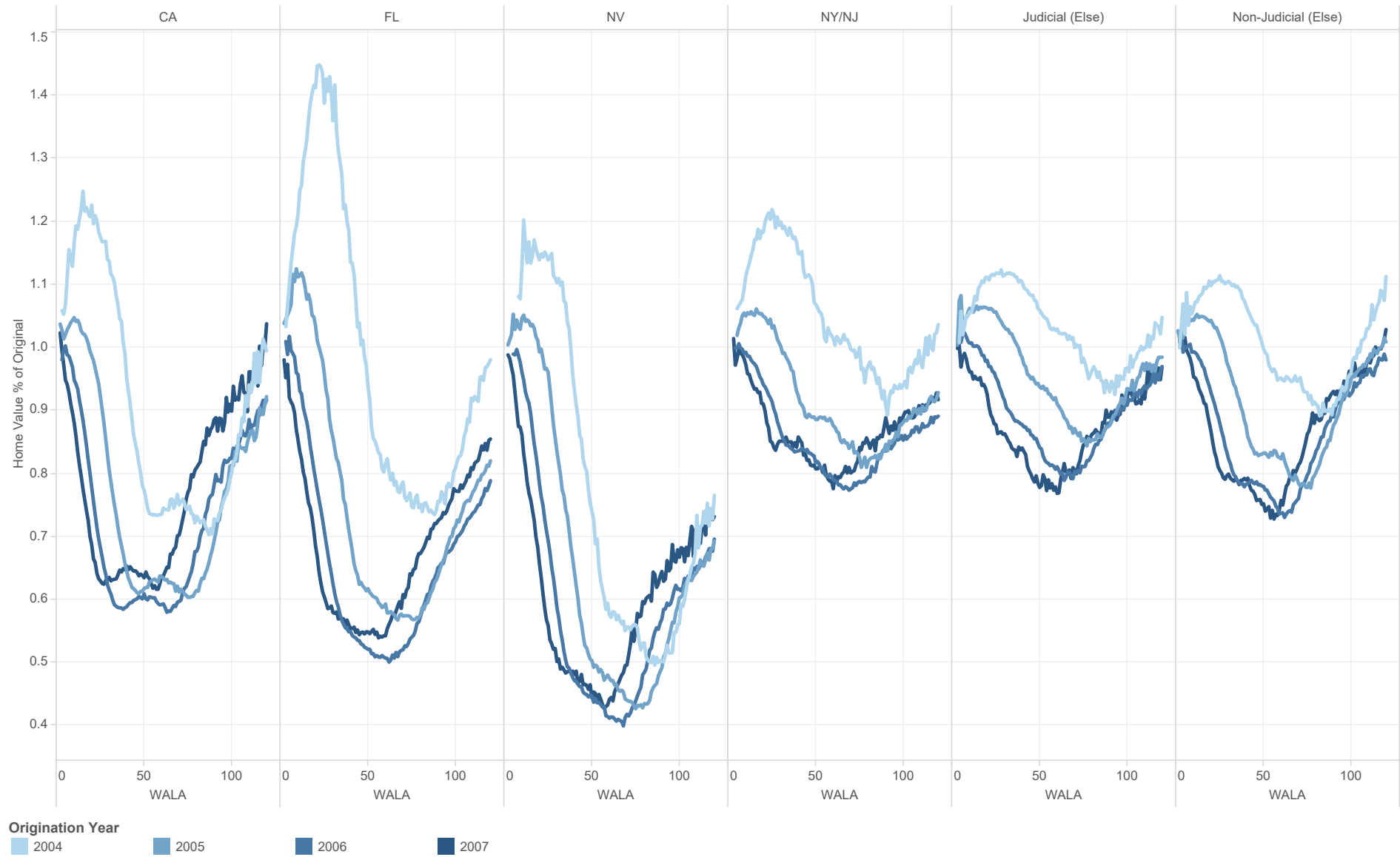
Source: SCIB US, Corelogic
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Home Values for 2004-2007 Loans

Home Value Percents by Vintage and State

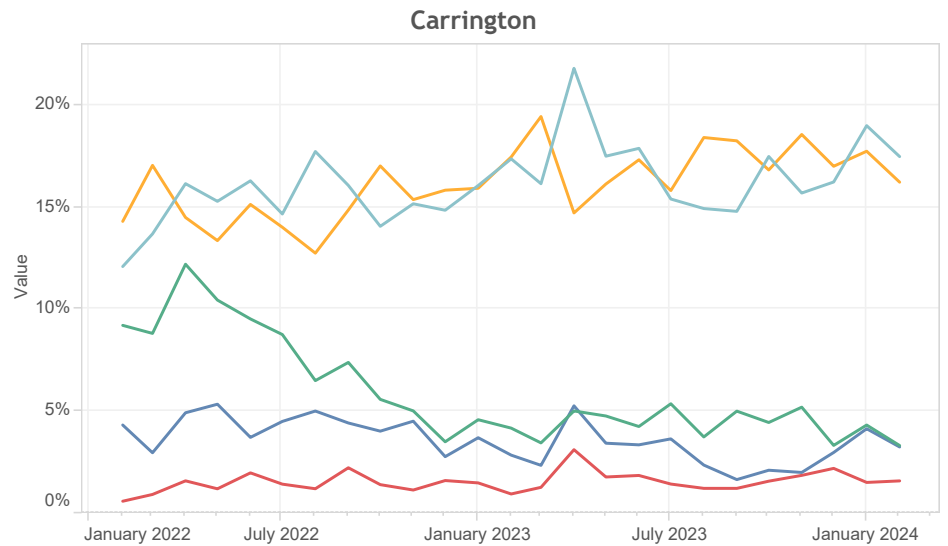
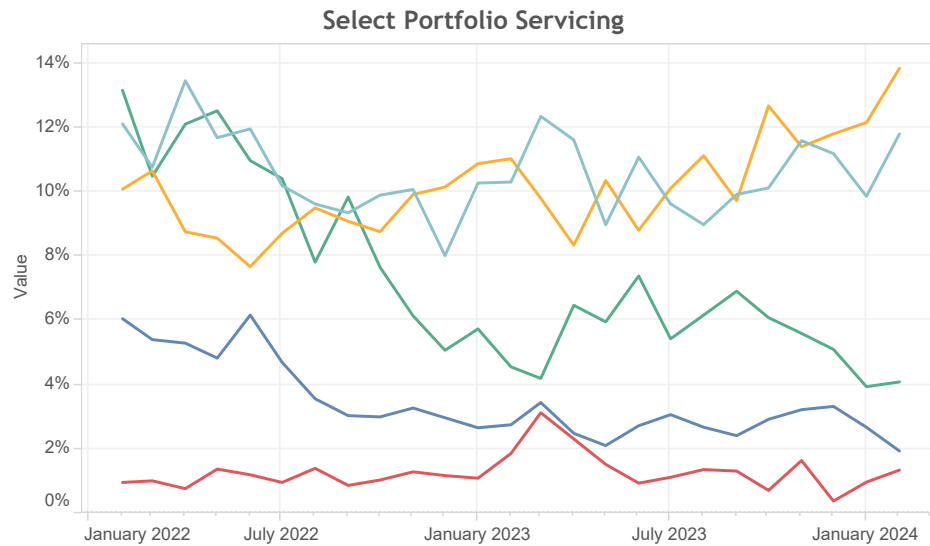
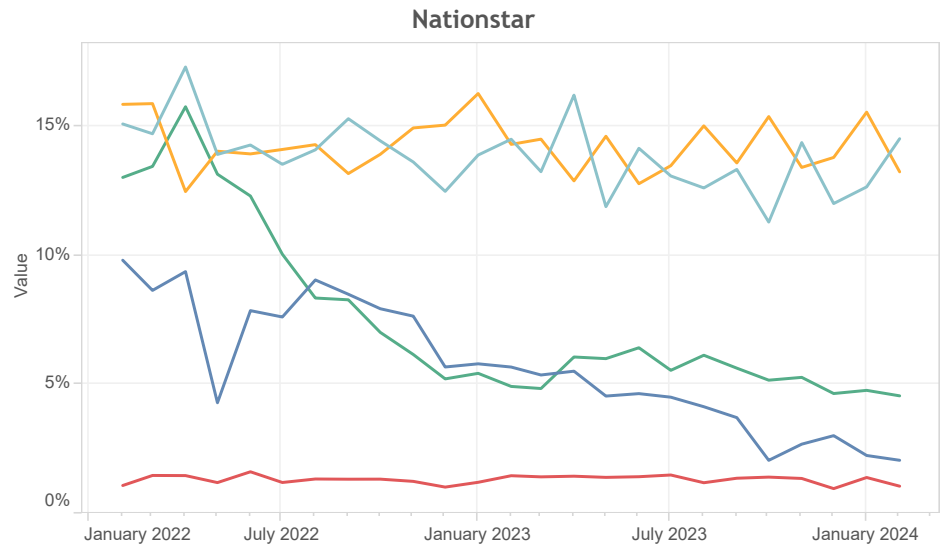
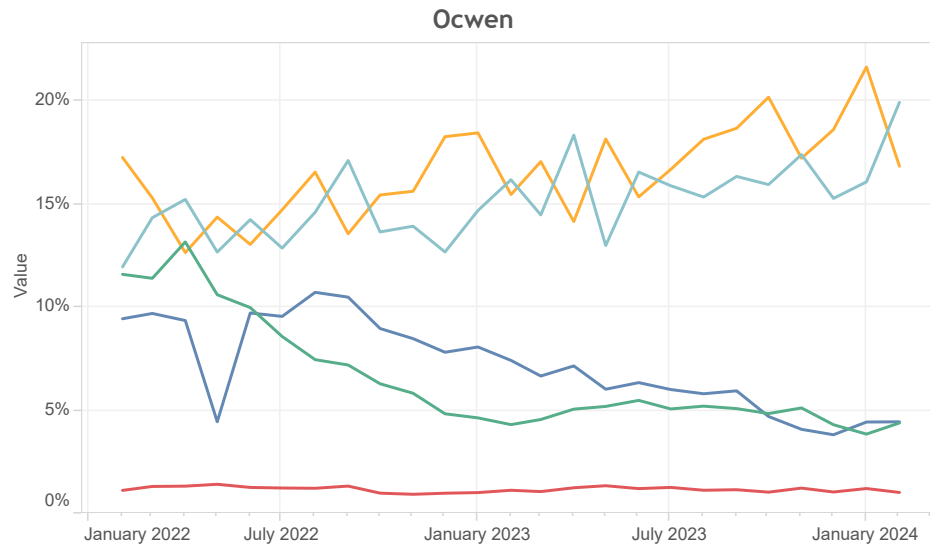


Source: SCIB US, Corelogic
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Servicer Performance



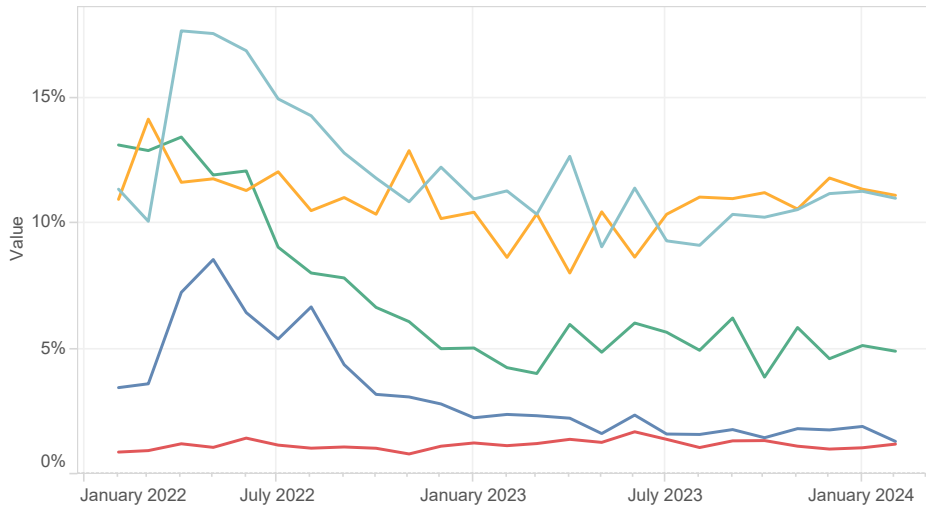
Performance Measure

■ VPR
 ■ CCR
 ■ CMR (Balance Modified)
 ■ CTR

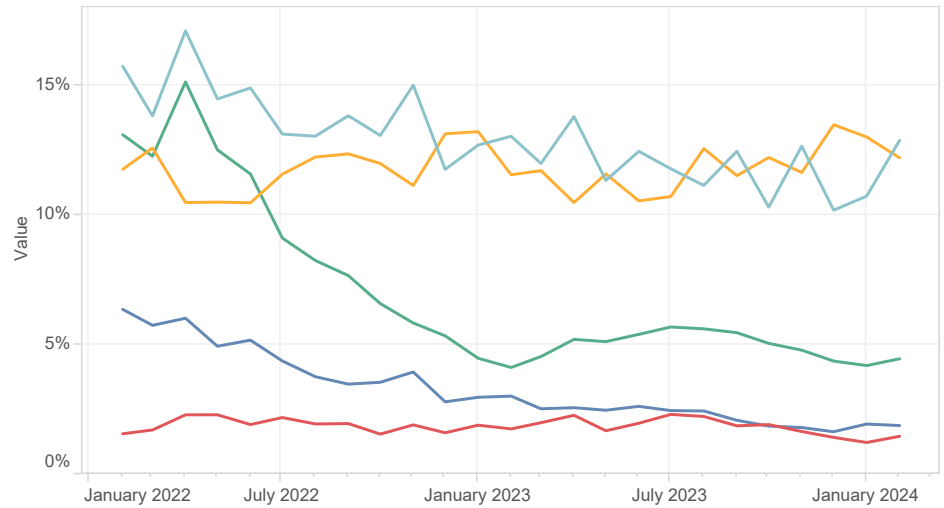
■ CDR

Servicer Performance

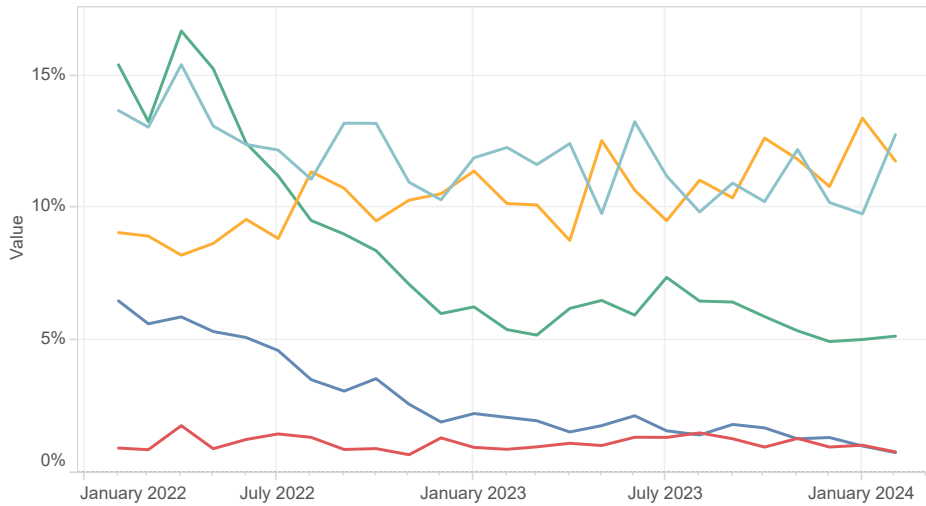
JP Morgan



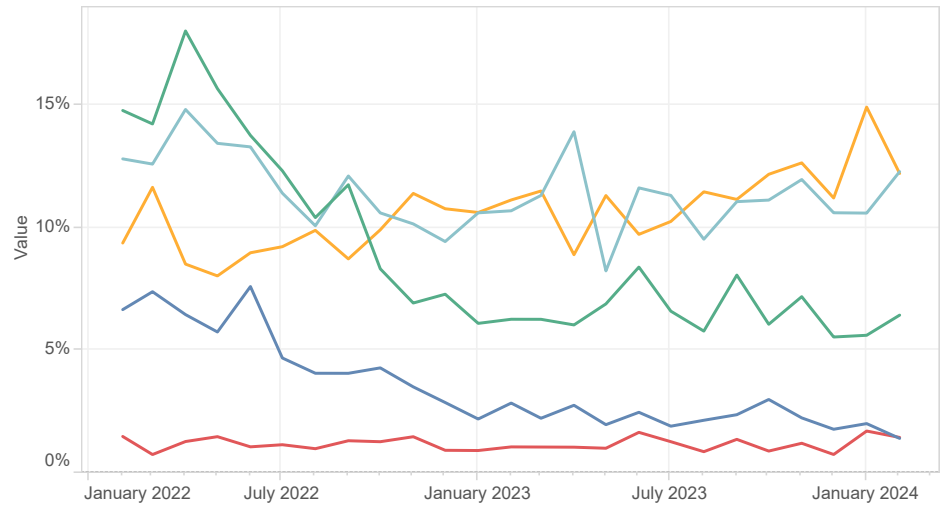
Bank of America



Wells Fargo



All Other Servicers



Performance Measure

VPR

CCR

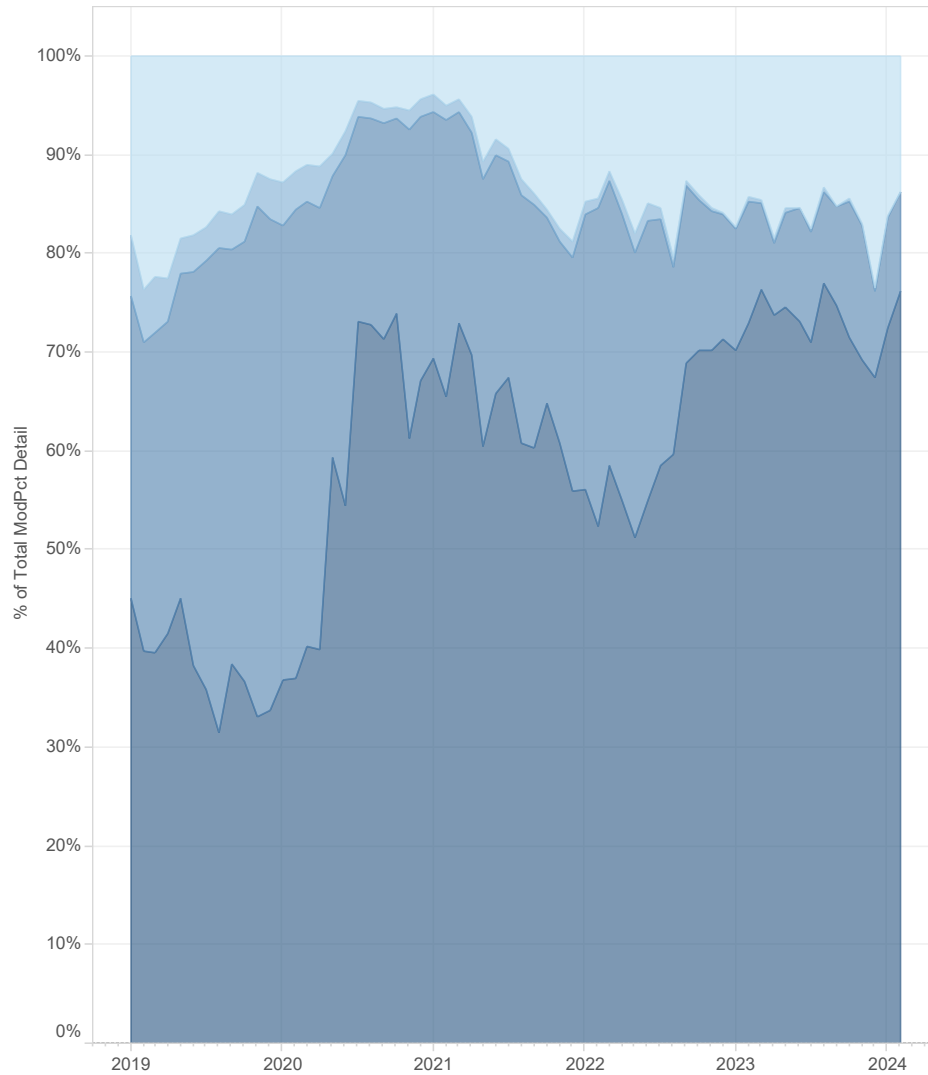
CMR (Balance Modified)

CTR

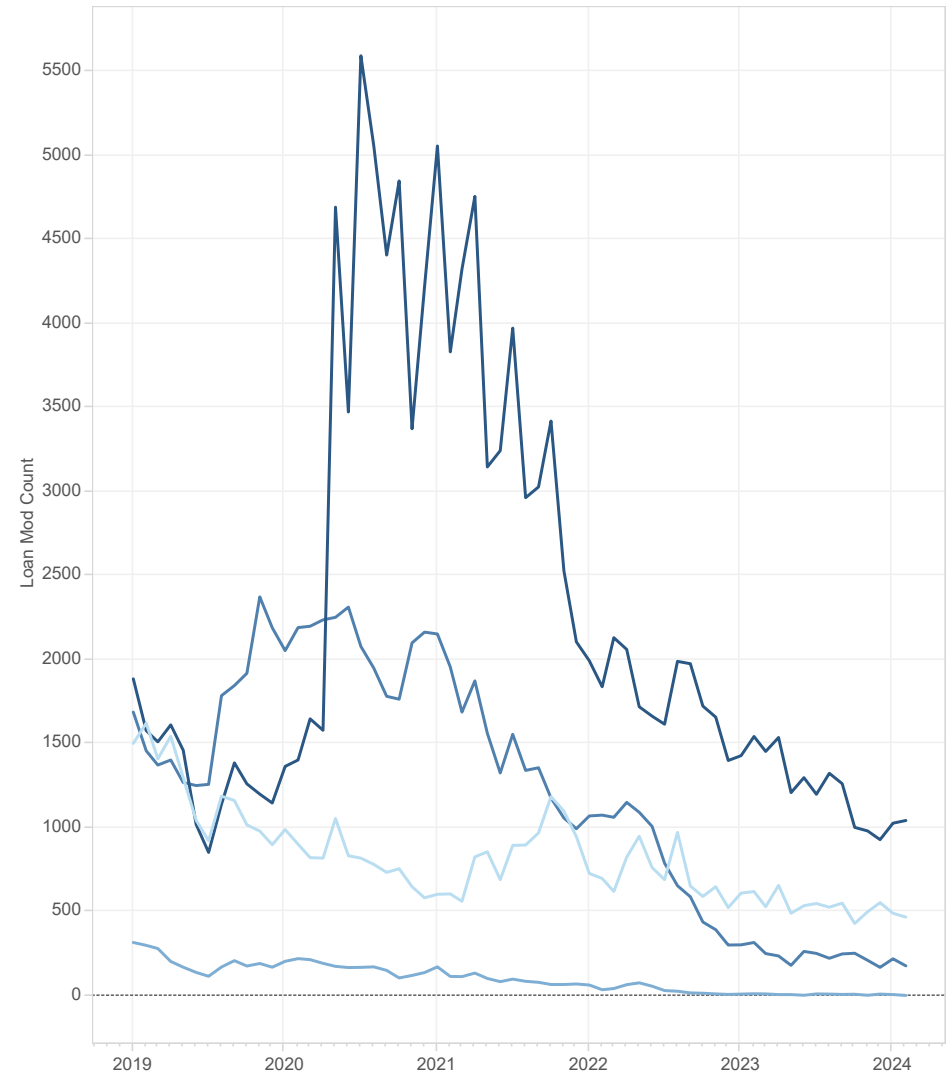
CDR

Loan Modification Detail by Type of Modification

% Mod by Type



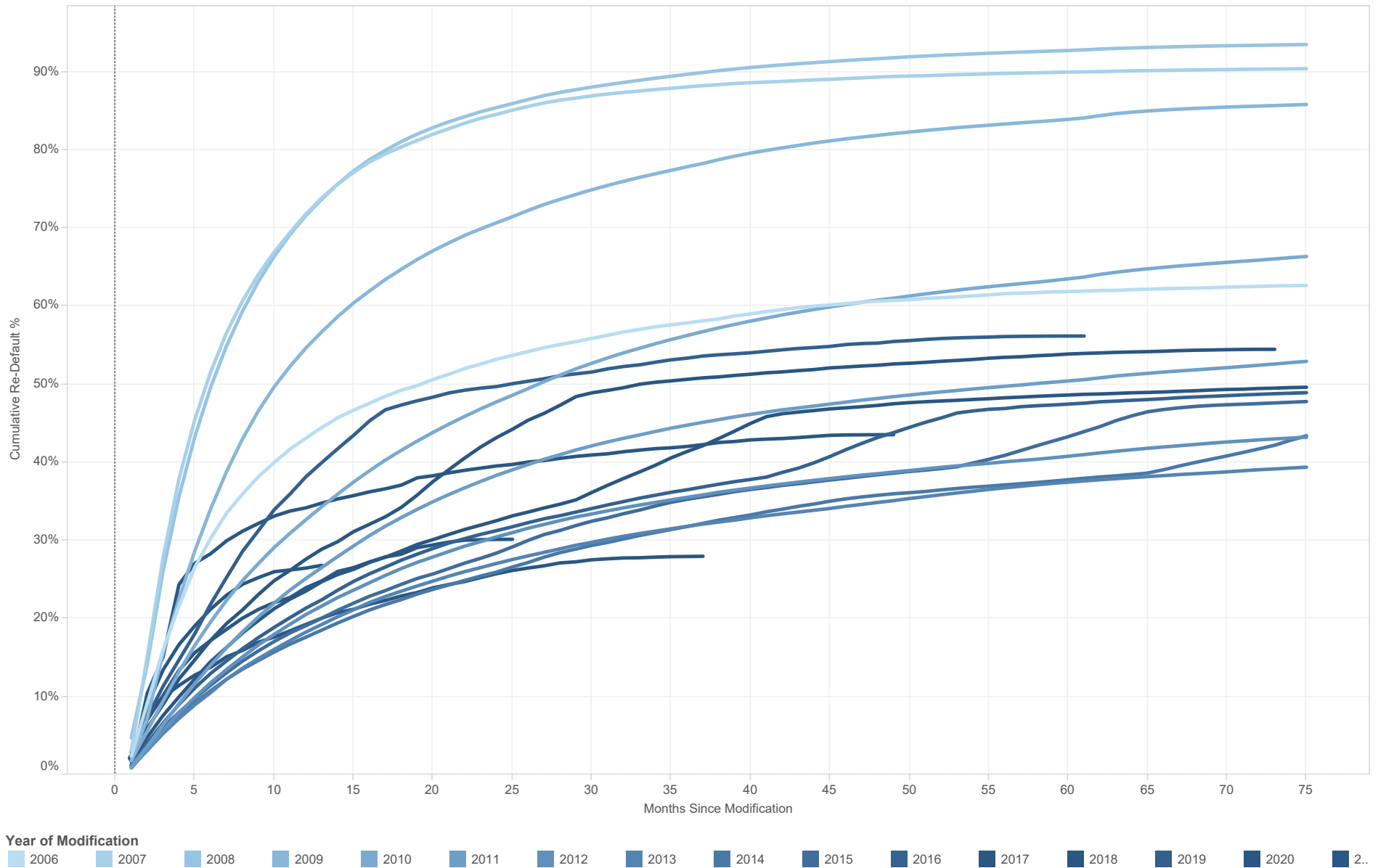
Modified Loan Count



Modification Type

Balance Reduction Mod Balance and Rate Reduction Mod Rate Reduction Mod Capitalization Mod

Loan Modification Recidivism

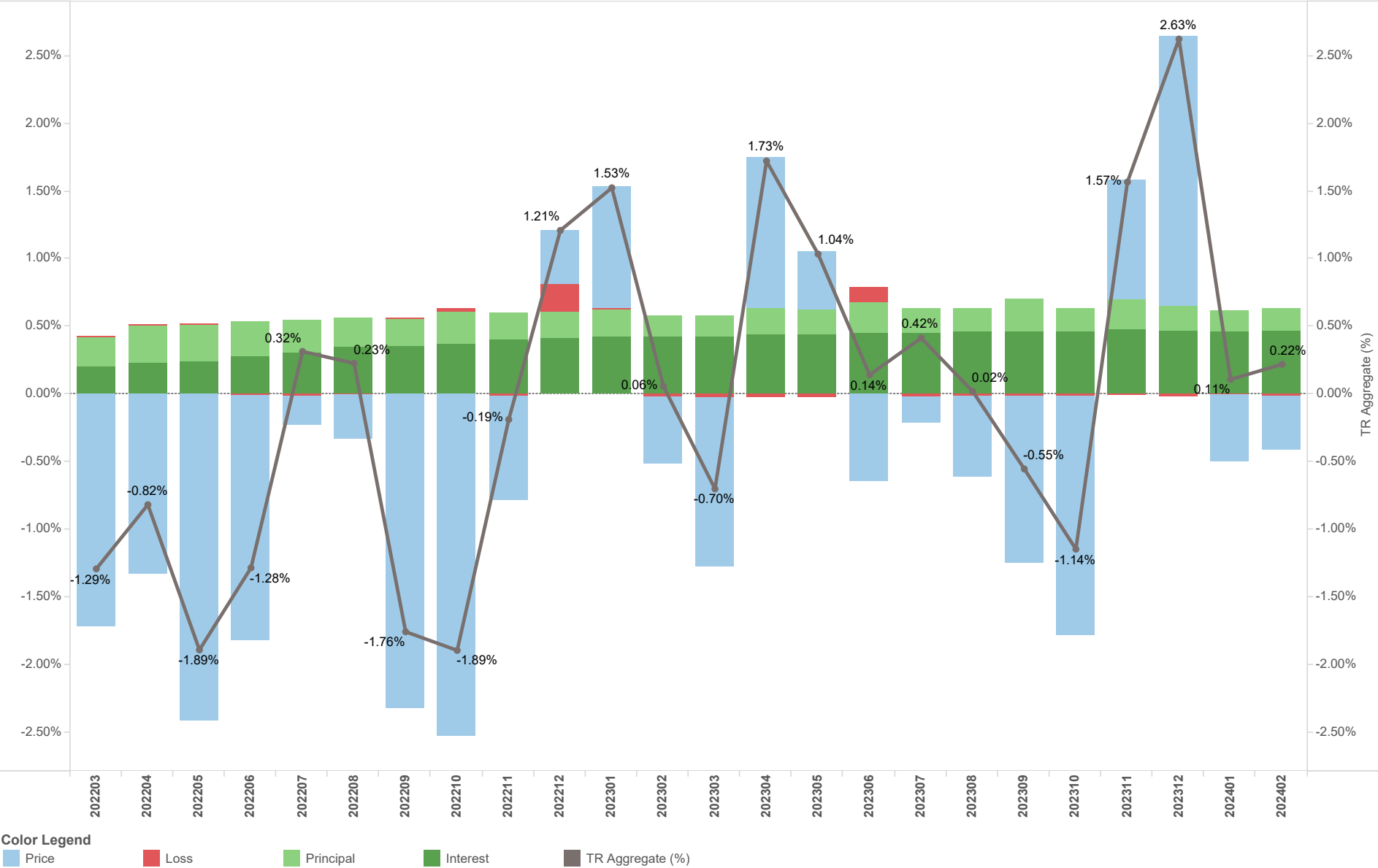


Source: SCIB US, Corelogic
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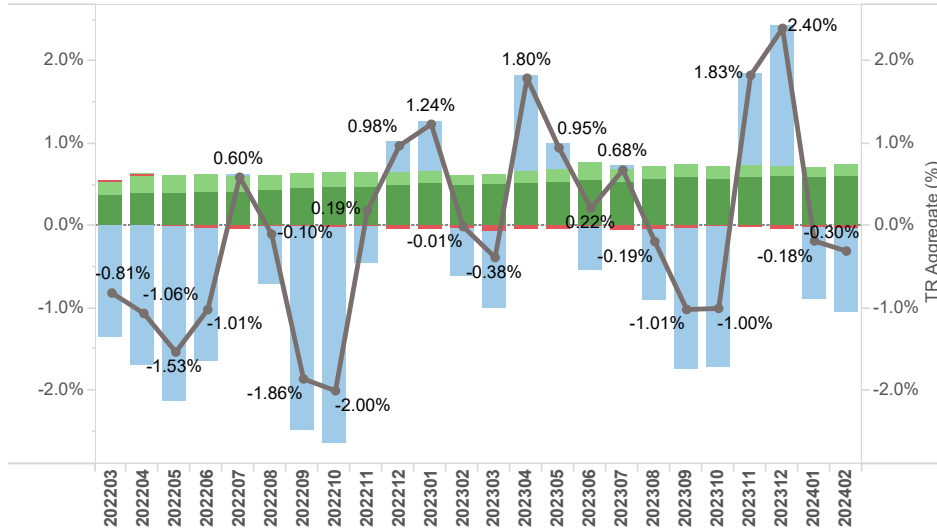
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Non-Agency Market Monthly Return Composition

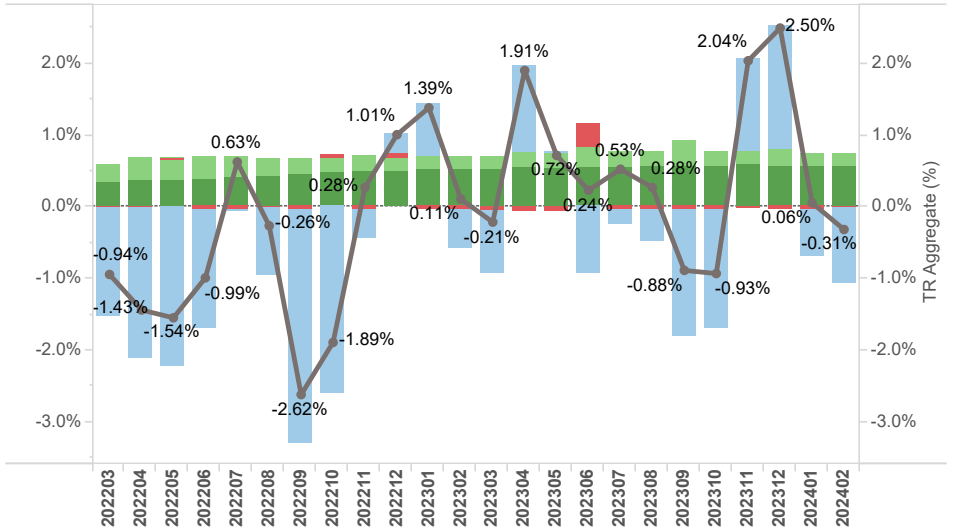


Non-Agency Monthly Return Composition by Credit Type

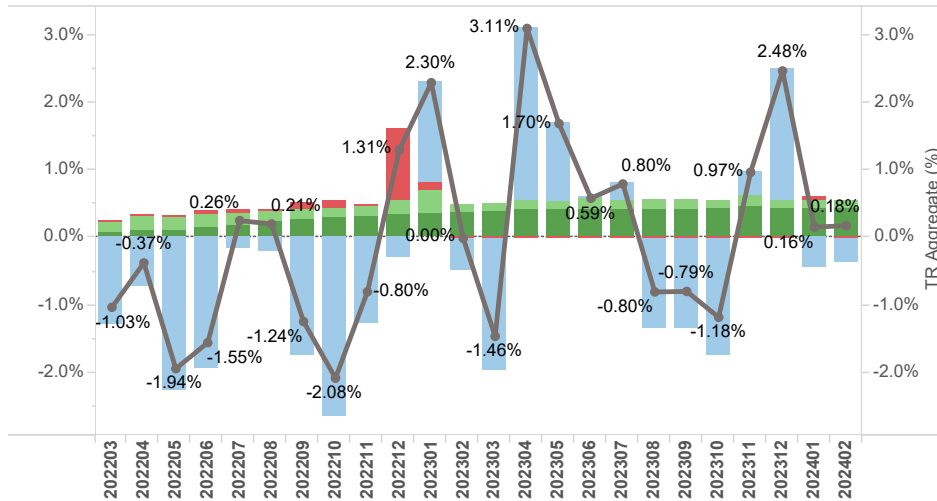
Prime



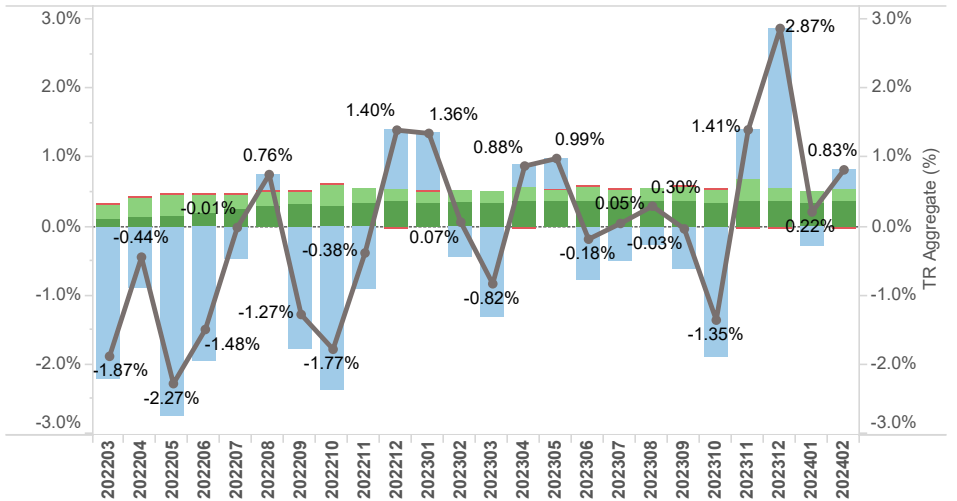
Alt-A



Option ARM



Subprime

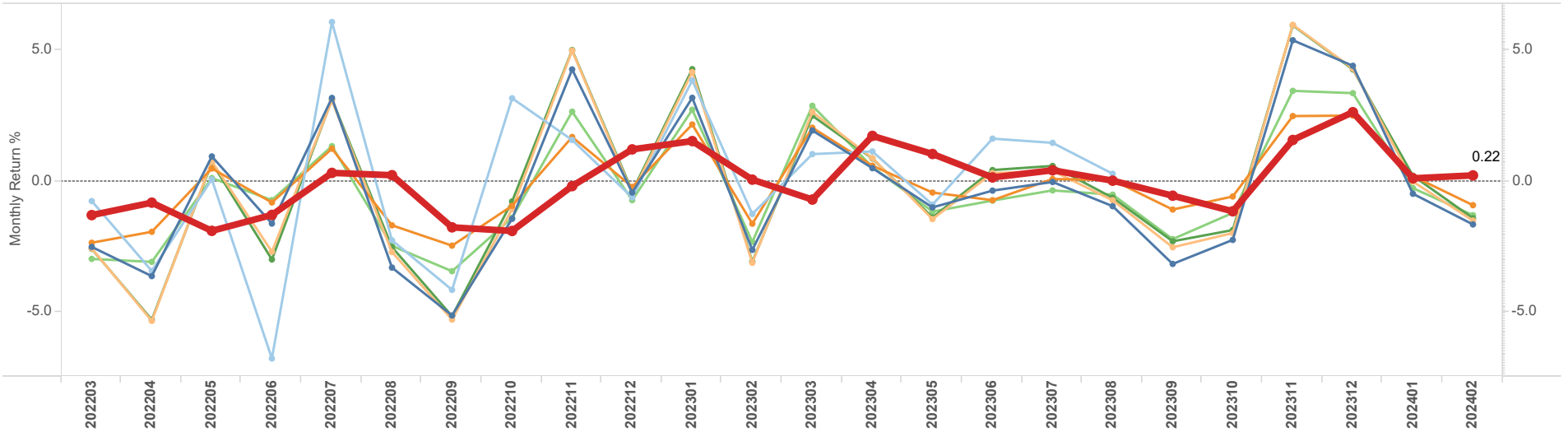


Color Legend

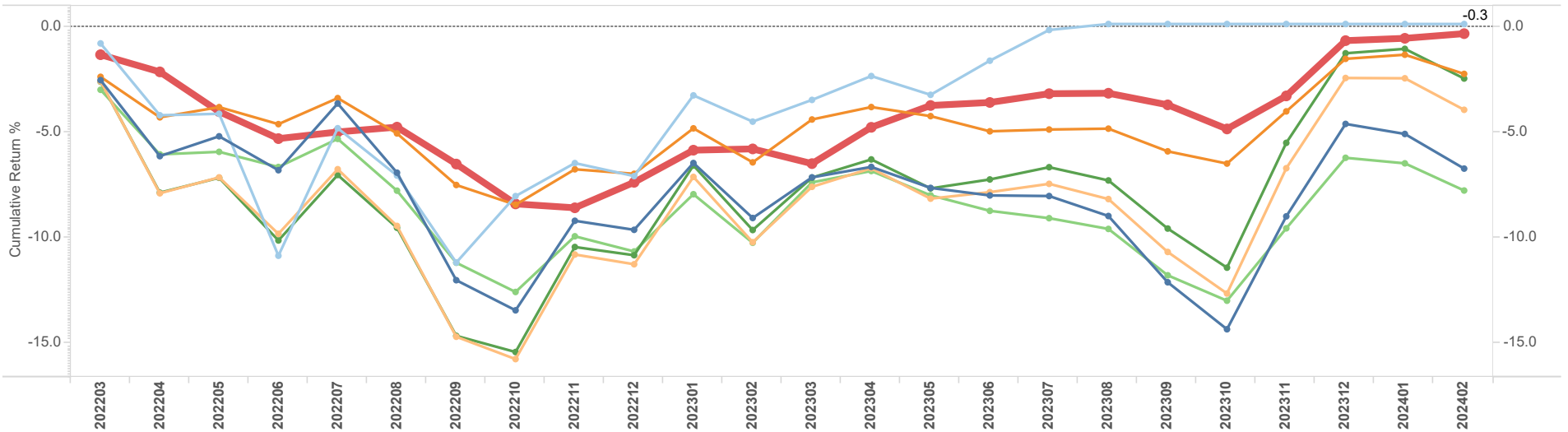
Price Loss Principal Interest TR Aggregate (%)

Non-Agency Market Performance

Relative Monthly Returns



Relative Cumulative Monthly Returns



Index

Agency Mortgage HYCP Capped USBIG, Agency USBIG, Corp. USBIG, Corp., BBB USBIG, Treasury

NA RMBS

Aggregate

Non Agency Legacy RMBS Pricing Matrix

		Bond Count	Balance	Current Price	Yield % SPM	Yield % Stress	Spread/I	WAL	Spread Duration	Liquidation %	Loss %	Severity %	Tranche Writedown %	CE/DQ %	APL %	RPL %	NPL %	NPL Liq Multiple	Mod %	Mod Terms Unknown %	Forbearance %	Price Chg % 1M	Price Chg % 3M	Price Chg % 6M	Price Chg % 12M
IG Rated	Fixed	110	0B	97	6.72	6.72	239	3.1	3.2	5	2	38	0	6.8	43	50	7	0.8x	41	25	27%	-1.1	0.4	0.3	-0.2
	Floating	348	2B	96	5.95	5.95	147	2.6	2.9	9	5	52	0	6.1	19	70	11	0.8x	68	53	36%	0.0	1.2	0.8	0.9
Split Rated	Fixed	415	1B	96	6.63	6.62	231	3.1	3.4	7	3	42	0	5.1	33	58	9	0.8x	52	37	12%	-1.0	0.6	0.3	0.4
	Floating	1,749	10B	94	5.72	5.70	135	2.9	3.4	10	5	51	1	4.4	13	76	11	0.9x	79	68	28%	-0.1	1.3	0.3	0.1
Non IG Senior/Mezz - No Projected Tranche Loss	0-3 Duration	731	3B	97	5.85	5.77	132	2.1	2.2	11	6	52	-1	4.8	11	77	12	0.9x	79	68	41%	-0.1	0.9	0.9	0.8
	3-5 Duration	1,657	11B	93	6.10	6.05	187	3.8	4.2	10	5	46	-1	2.6	15	73	12	0.8x	74	59	20%	-0.3	1.2	0.6	0.8
	5-7 Duration	702	12B	88	5.91	5.83	169	5.1	5.8	11	5	49	-1	1.4	8	80	12	0.9x	84	69	23%	-0.2	2.0	0.1	0.5
	7-10 Duration	597	6B	86	5.89	5.74	166	5.8	8.3	11	6	52	-4	1.1	7	81	12	0.9x	86	77	44%	-0.1	3.7	0.7	0.2
	10+ Duration	57	1B	88	6.58	5.97	232	7.9	11.1	11	5	48	-52	0.4	6	81	13	0.9x	87	68	116%	-0.4	4.7	-2.5	-5.5
Non IG Senior Prime	2005 Fixed	290	1B	62	7.68	7.50	331	5.8	4.5	8	3	33	58	0.1	23	67	10	0.8x	63	48	6%	-1.4	-0.4	-3.2	-6.3
	2005 Floater	47	0B	61	7.58	7.43	316	6.0	4.3	8	4	42	50	0.1	29	63	8	1.0x	59	41	11%	-0.9	-0.9	-2.5	-5.0
	2005 Hybrid	155	1B	70	7.34	7.17	310	5.8	4.5	9	4	43	36	0.1	30	61	9	0.9x	57	39	7%	-1.1	-1.2	-4.7	-5.4
	>=2006 Fixed	1,216	7B	48	7.35	7.11	251	6.7	5.1	11	4	35	84	0.0	15	73	13	0.9x	73	57	5%	-1.4	-0.7	-4.5	-10.1
	>=2006 Floater	267	3B	39	6.99	6.71	210	6.6	4.9	14	6	40	78	0.0	17	69	15	0.9x	70	59	9%	-2.1	-2.6	-2.5	-5.1
	>=2006 Hybrid	391	3B	78	6.75	6.51	252	5.7	4.9	11	4	38	23	0.0	25	64	11	1.0x	61	45	7%	-1.0	-0.6	-3.2	-2.6
	Seasoned	84	0B	85	7.12	7.06	283	3.5	3.4	12	6	50	13	0.6	40	43	17	0.7x	40	25	5%	-1.1	-0.4	-1.9	-1.9
Non IG Senior AltA	2005 Fixed	639	3B	62	7.46	7.26	304	5.4	4.4	8	3	38	57	0.0	27	64	10	0.8x	59	40	8%	-1.5	-0.5	-3.0	-5.9
	2005 Floater	206	1B	60	7.44	7.24	317	5.0	4.4	8	3	39	44	0.0	24	66	10	0.8x	63	45	13%	-0.7	-0.9	-1.4	-4.0
	2005 Hybrid	285	2B	70	6.90	6.70	267	5.4	4.5	9	4	42	36	0.1	25	65	10	0.9x	60	48	8%	-1.0	-0.1	-3.7	-3.3
	>=2006 Fixed	1,835	15B	49	7.21	6.94	258	6.1	5.0	11	6	46	73	0.0	14	73	12	0.9x	74	55	8%	-1.4	-0.3	-3.3	-6.6
	>=2006 Floater	879	15B	41	6.86	6.60	233	5.6	5.0	12	7	50	63	0.0	14	74	12	1.0x	75	61	11%	-1.2	-1.2	-3.1	-5.8
	>=2006 Hybrid	418	5B	68	6.43	6.18	220	6.3	5.1	12	6	47	40	0.0	15	72	12	1.0x	73	58	11%	-1.1	-0.3	-3.8	-3.7
	Seasoned	106	0B	84	7.40	7.24	317	4.4	4.0	7	4	43	16	0.3	31	58	11	0.7x	52	35	6%	-1.3	0.2	-0.9	-1.7
	NC	1	0B	23	7.84	7.53	242	6.6	5.2	12	6	48	100	0.0	4	84	11	1.0x	86	73	6%	-1.7	0.3	-3.2	-16.5
Non IG Senior Option ARM	0% CE	191	5B	55	6.34	6.15	175	7.5	5.7	10	5	46	55	0.0	13	75	11	0.9x	76	55	15%	-0.6	0.1	-3.8	-4.3
	0-10% CE	94	2B	81	6.69	6.45	246	6.0	5.5	10	5	45	10	0.2	13	75	12	0.8x	75	49	19%	-0.5	1.0	-1.3	-0.5
	10-25% CE	22	0B	82	6.50	6.44	229	5.6	5.2	12	6	48	11	1.9	14	72	14	0.9x	73	60	20%	-0.1	1.8	-1.0	-0.3
	>=25% CE	10	0B	79	6.45	6.40	223	6.9	5.3	10	5	45	18	2.8	13	72	15	0.7x	70	62	25%	-0.9	-0.5	-3.2	-3.1
Non IG Senior Subprime	0-5 Duration	60	2B	31	6.48	6.14	196	4.8	4.6	14	8	56	71	0.4	6	77	17	0.8x	85	77	8%	-0.2	0.1	-2.5	-8.5
	5-7 Duration	783	33B	49	5.53	5.28	132	5.3	5.6	12	6	52	45	0.0	4	82	14	0.8x	91	83	9%	0.8	2.6	-0.2	-3.9
	7-10 Duration	18	1B	51	6.08	5.77	184	6.3	8.0	14	8	55	42	0.2	5	81	15	0.9x	88	82	27%	-0.3	3.7	-1.4	-4.5
	Fixed Rate	114	3B	35	6.38	6.11	136	6.5	5.4	13	7	54	85	0.0	6	80	14	0.9x	89	74	6%	-0.7	0.1	-4.0	-7.1
Non IG Mezz - Deep Credit	Prime/AltA	642	2B	60	7.96	7.26	355	4.9	5.2	10	5	46	38	0.1	27	60	12	0.8x	58	43	30%	-1.0	0.4	-1.5	-0.2
	POA	87	1B	55	5.79	5.00	107	6.6	5.5	10	5	47	53	0.1	14	73	13	0.8x	75	52	48%	-0.6	1.0	-1.6	-0.3
	Subprime < \$..	43	0B	15	6.34	4.56	165	5.1	7.1	11	6	54	86	0.0	8	80	12	0.9x	84	70	25%	1.8	5.0	0.3	0.9
	Subprime < \$..	26	0B	39	4.96	3.54	68	5.5	8.6	11	6	54	53	0.0	6	83	11	1.0x	86	81	44%	-0.4	4.9	-1.5	1.6
	Subprime < \$..	128	1B	63	4.70	3.89	46	6.0	8.6	13	8	58	28	0.1	6	80	14	0.9x	87	81	55%	-0.5	3.6	-1.5	-4.9
	Subprime < \$..	159	3B	76	5.24	4.67	100	6.1	8.3	13	7	55	13	0.2	5	80	15	0.9x	88	80	46%	-0.3	3.5	-1.7	-4.2
	Subprime >= ..	152	2B	85	4.87	4.31	64	5.5	7.2	13	7	56	9	0.3	6	80	14	0.9x	86	79	48%	-0.4	3.0	-0.2	-3.0
Grand Total		15,714	155B	63	6.27	6.05	188	5.3	5.2	11	6	48	38	0.9	12	76	12	0.9x	79	66	11%	-0.5	0.9	-1.7	-3.7

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