



Santander US Capital Markets LLC

Santander US Capital Markets
Non-Agency
Mortgage Market Monitor
February 2025 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

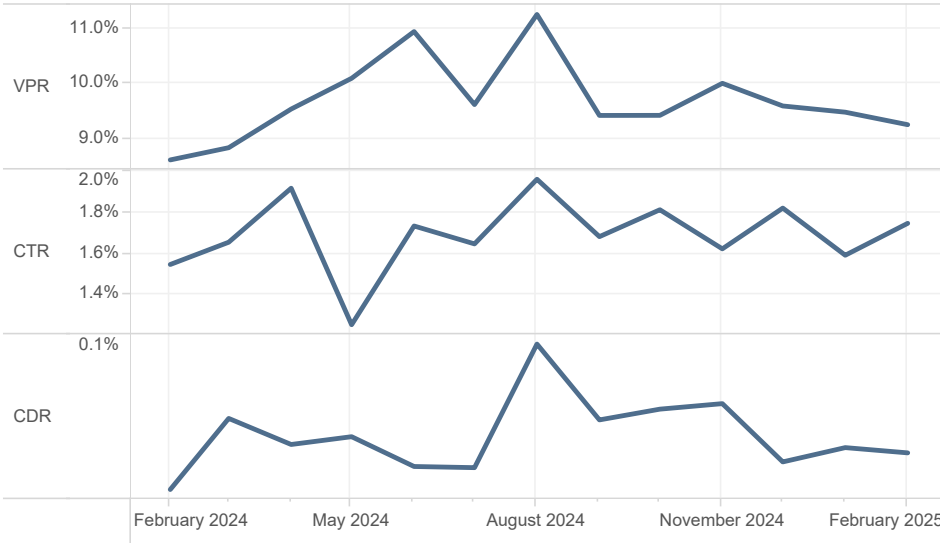
For ease of reporting, we are currently excluding all loans issued within a 'post-crisis' deal (i.e. with a vintage of greater than or equal to 2009) and also any loans located in Puerto Rico. Also, any data related to the period in which the clean-up call for a deal was exercised is excluded, if any.

Acronyms

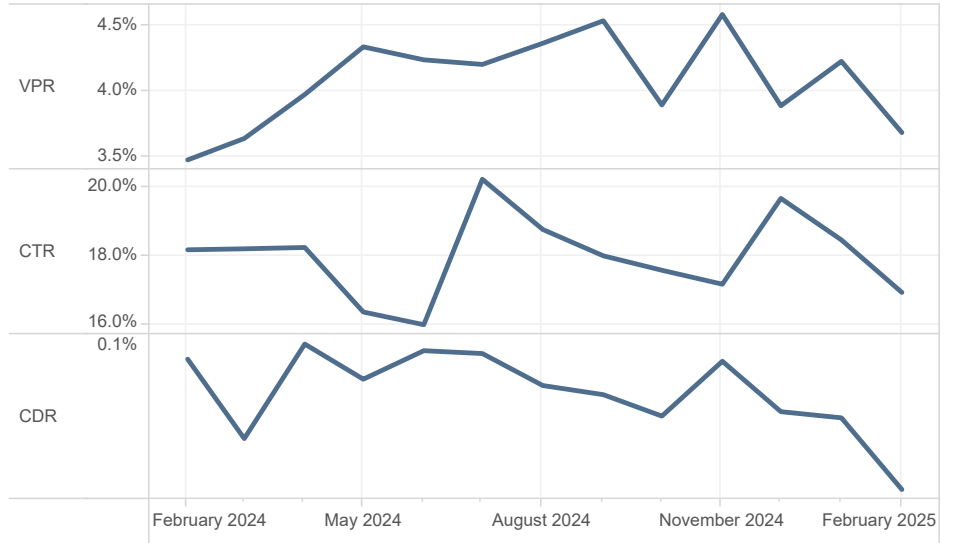
Always Performing Loans ("APLs"), Re-Performing Loans ("RPLs"), Non-Performing Loans ("NPLs"), Voluntary Prepayment Rate ("VPR"), Constant Modification Rate ("CMR"), Constant Default Rate ("CDR"), Constant Transition Rate ("CTR"), Constant Cure Rate ("CCR")

PLS Balance and Performance Snap-Shot

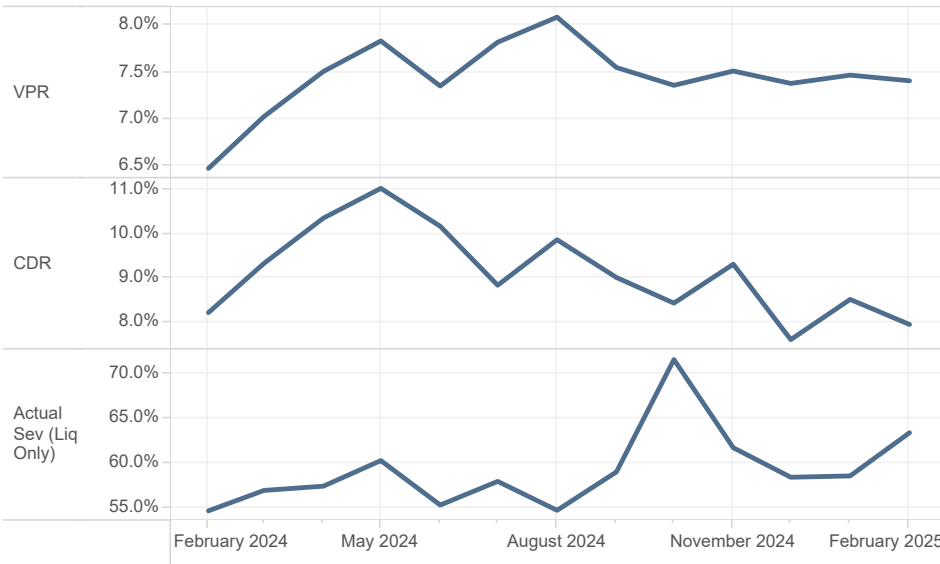
Always Performing Loans (% of APL Balance)



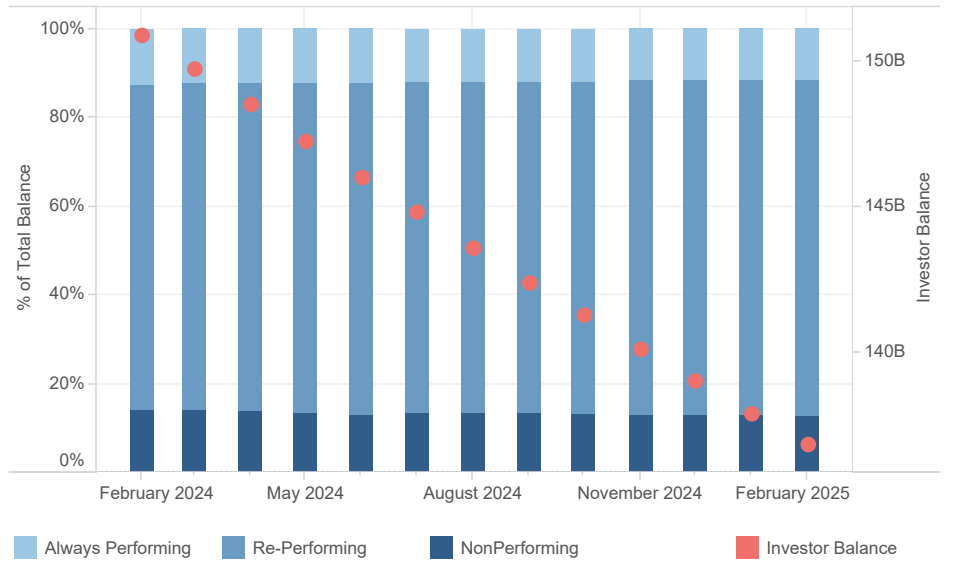
Re-Performing Loans (% of RPL Balance)



Non-Performing Loans (% of NPL Balance)



Balance Composition



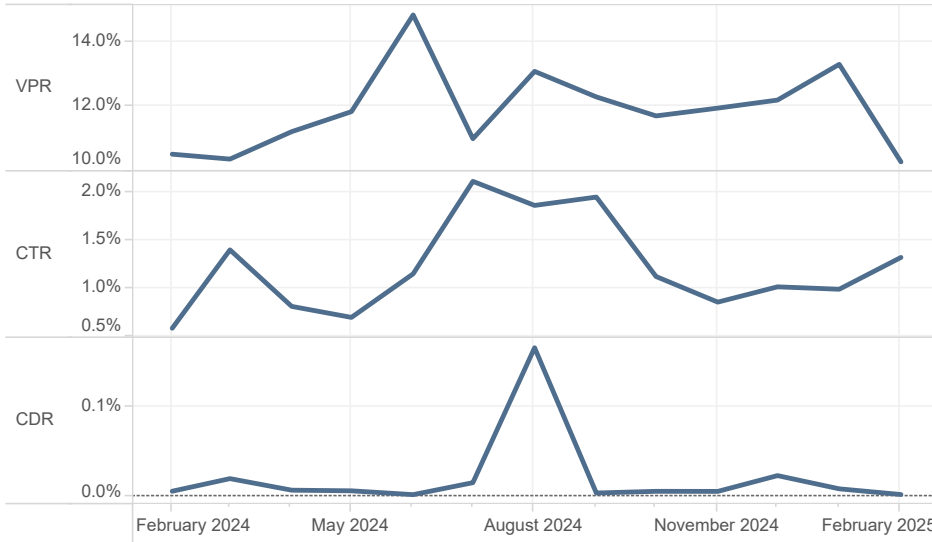
Source: SanCap, Corelogic
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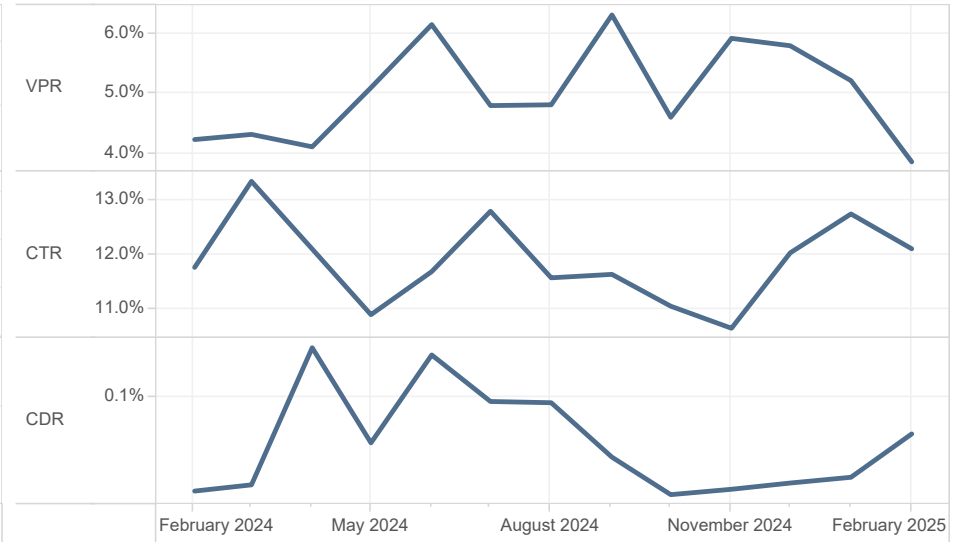
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Prime Balance and Performance Snap-Shot

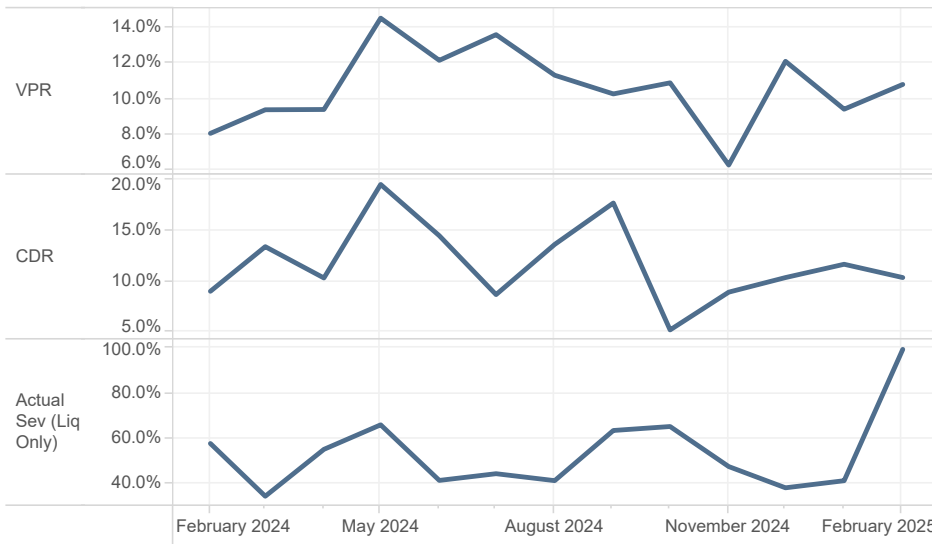
Always Performing Loans (% of APL Balance)



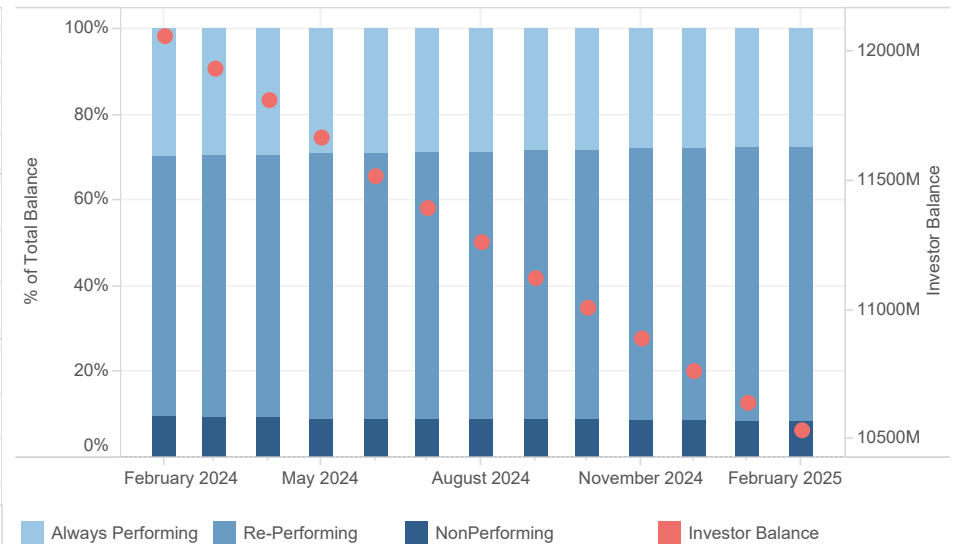
Re-Performing Loans (% of RPL Balance)



Non-Performing Loans (% of NPL Balance)



Balance Composition



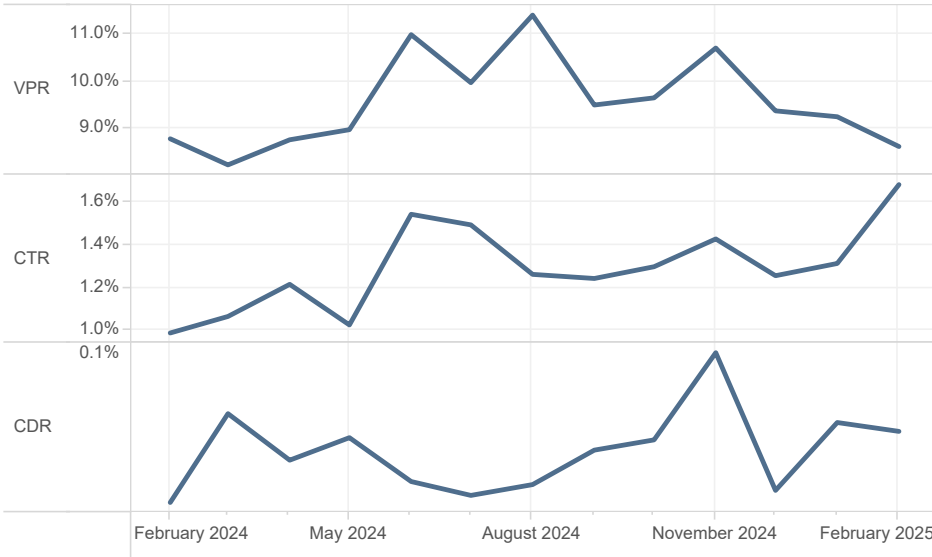
Source: SanCap, Corelogic
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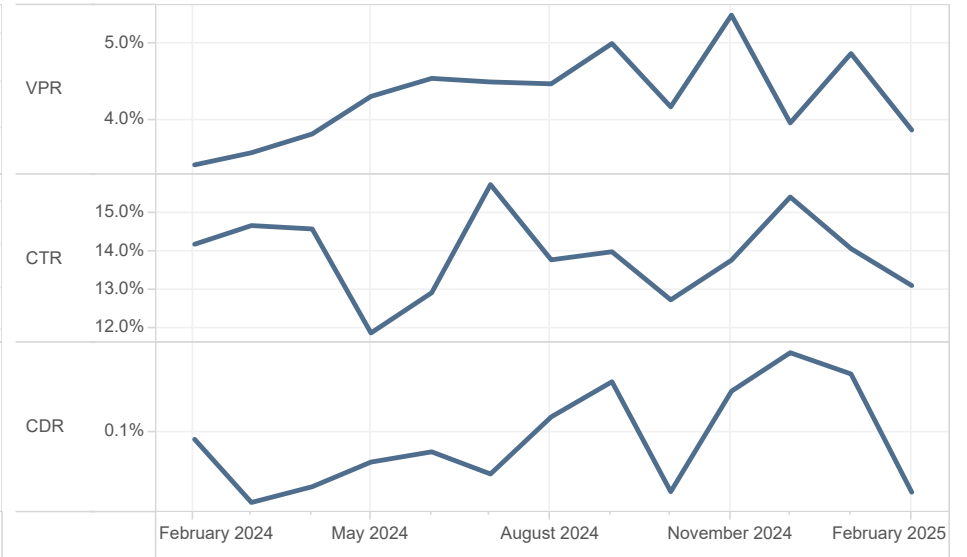
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Alt-A Balance and Performance Snap-Shot

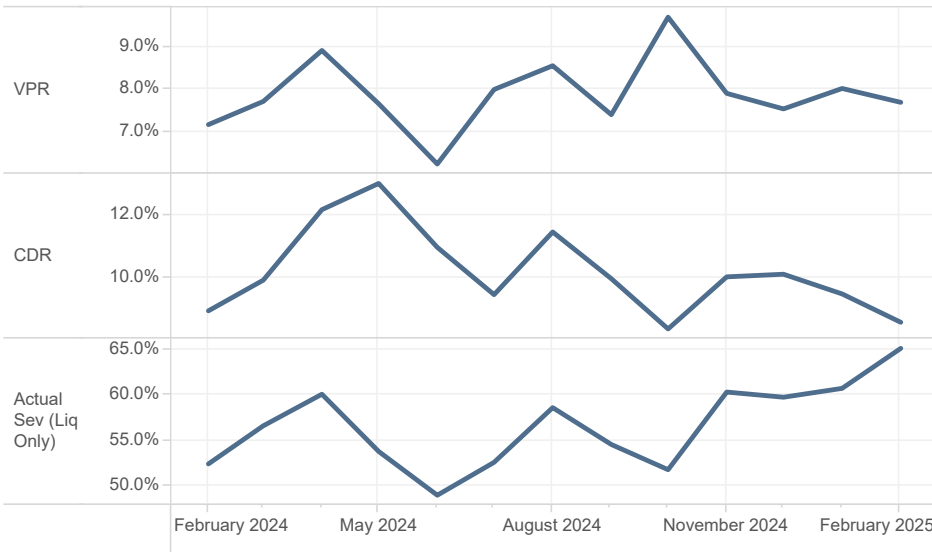
Always Performing Loans (% of APL Balance)



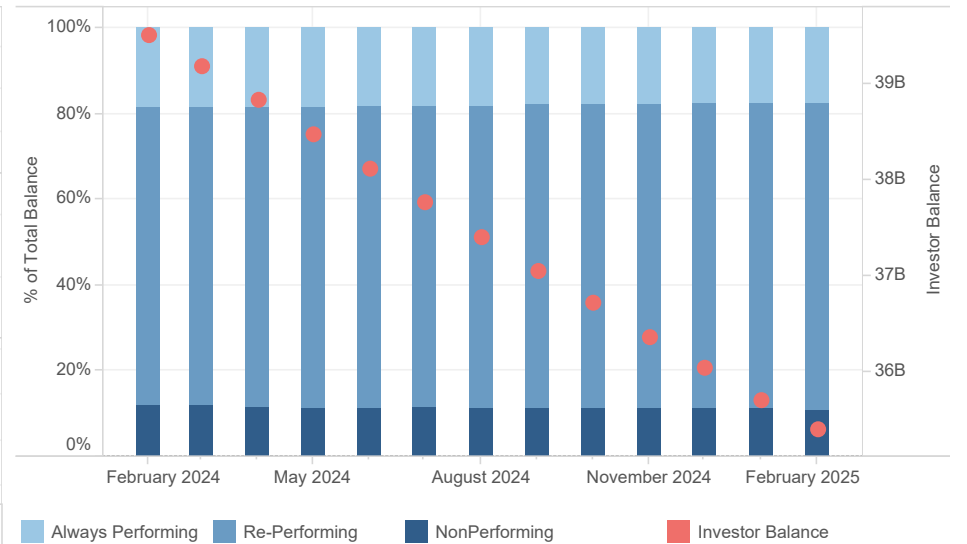
Re-Performing Loans (% of RPL Balance)



Non-Performing Loans (% of NPL Balance)



Balance Composition



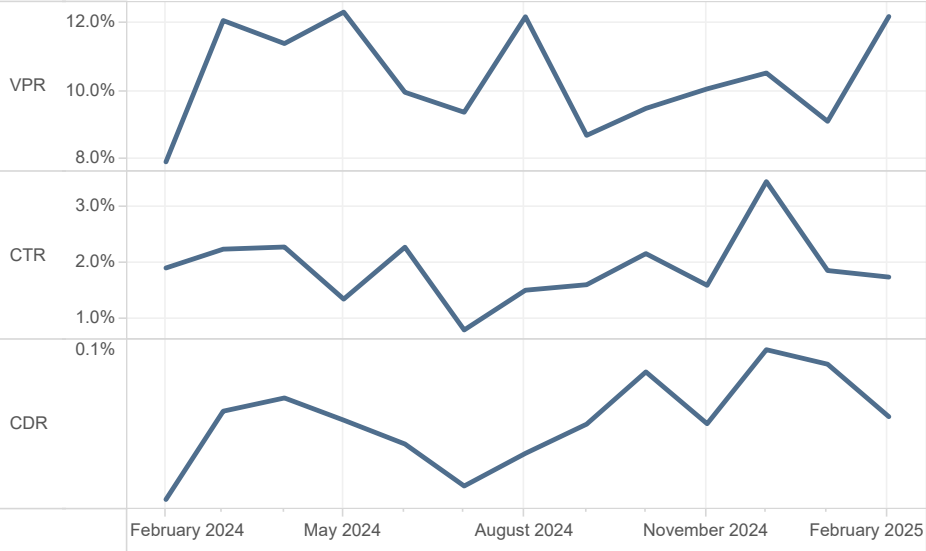
Source: SanCap, Corelogic
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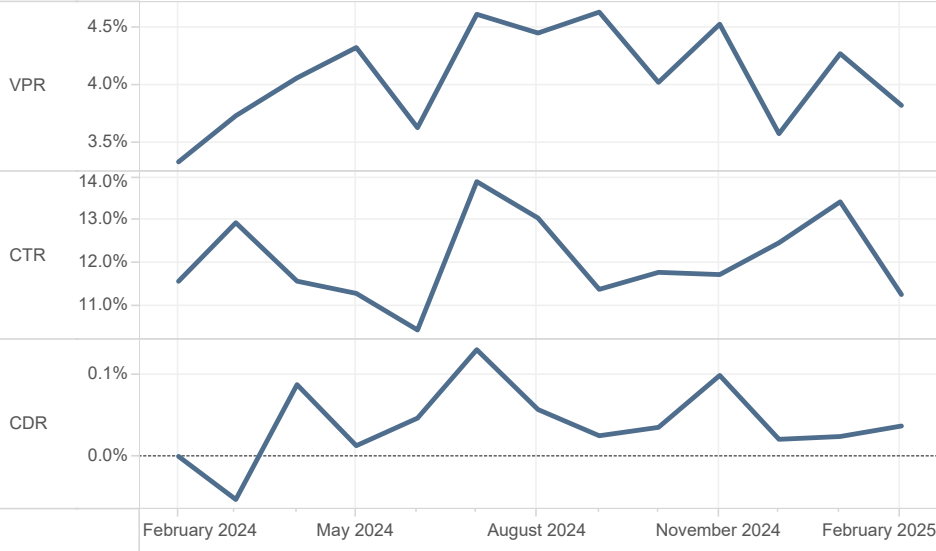
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Option ARM Balance and Performance Snap-Shot

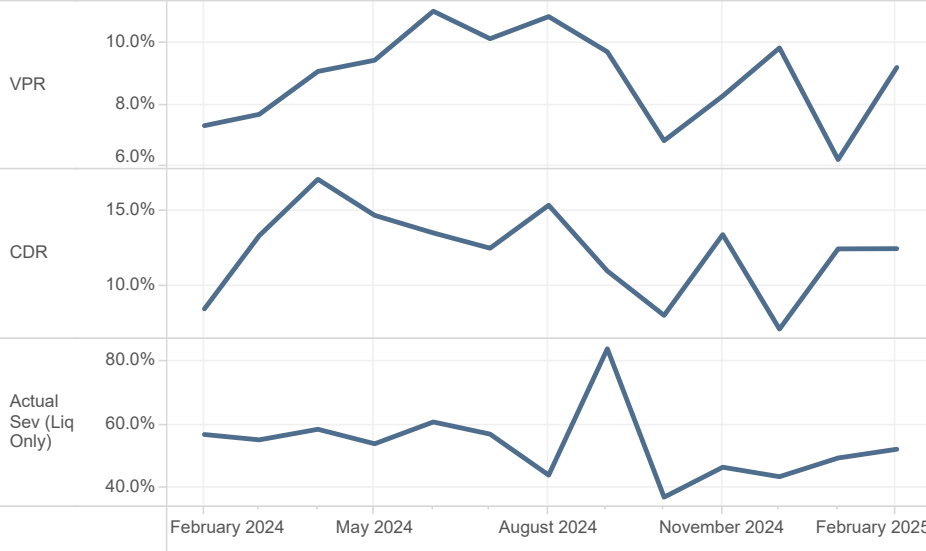
Always Performing Loans (% of APL Balance)



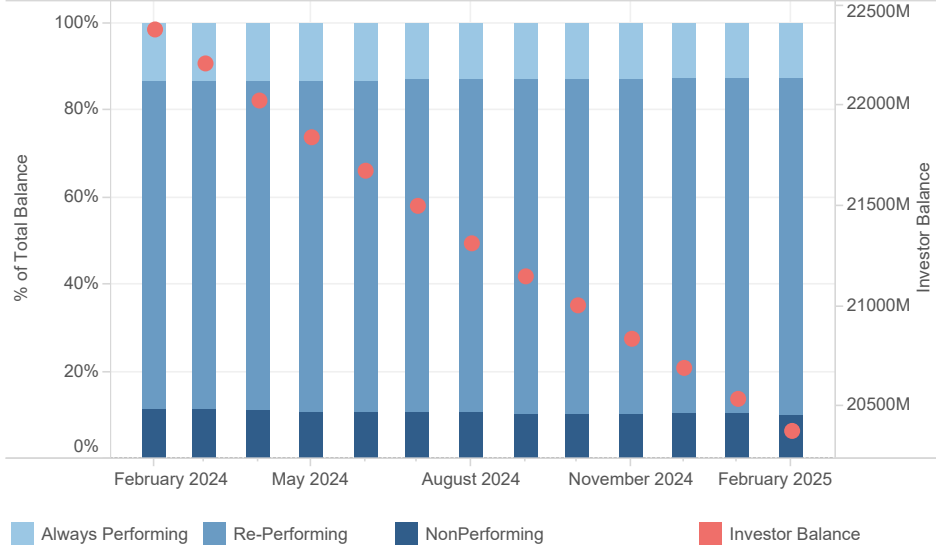
Re-Performing Loans (% of RPL Balance)



Non-Performing Loans (% of NPL Balance)



Balance Composition



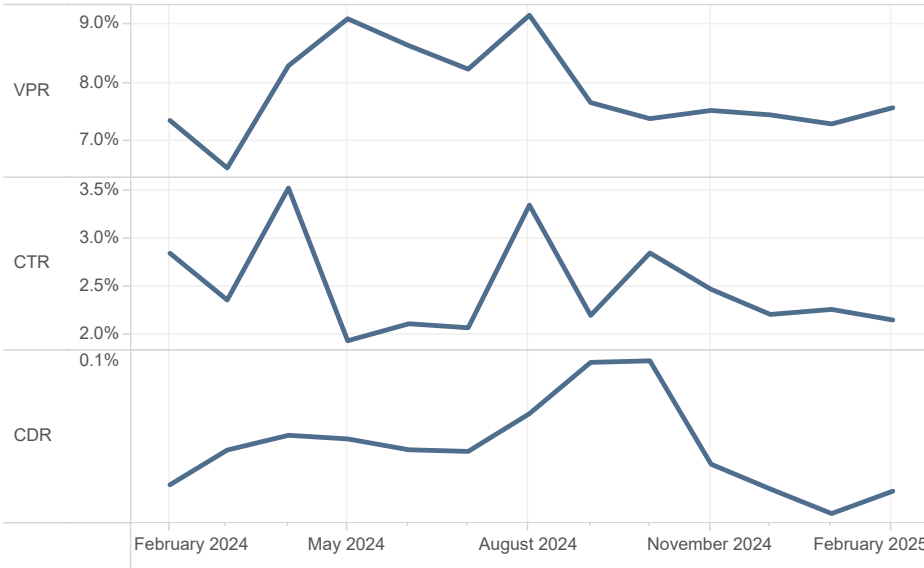
Source: SanCap, Corelogic
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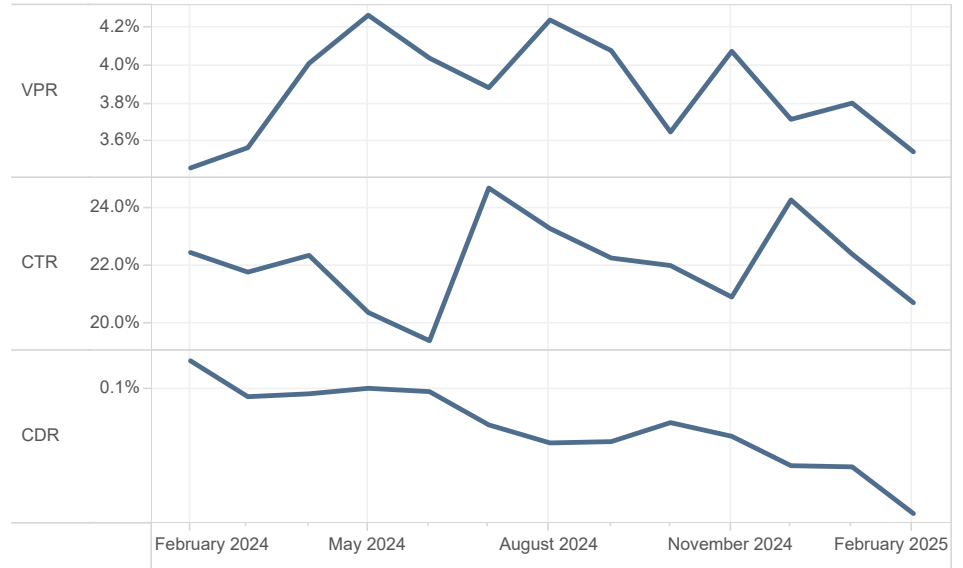
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Subprime Balance and Performance Snap-Shot

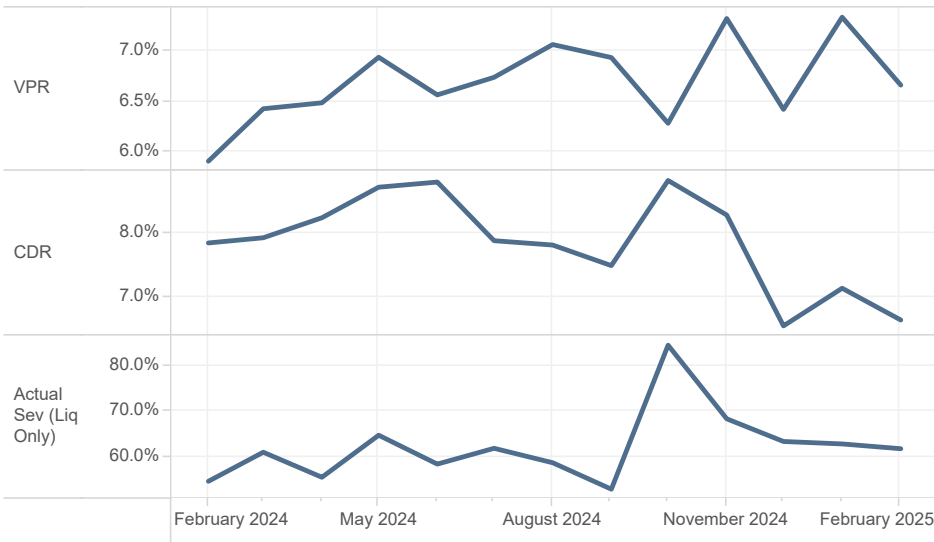
Always Performing Loans (% of APL Balance)



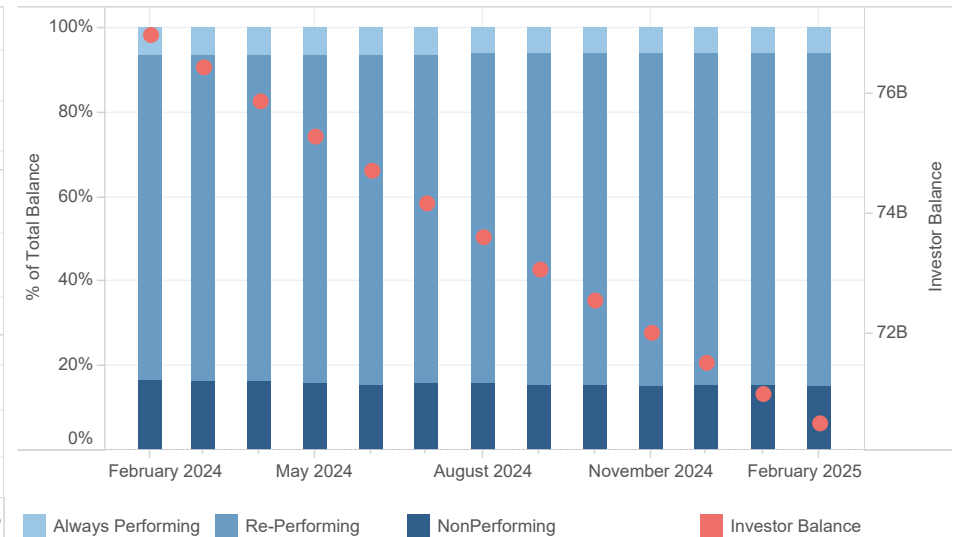
Re-Performing Loans (% of RPL Balance)



Non-Performing Loans (% of NPL Balance)



Balance Composition

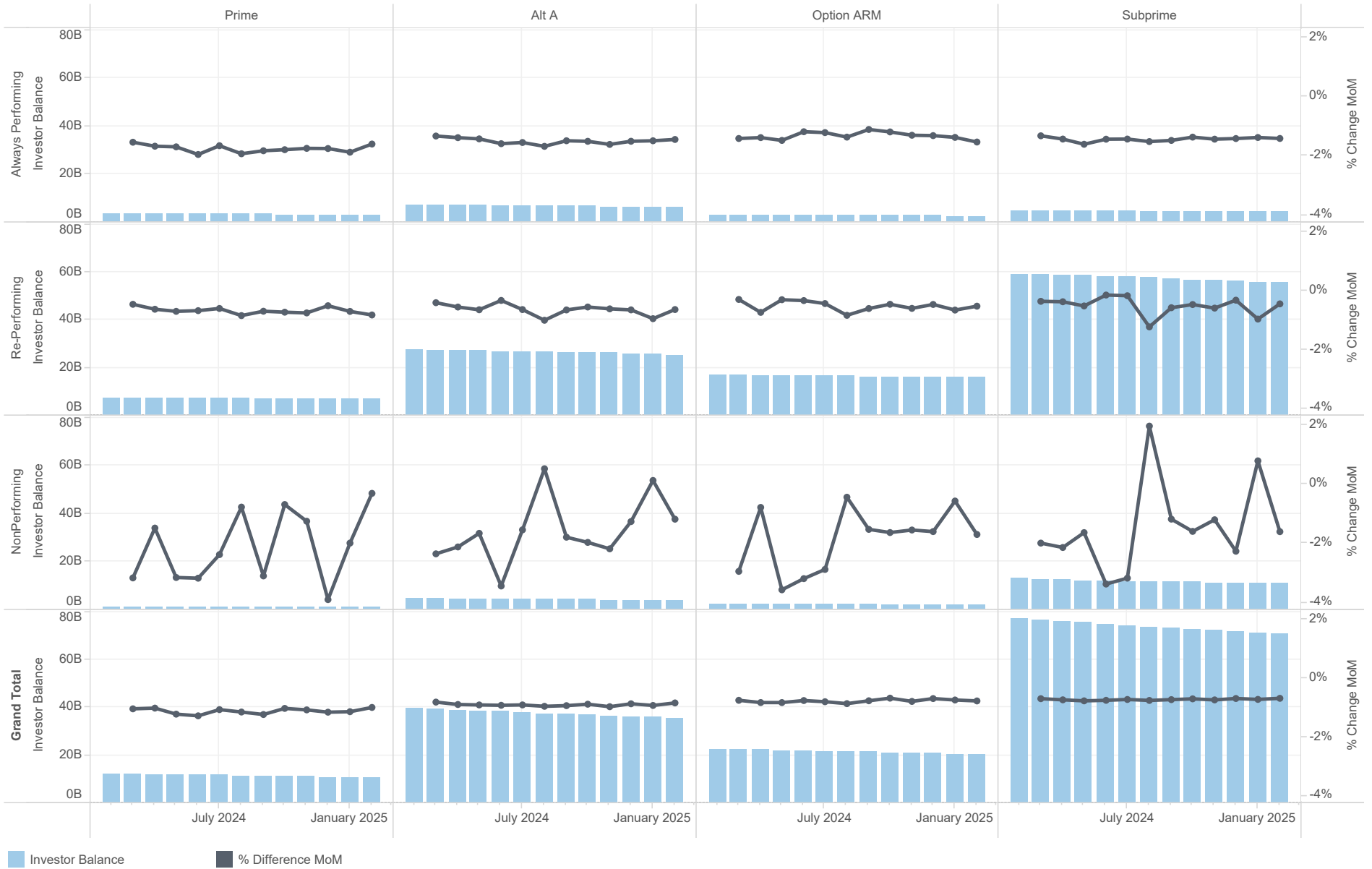


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Balance by Credit and Status

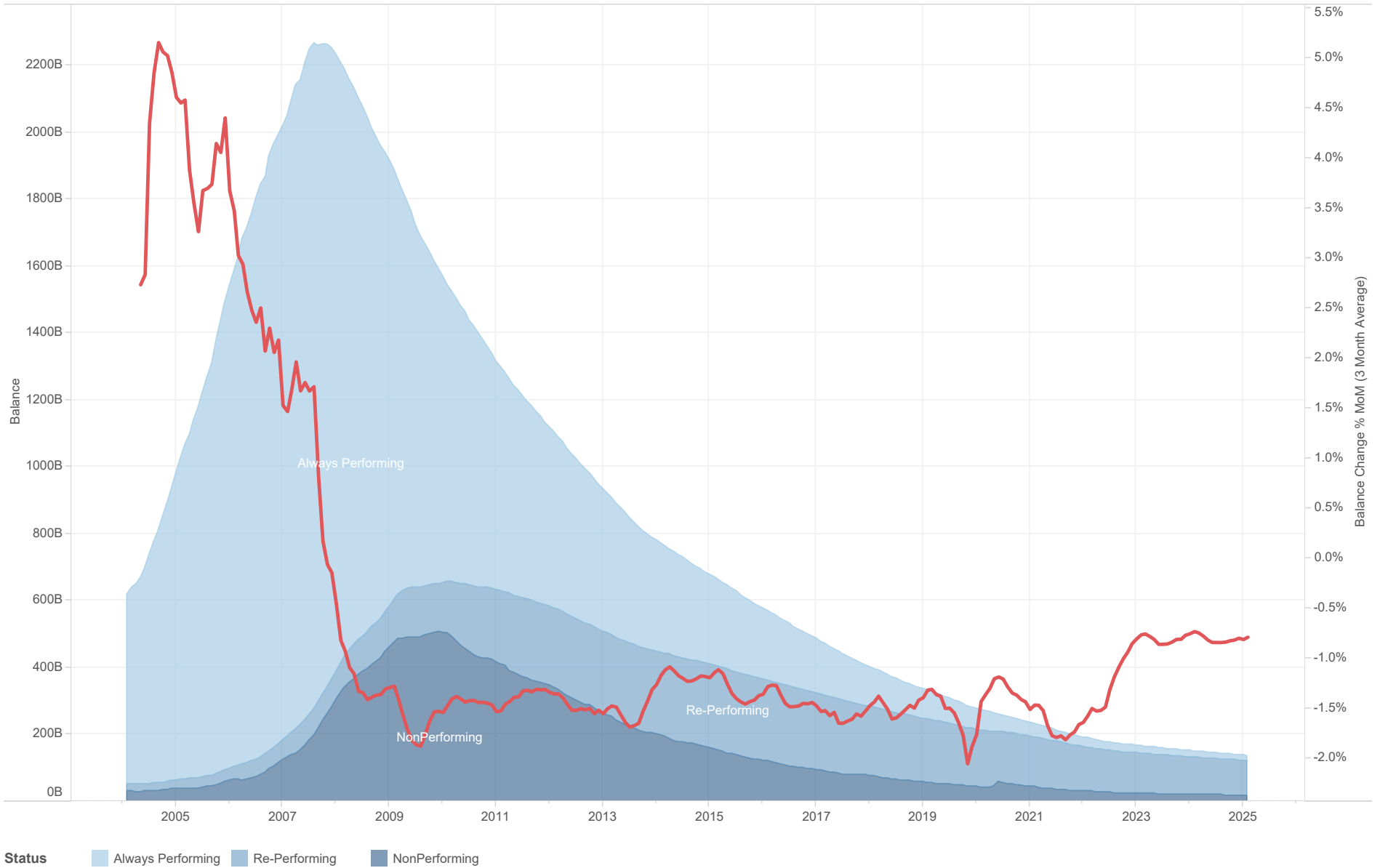


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Universe Balance Composition

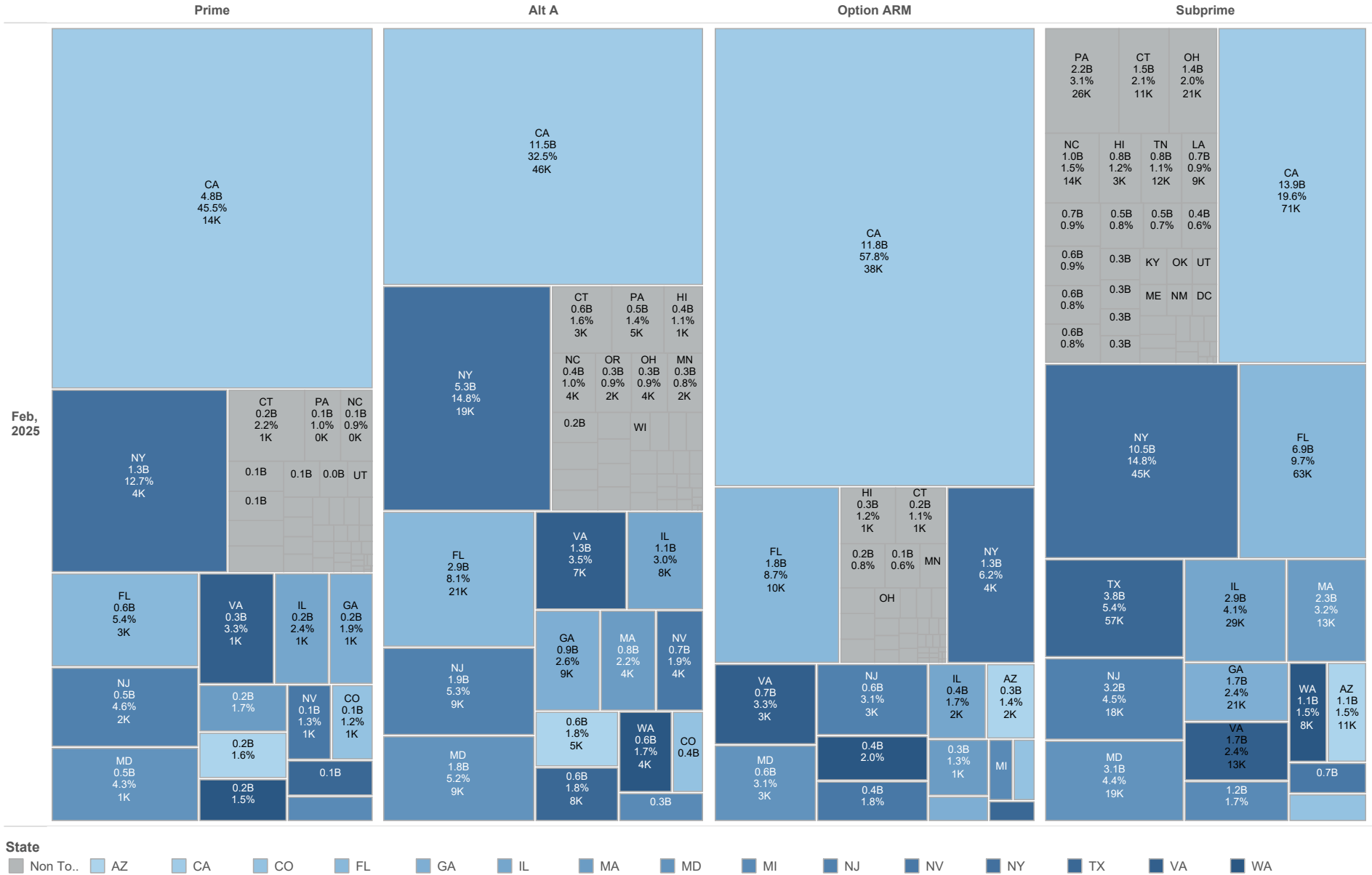


Source: SanCap, Corelogic
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Top 15 State Balance Composition



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Annualized Voluntary Prepayment Rates

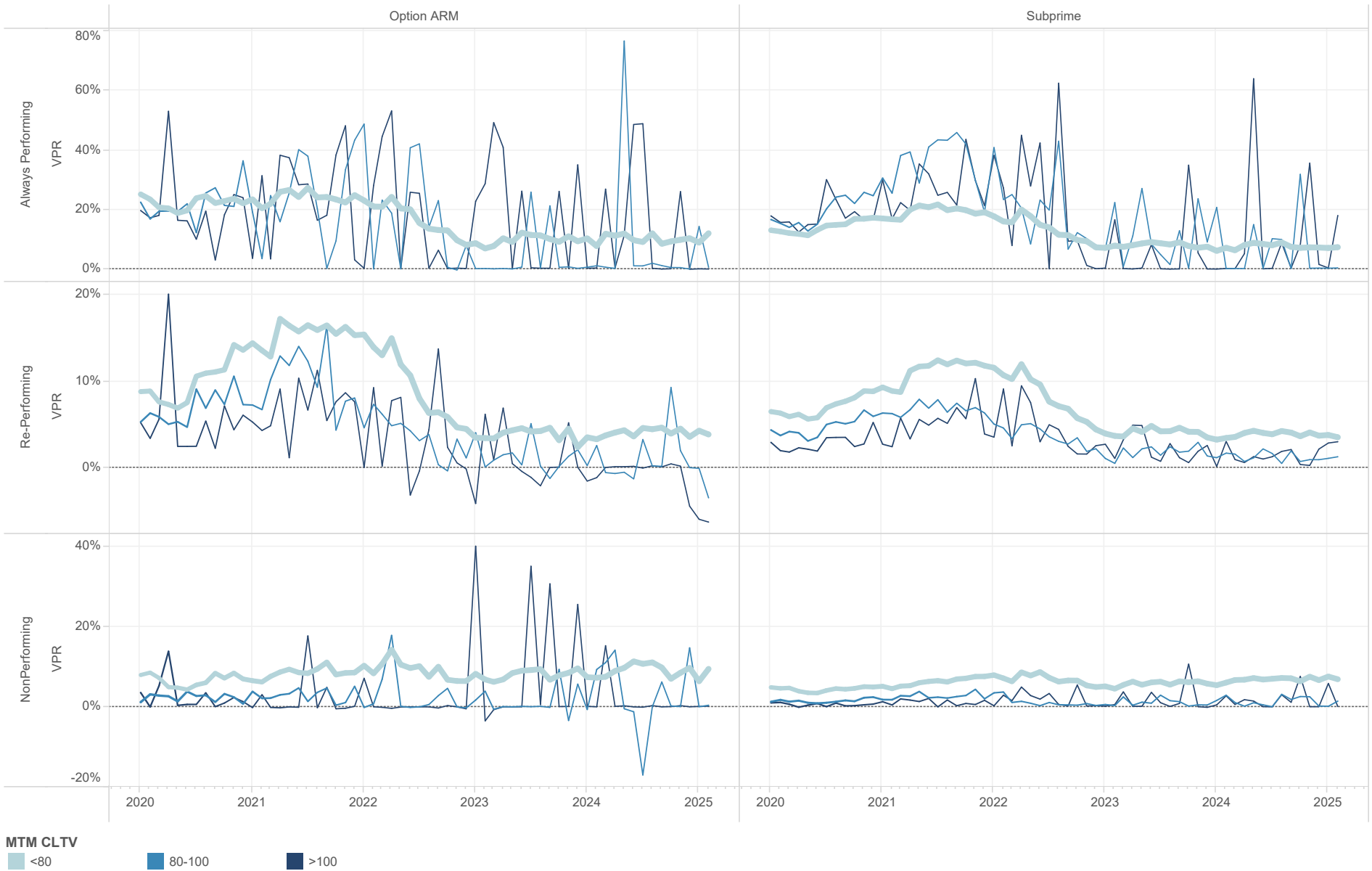


Source: SanCap, Corelogic
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Annualized Voluntary Prepayment Rates

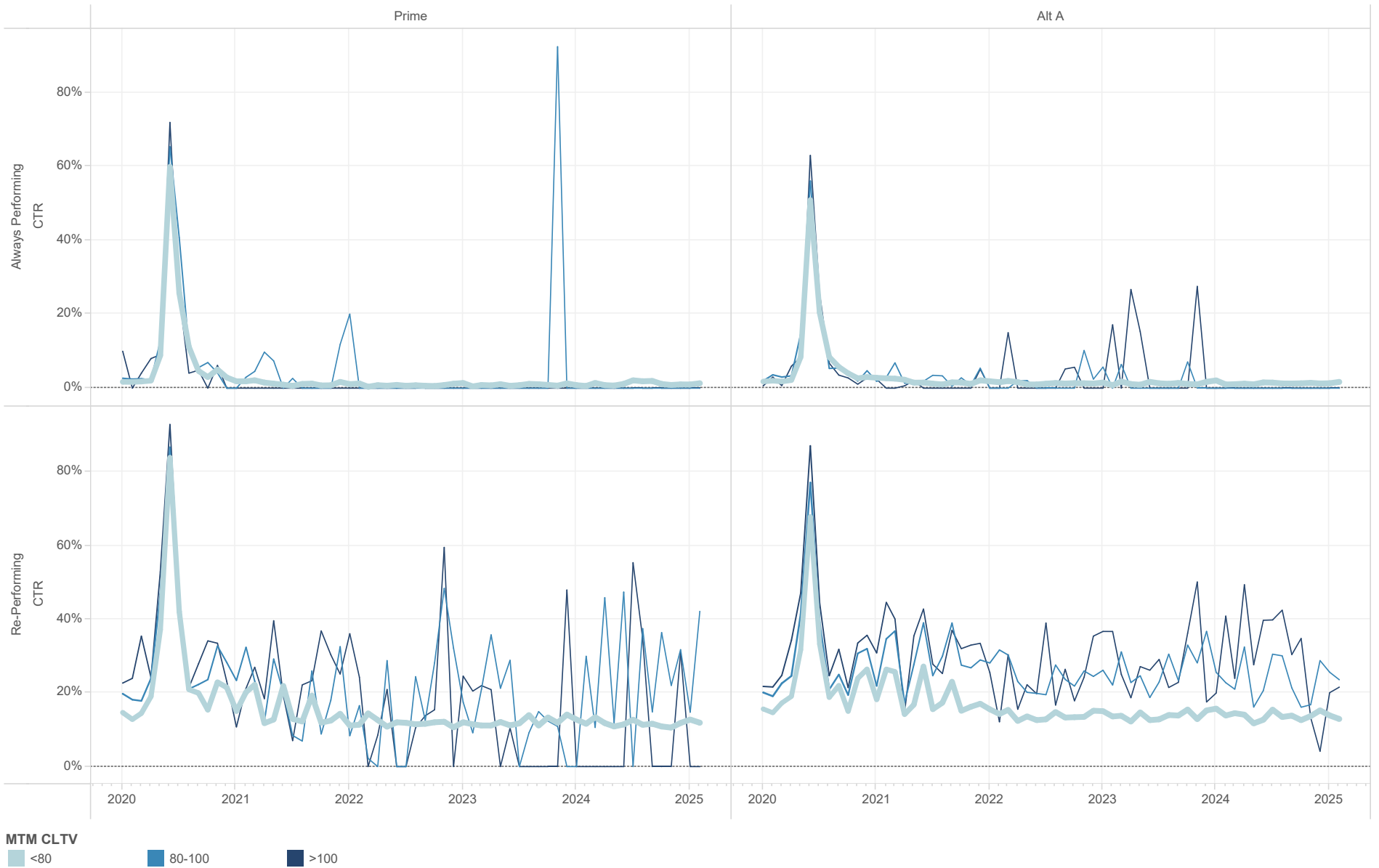


Source: SanCap, Corelogic
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Annualized Performing to Non-Performing Transition Rates

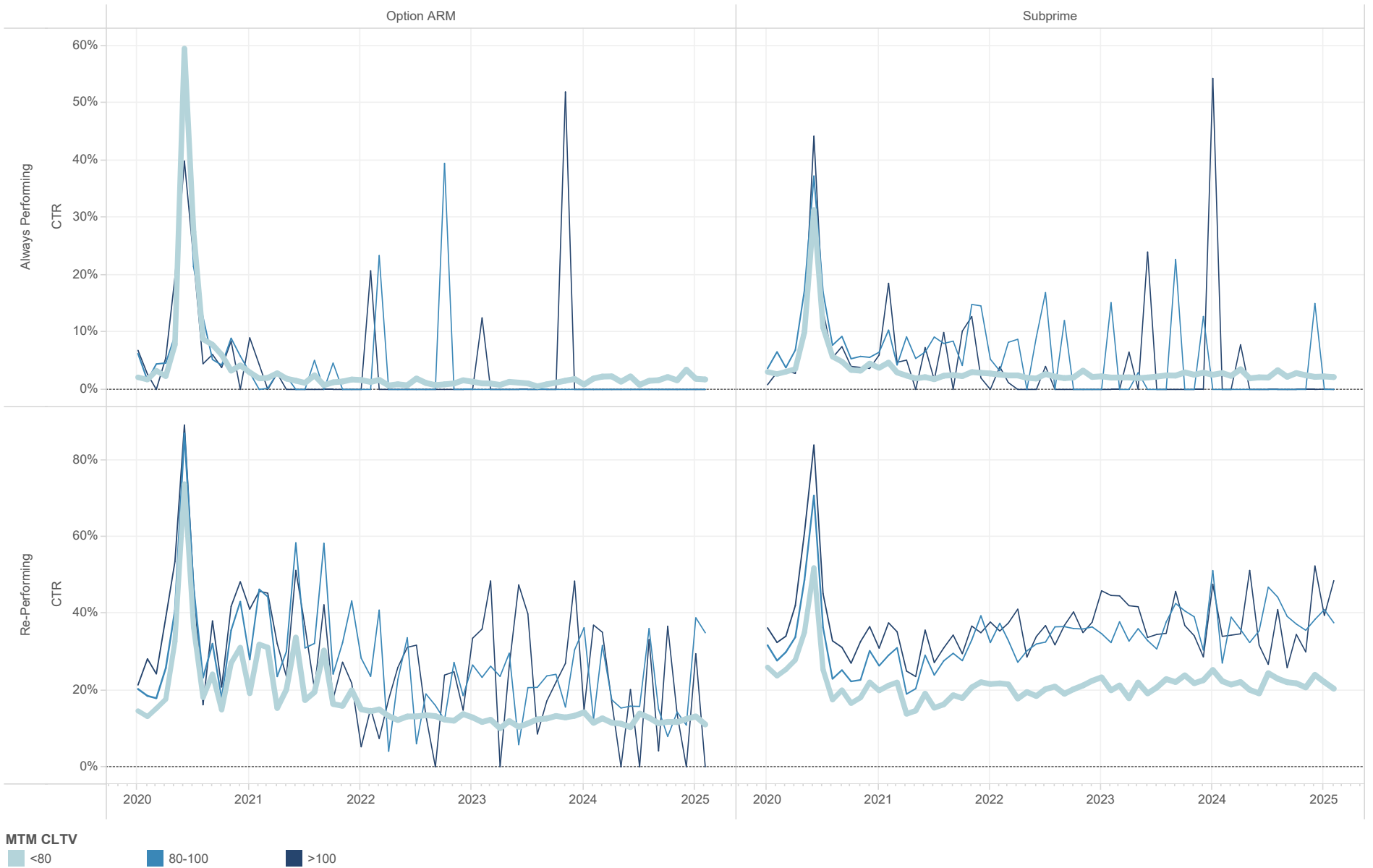


Source: SanCap, Corelogic
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Annualized Performing to Non-Performing Transition Rates

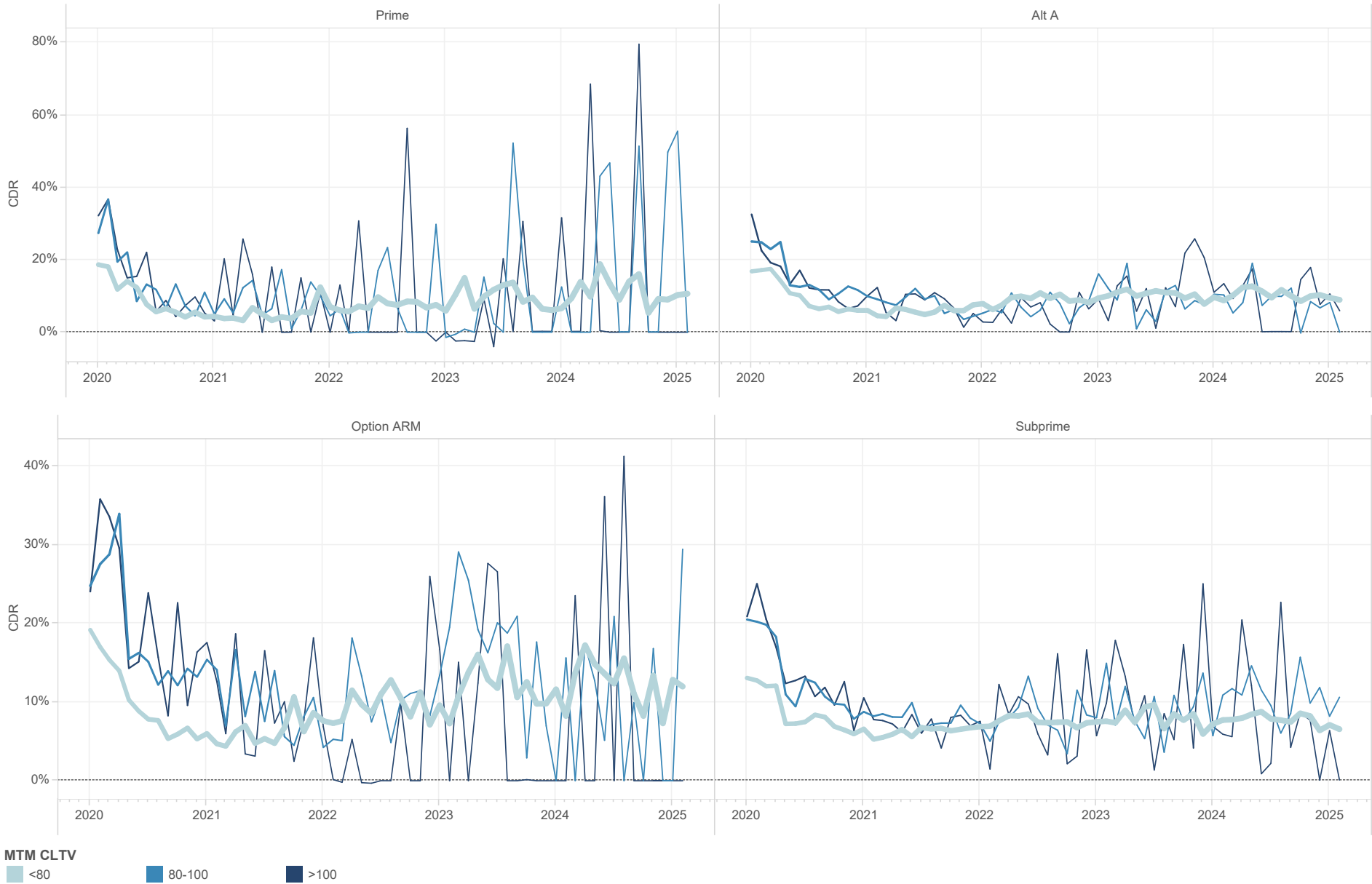


Source: SanCap, Corelogic
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Annualized Liquidation Rates of Non-Performing Loans

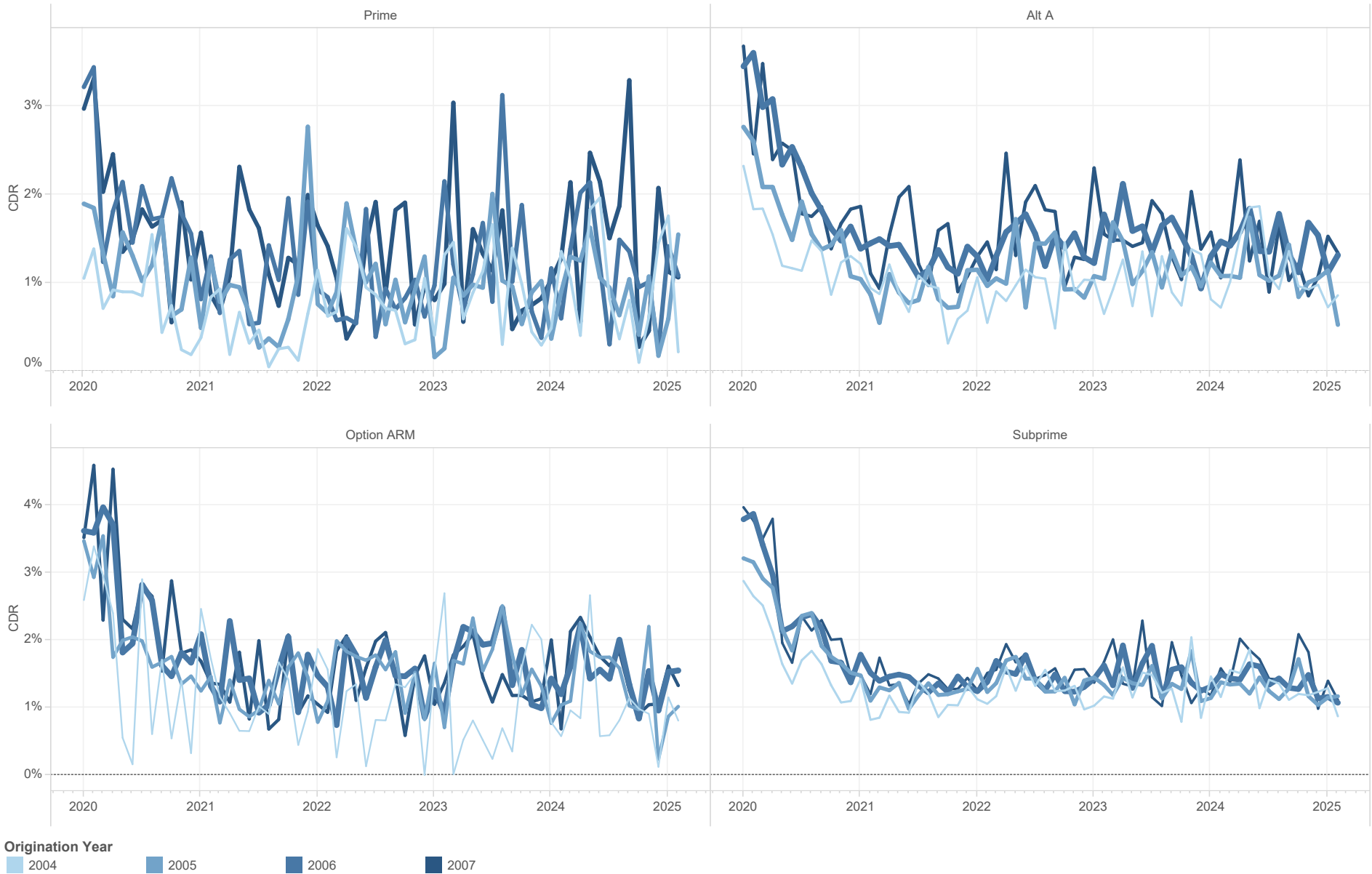


Source: SanCap, Corelogic
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Annualized Liquidation Rates by Vintage

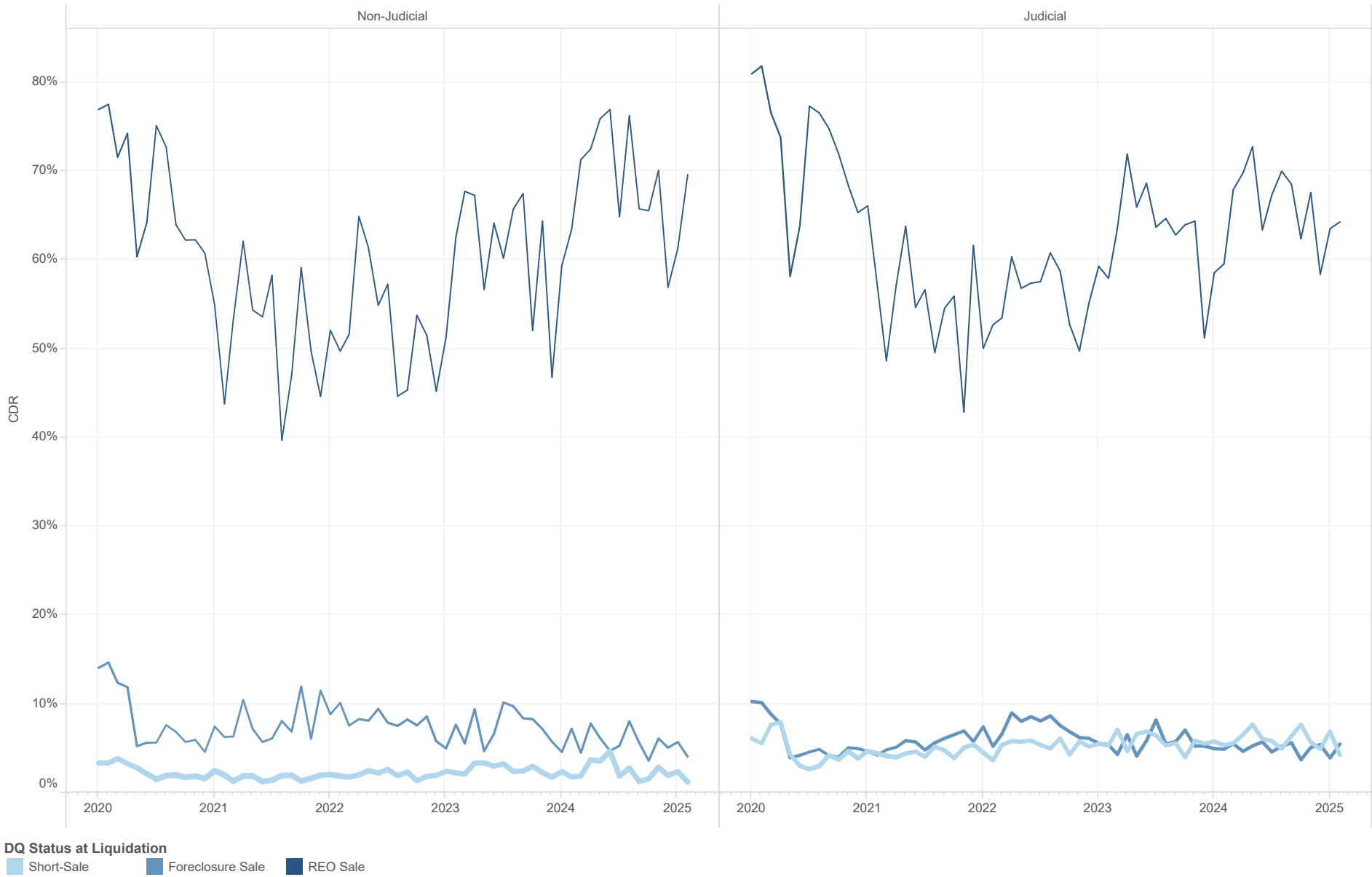


Source: SanCap, Corelogic
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Annualized Liquidation Rates by DQ Status

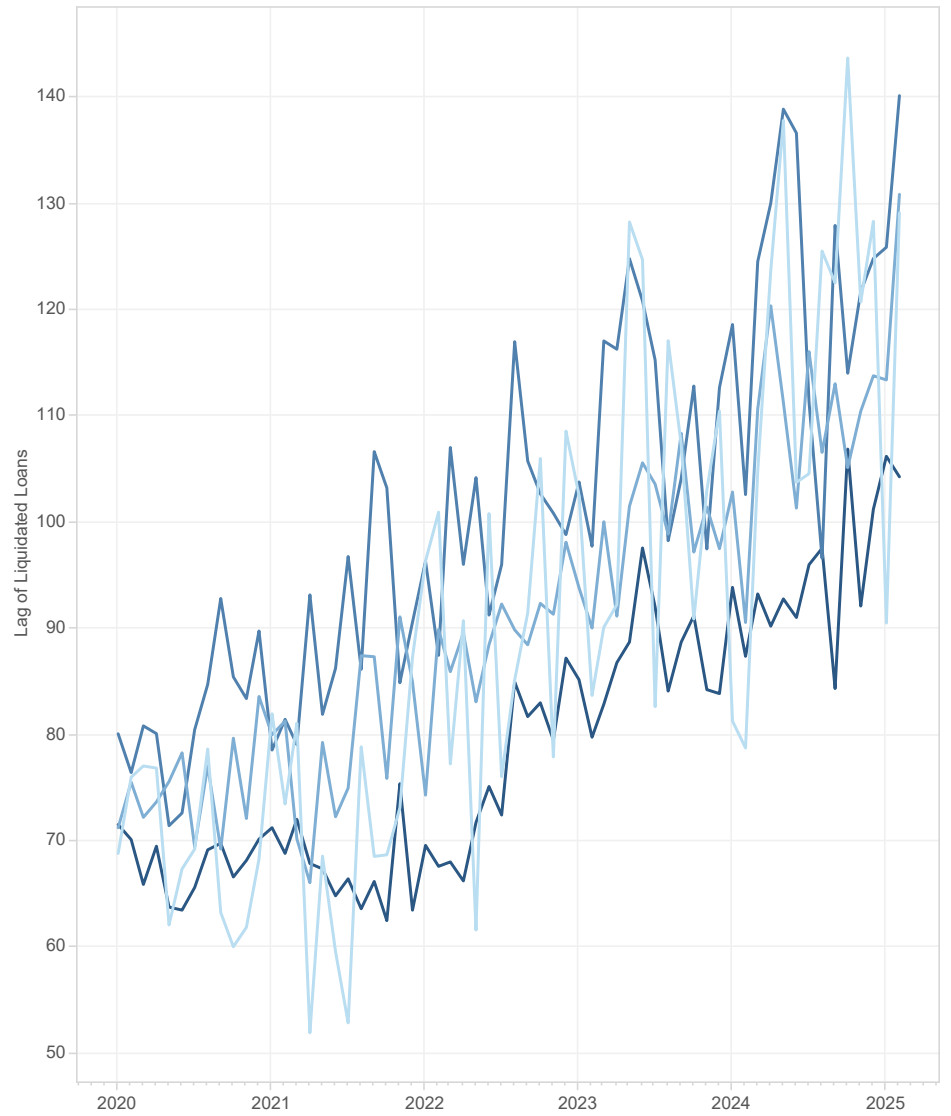
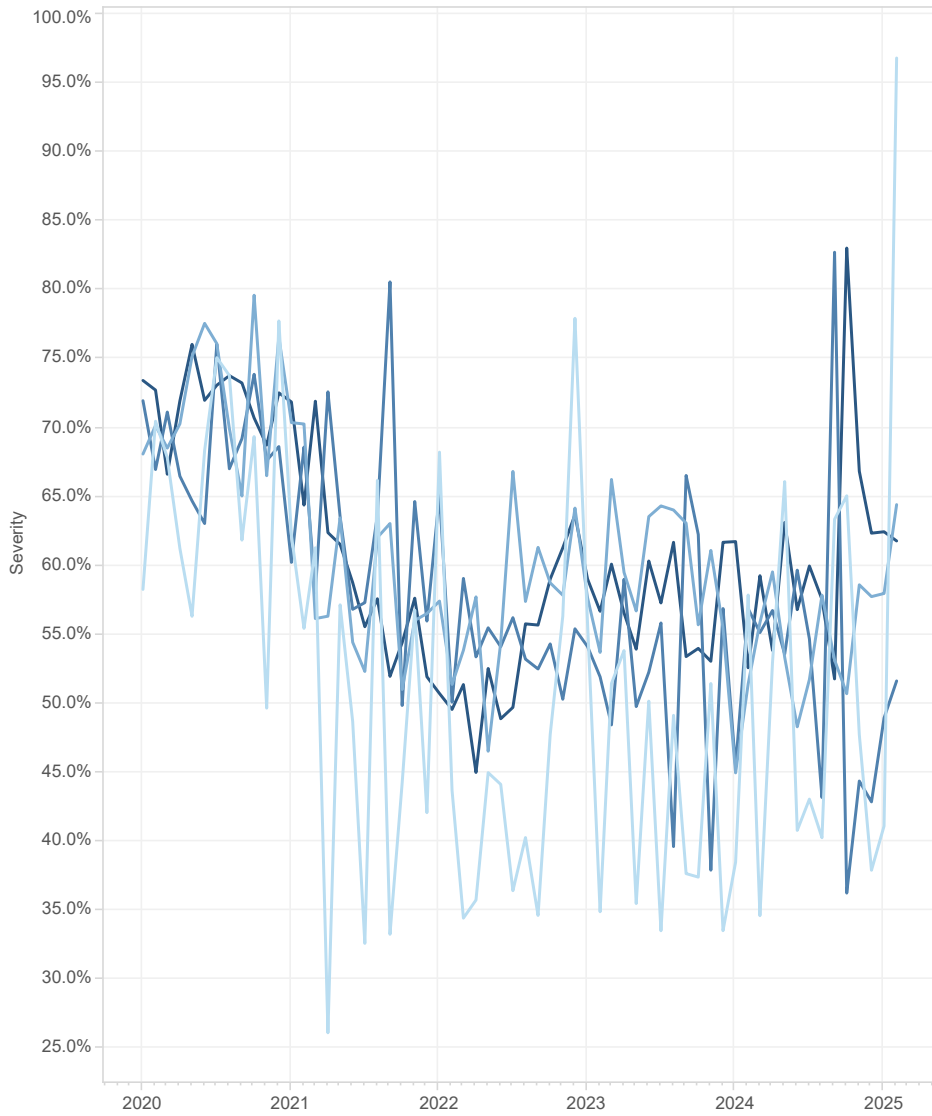


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Liquidated Loan Loss Severities and Lags



Credit Type

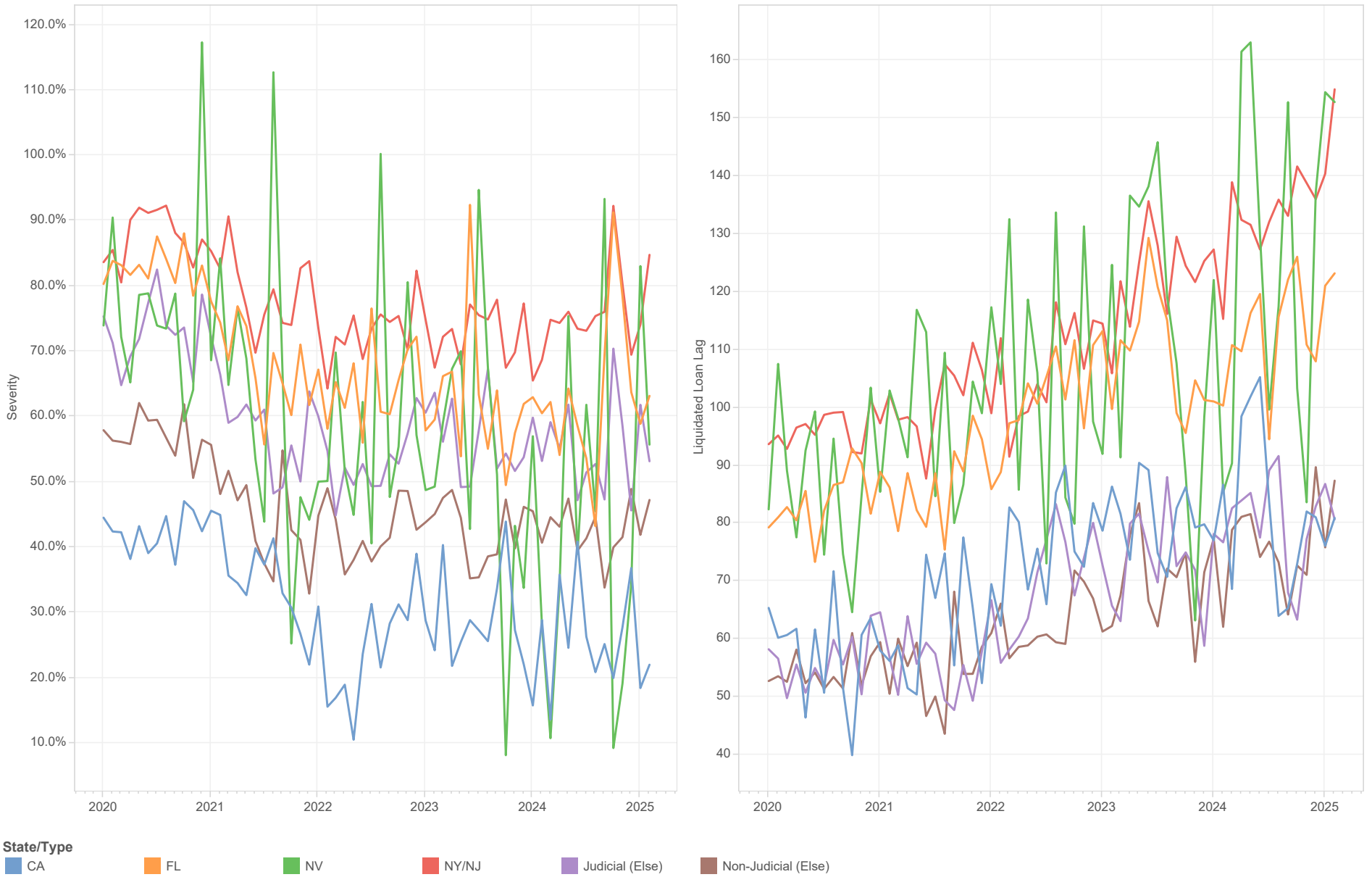
- Prime
- Alt A
- Option ARM
- Subprime

Source: SanCap, Corelogic
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Liquidated Loan Loss Severities and Lags

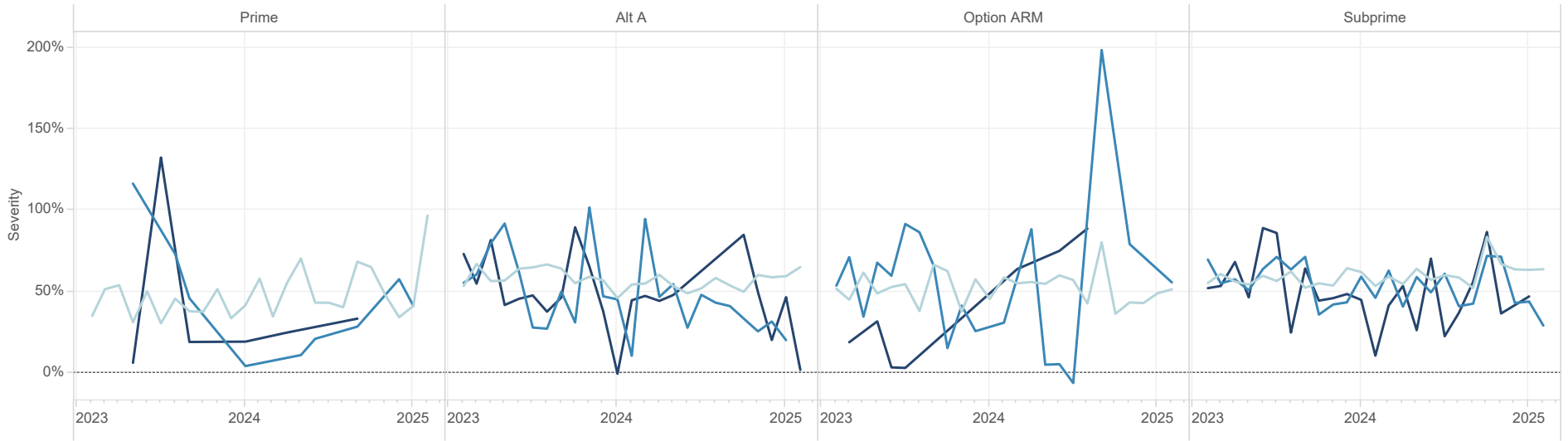


Source: SanCap, Corelogic
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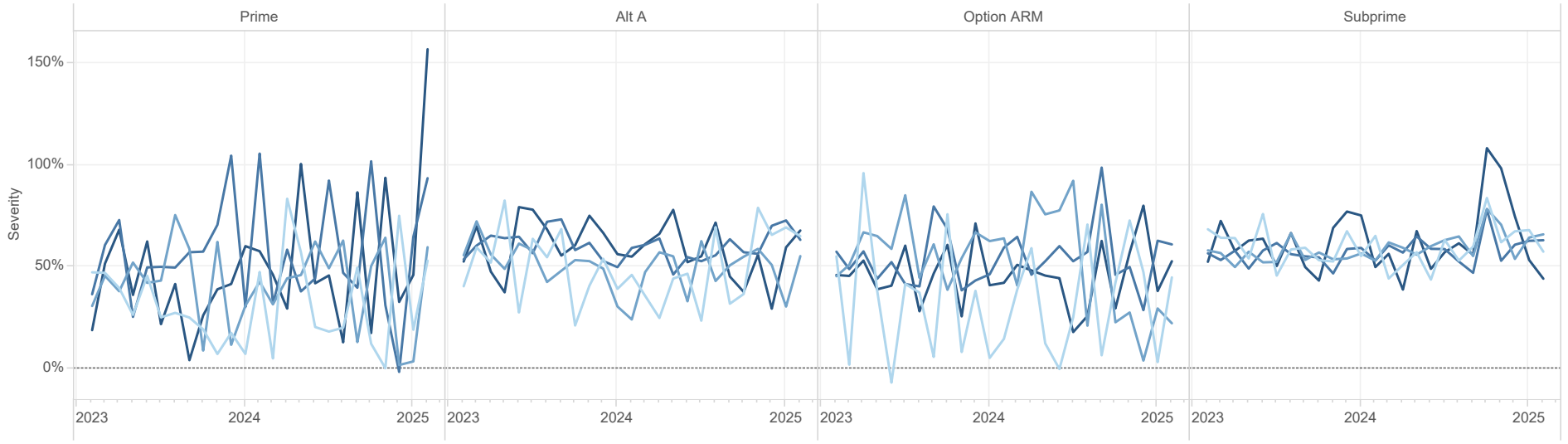
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Liquidated Loan Loss Severities



MTM CLTV ■ <80 ■ 80-100 ■ >100



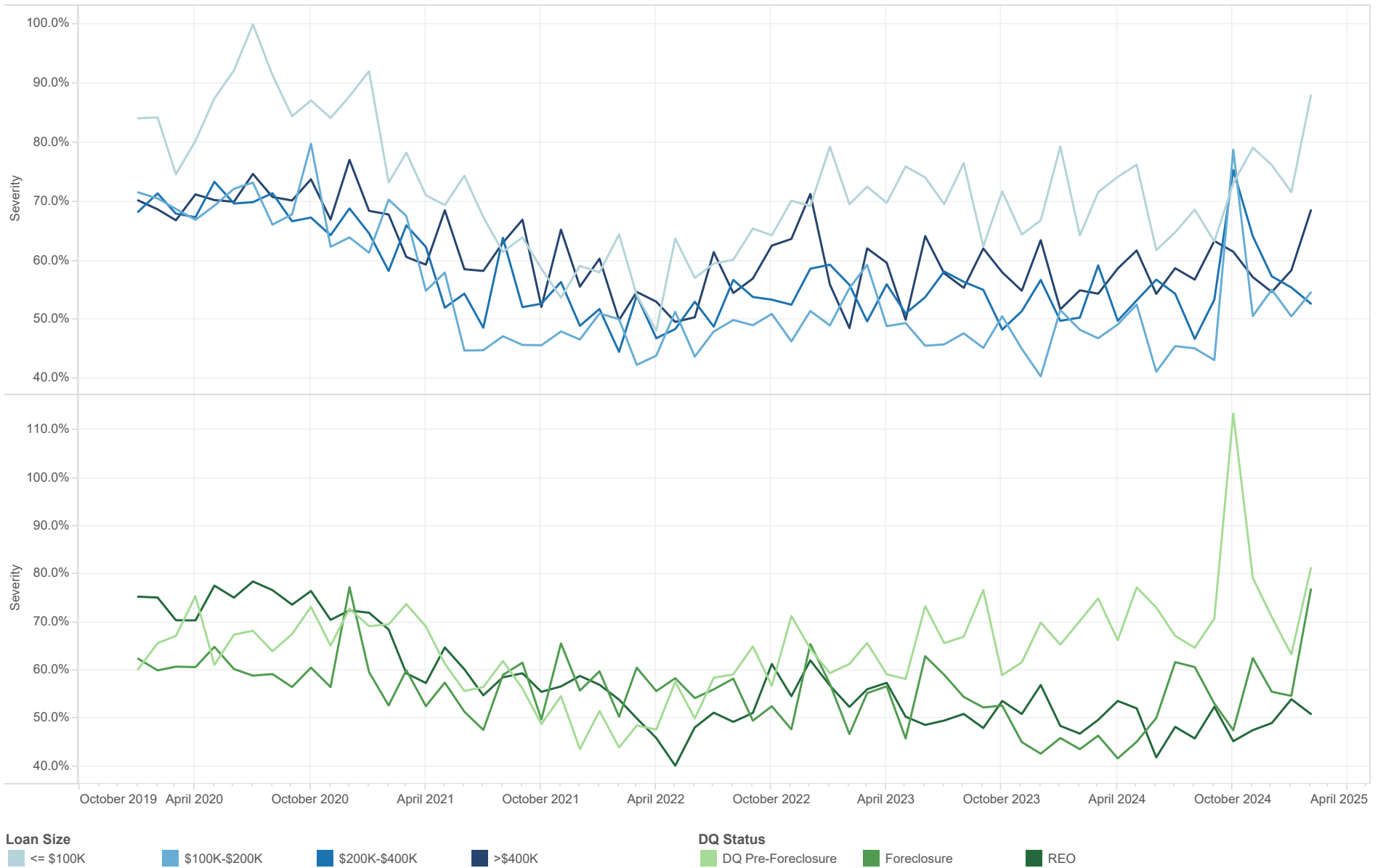
Origination Year
■ 2004 ■ 2005 ■ 2006 ■ 2007

Source: SanCap, Corelogic
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Liquidated Loan Loss Severities

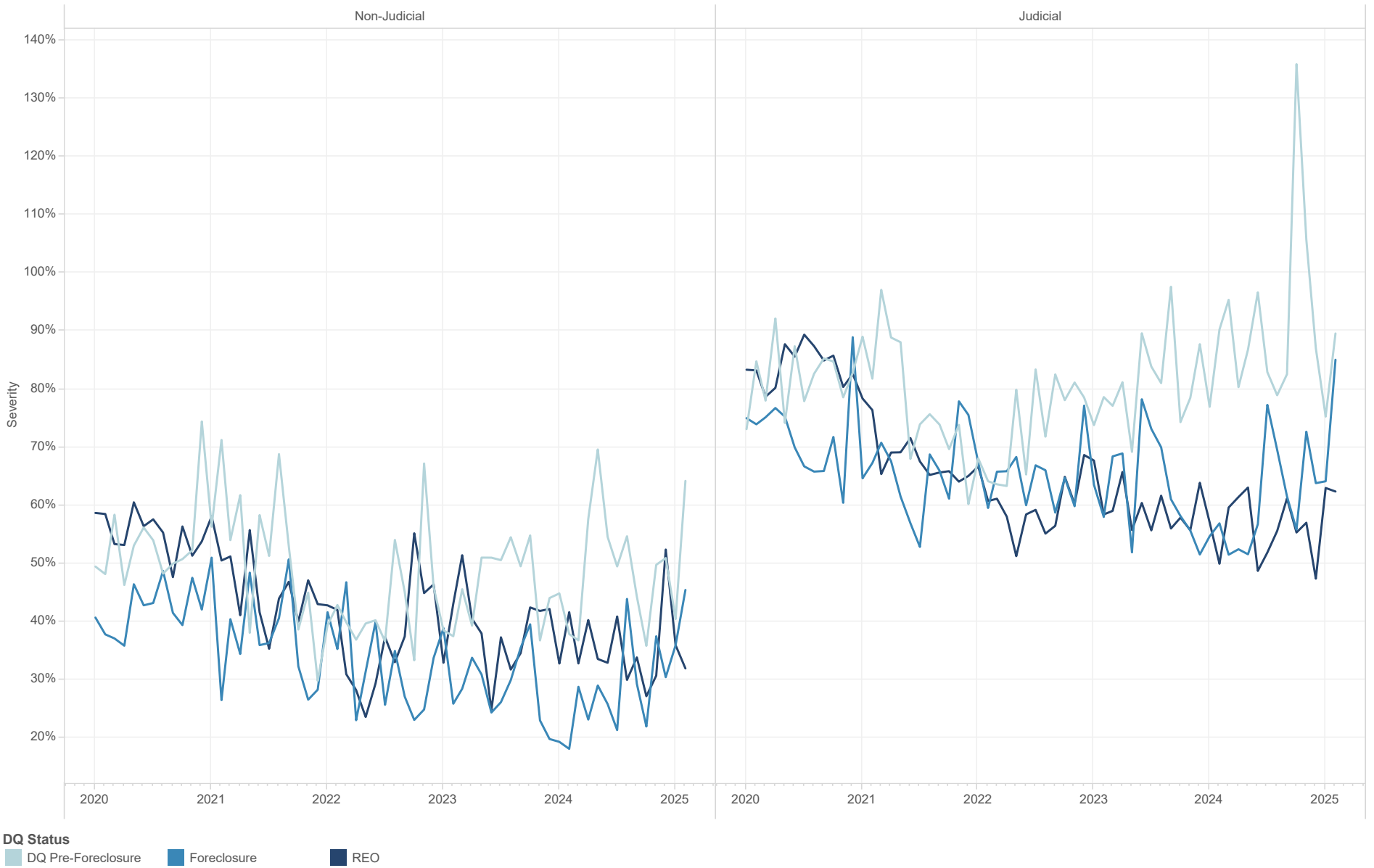


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Liquidated Loan Loss Severities by DQ Status



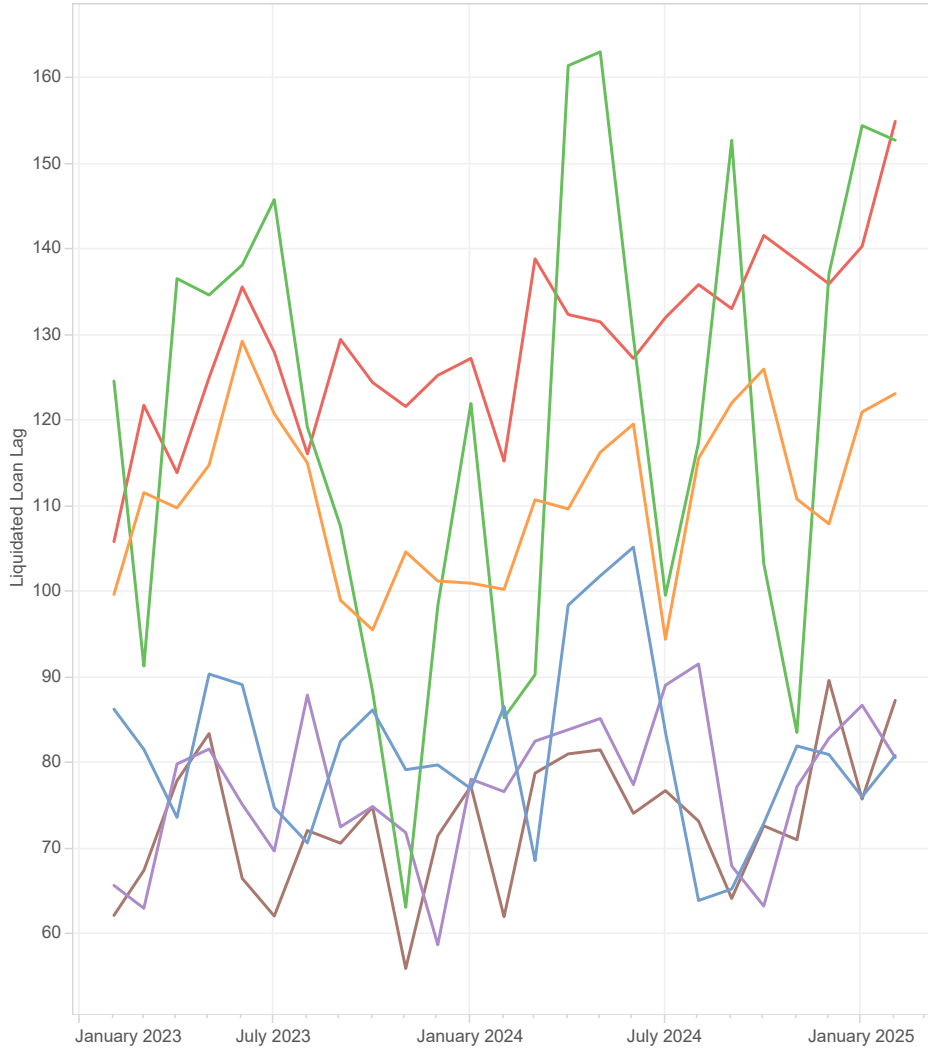
Source: SanCap, Corelogic
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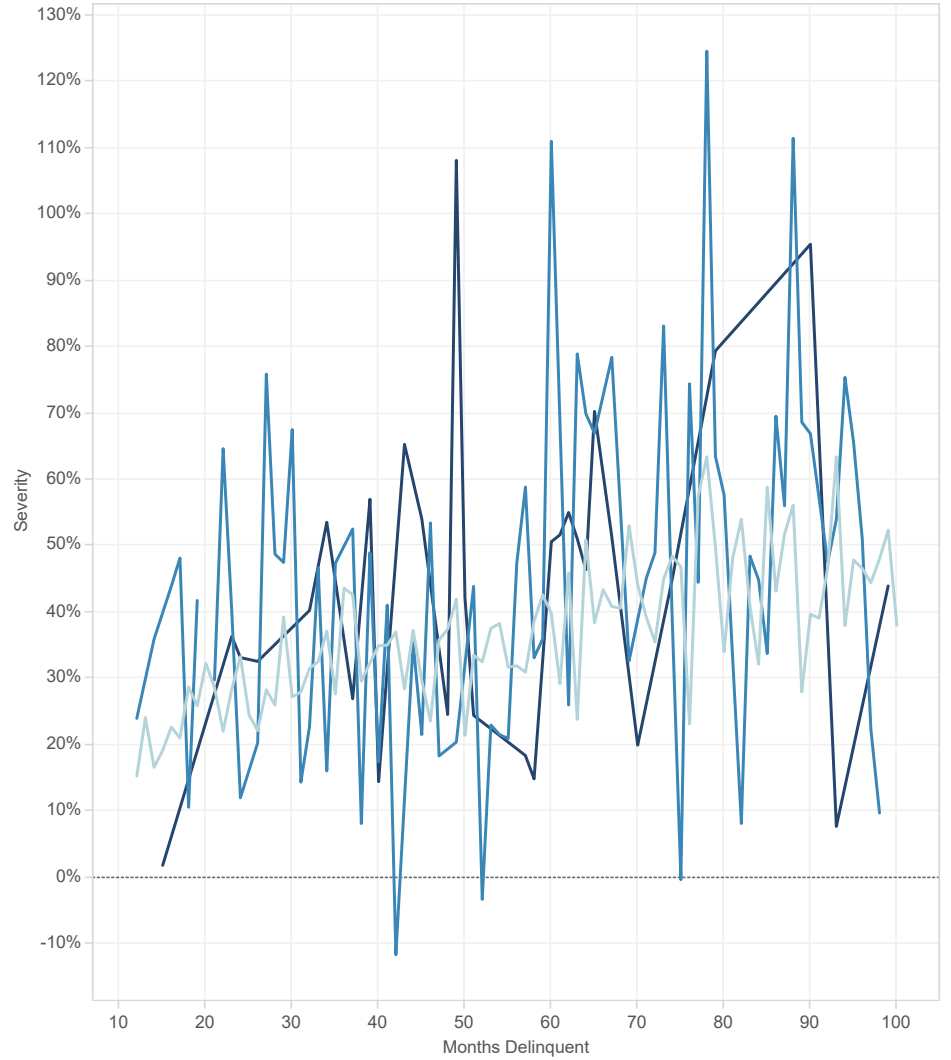
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Liquidated Loan Lag and Severities

Liquidated Loan Lag



Liquidated Loan Loss Severities (2 Year Observation Range)



State / Type

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

MTM CLTV

- <80
- 80-100
- >100

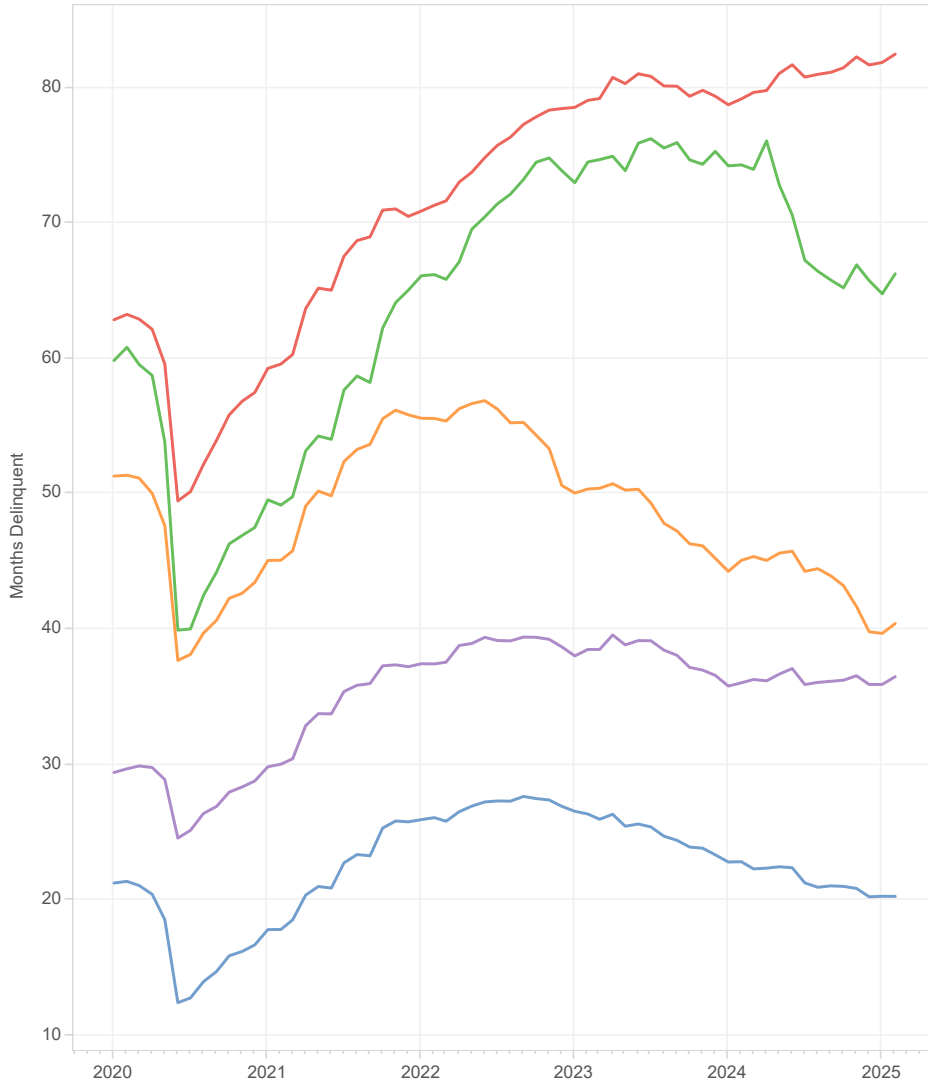
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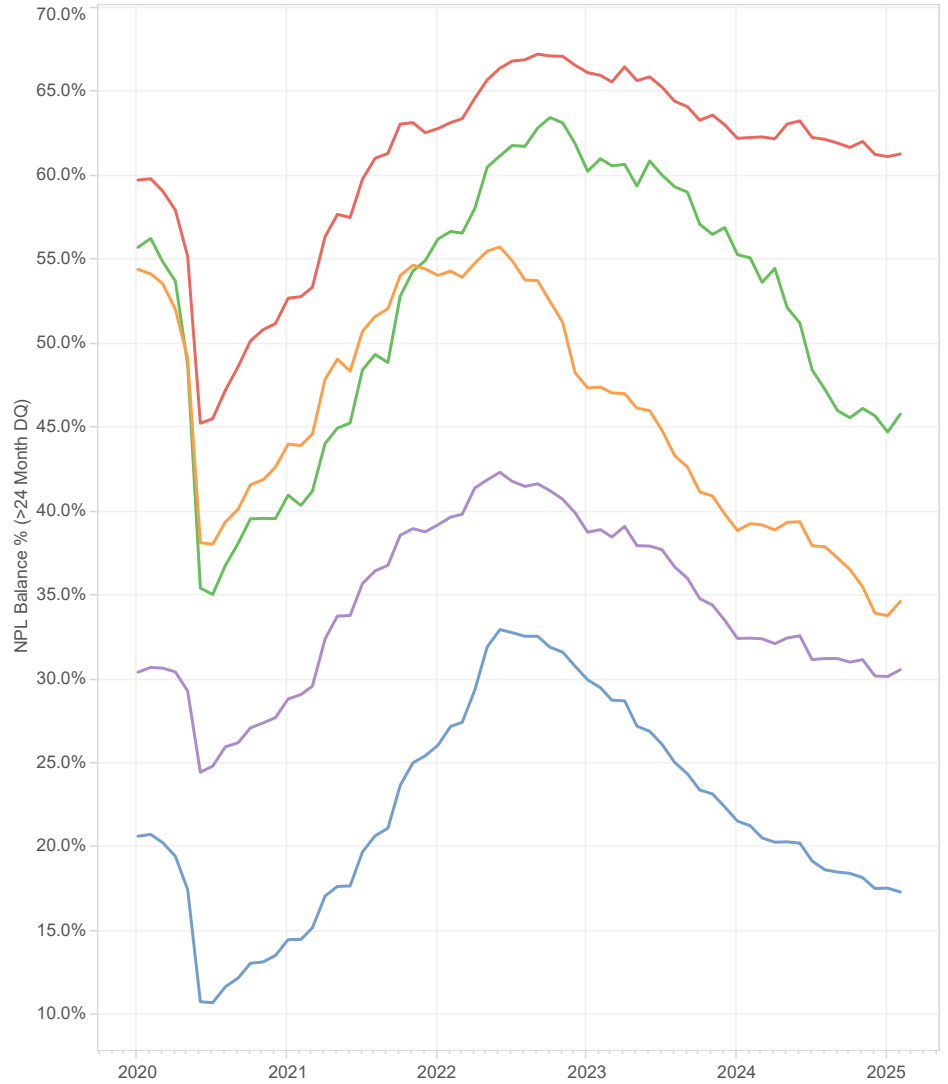
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Months Delinquent of Non-Performing Loans

NPL Months Delinquent



Percent of NPLs > 24 Months DQ



State / Type

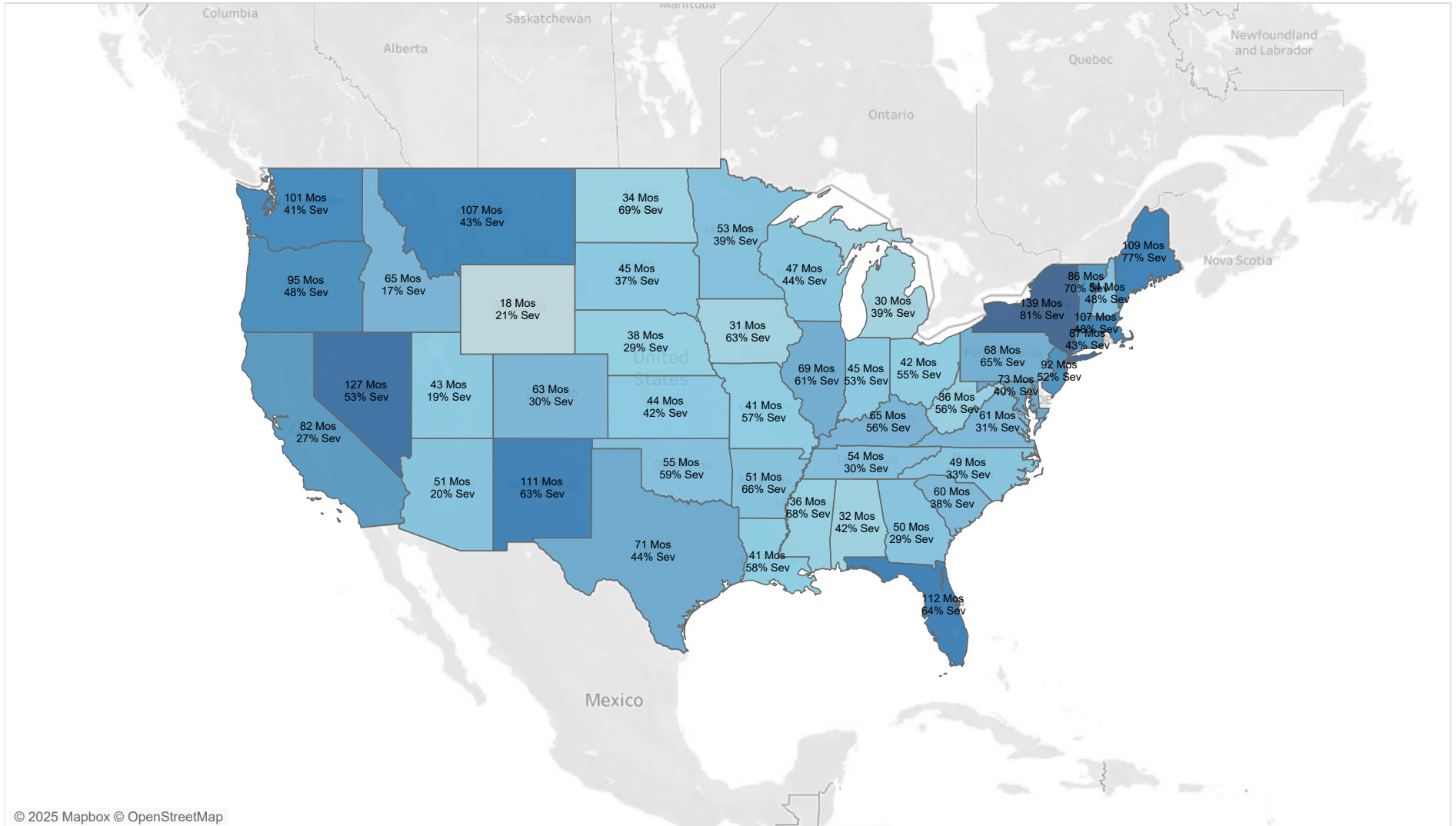
- CA
- FL
- NV
- NY/NJ
- Judicial (Else)

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Liquidated Loan Lag and Loss Severity (24 Month Observation)



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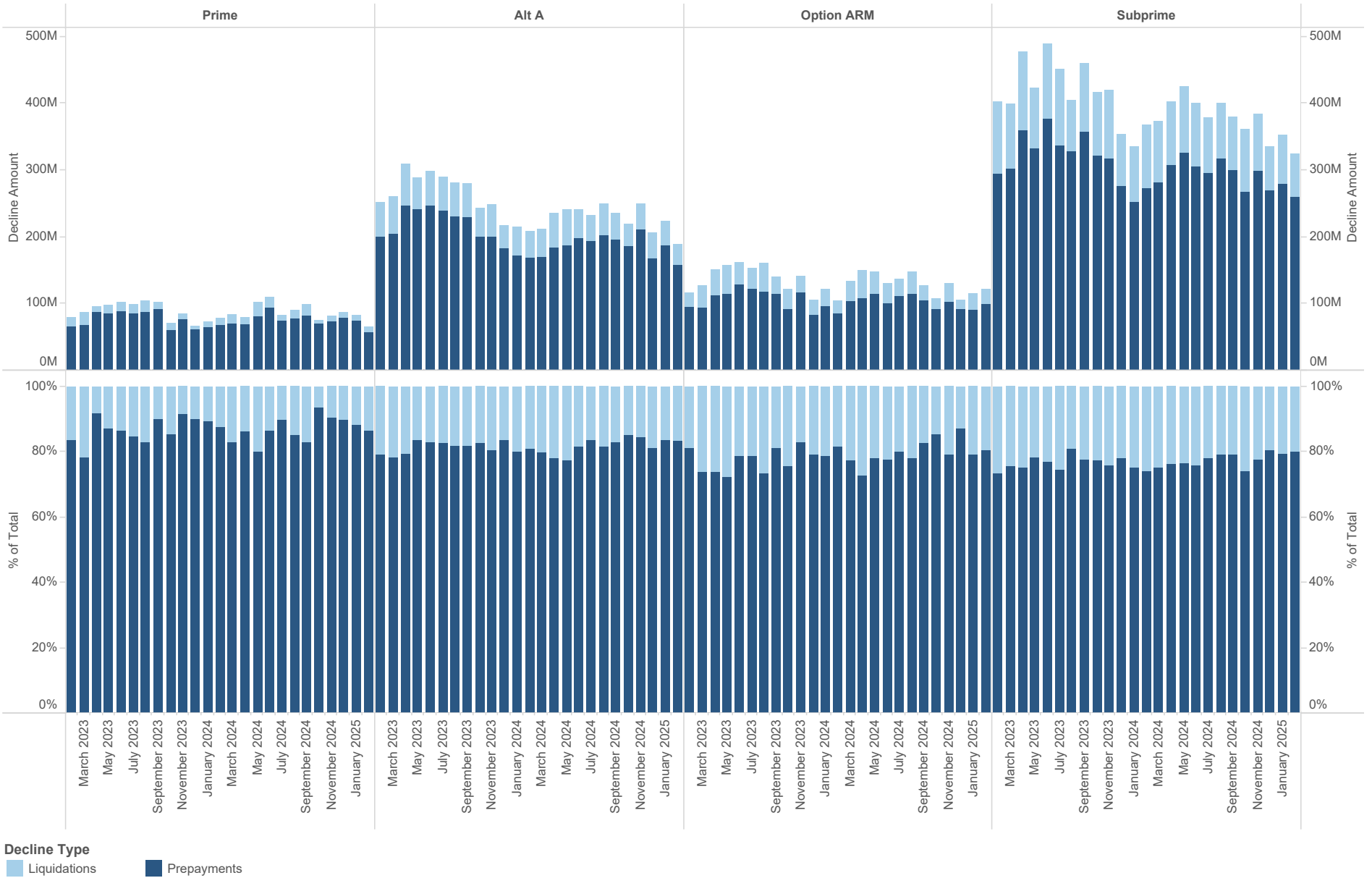


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Balance Decline Composition



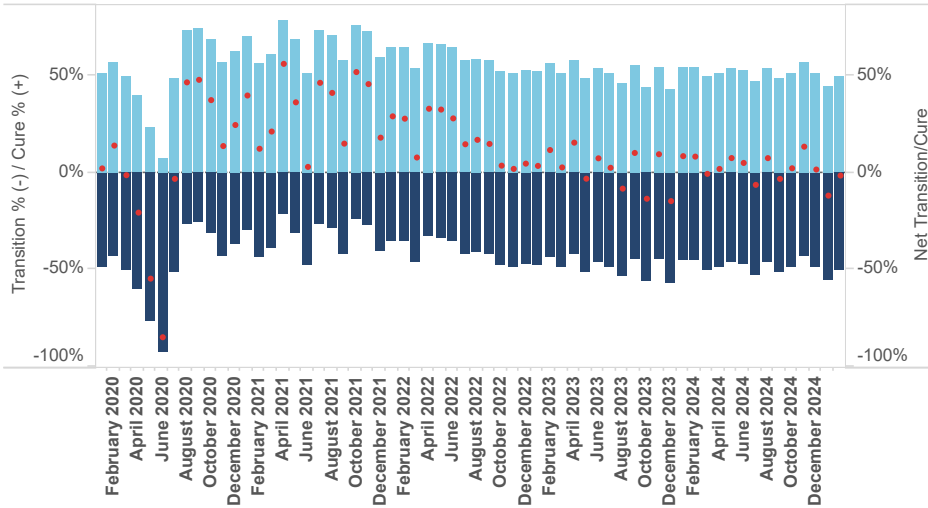
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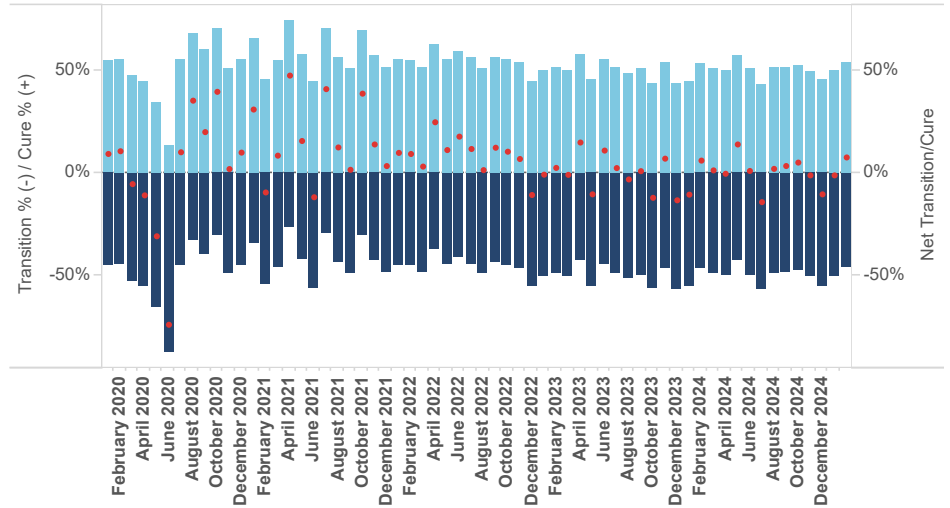
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Net Cure/Transition Rates by Credit Type

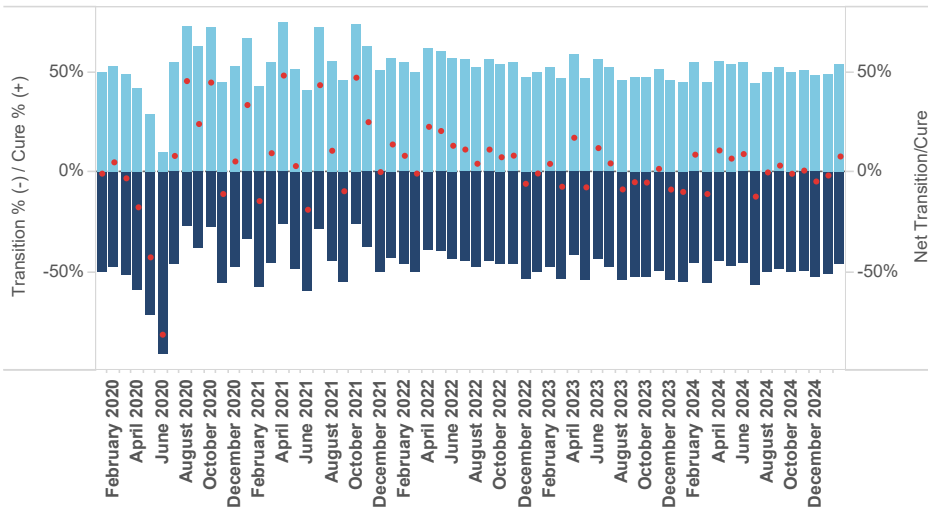
Prime



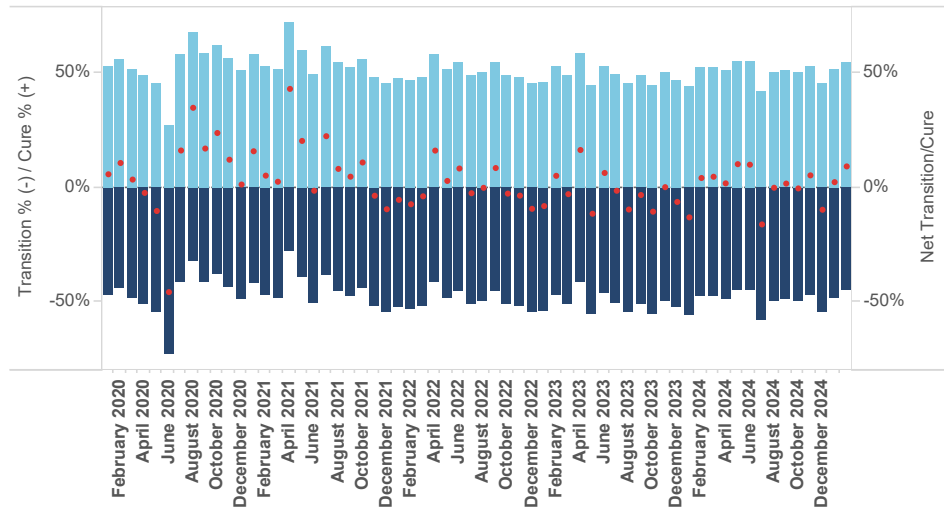
Alt-A



Option ARM



Subprime



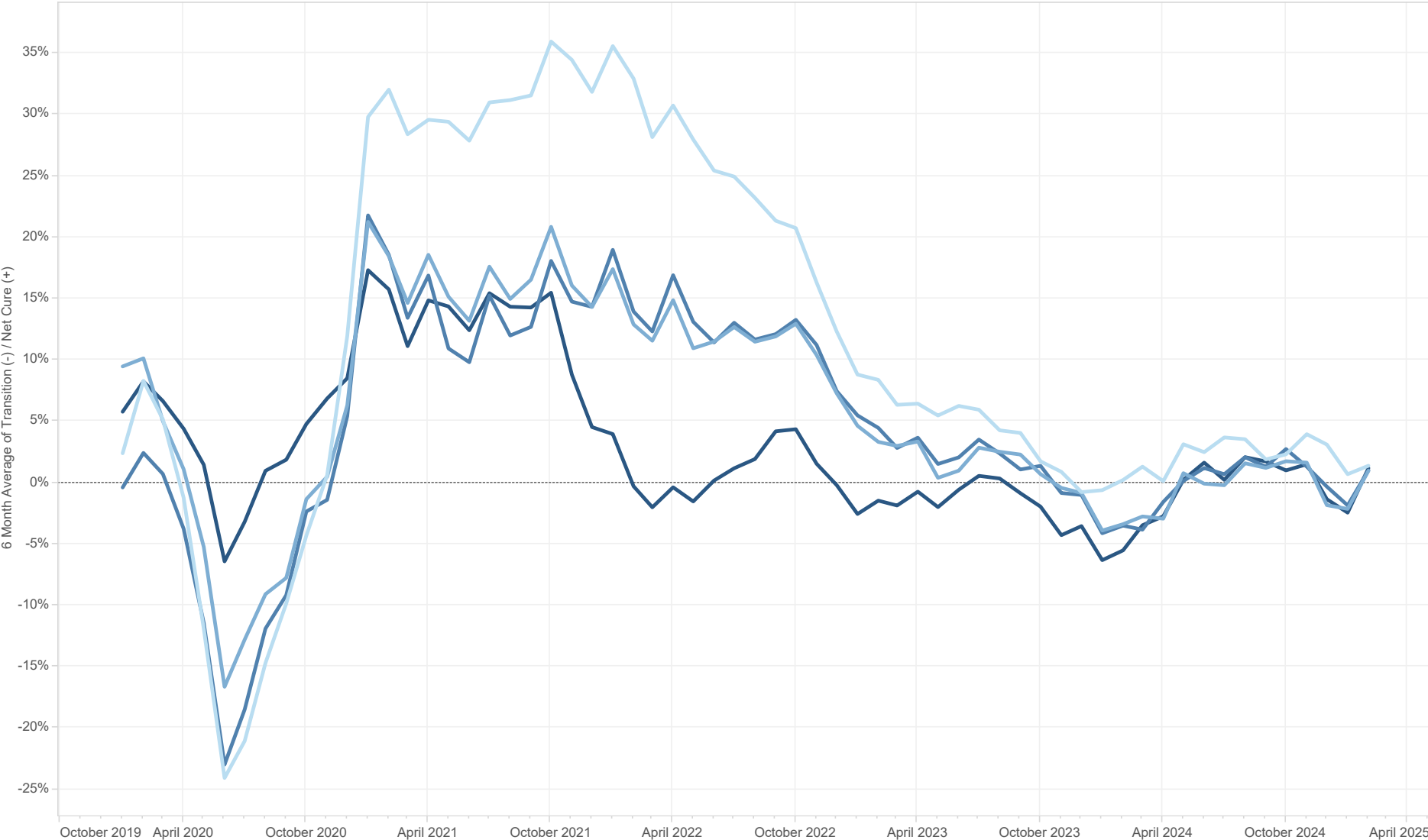
Type
■ Cure %
■ Transition %
■ Net Cure/Transition

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Relative Net Transition Rates (6 Month Average)



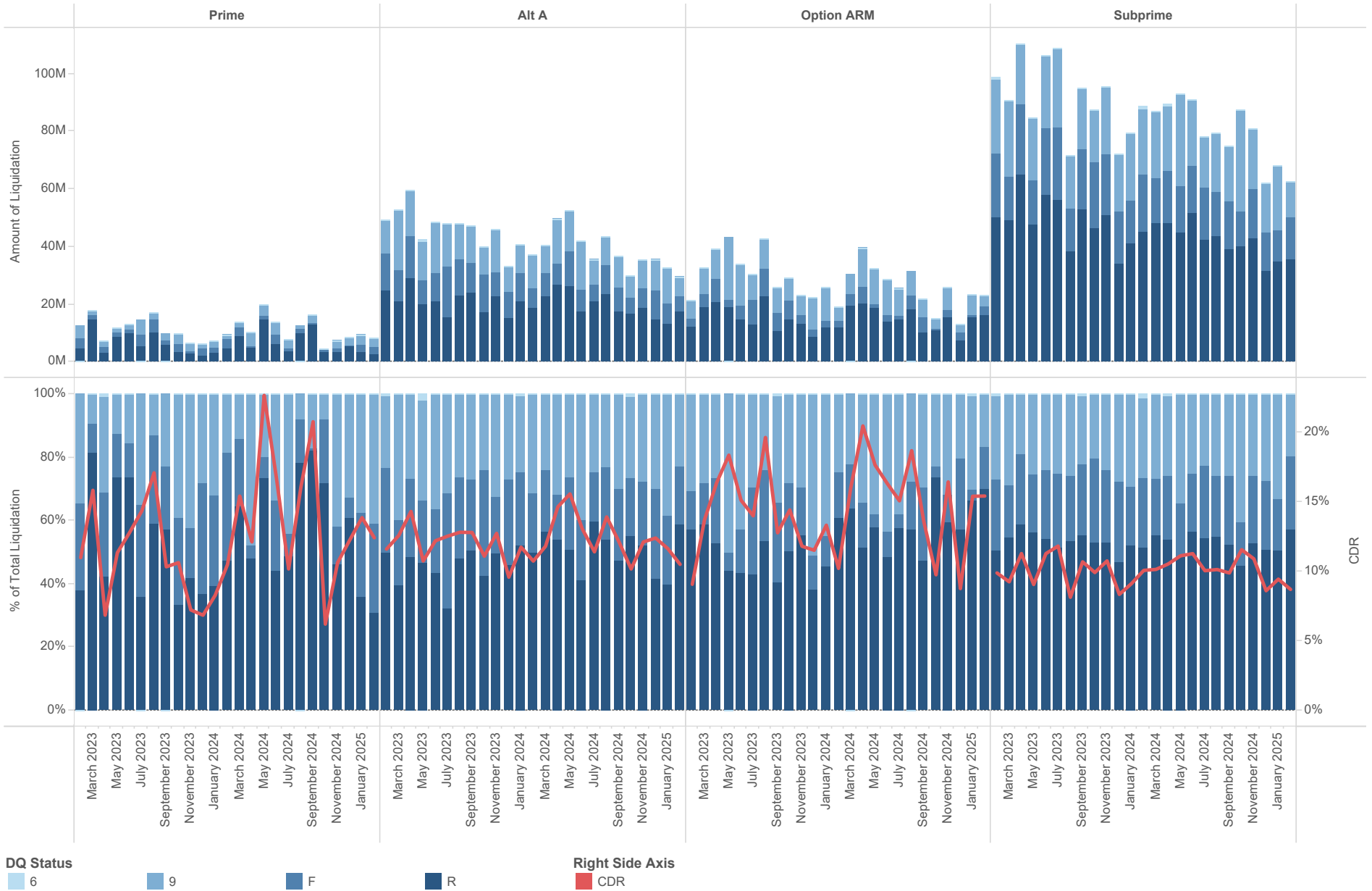
Credit Type
■ Prime ■ Alt A ■ Option ARM ■ Subprime

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Non-Performing Loan Liquidation Composition

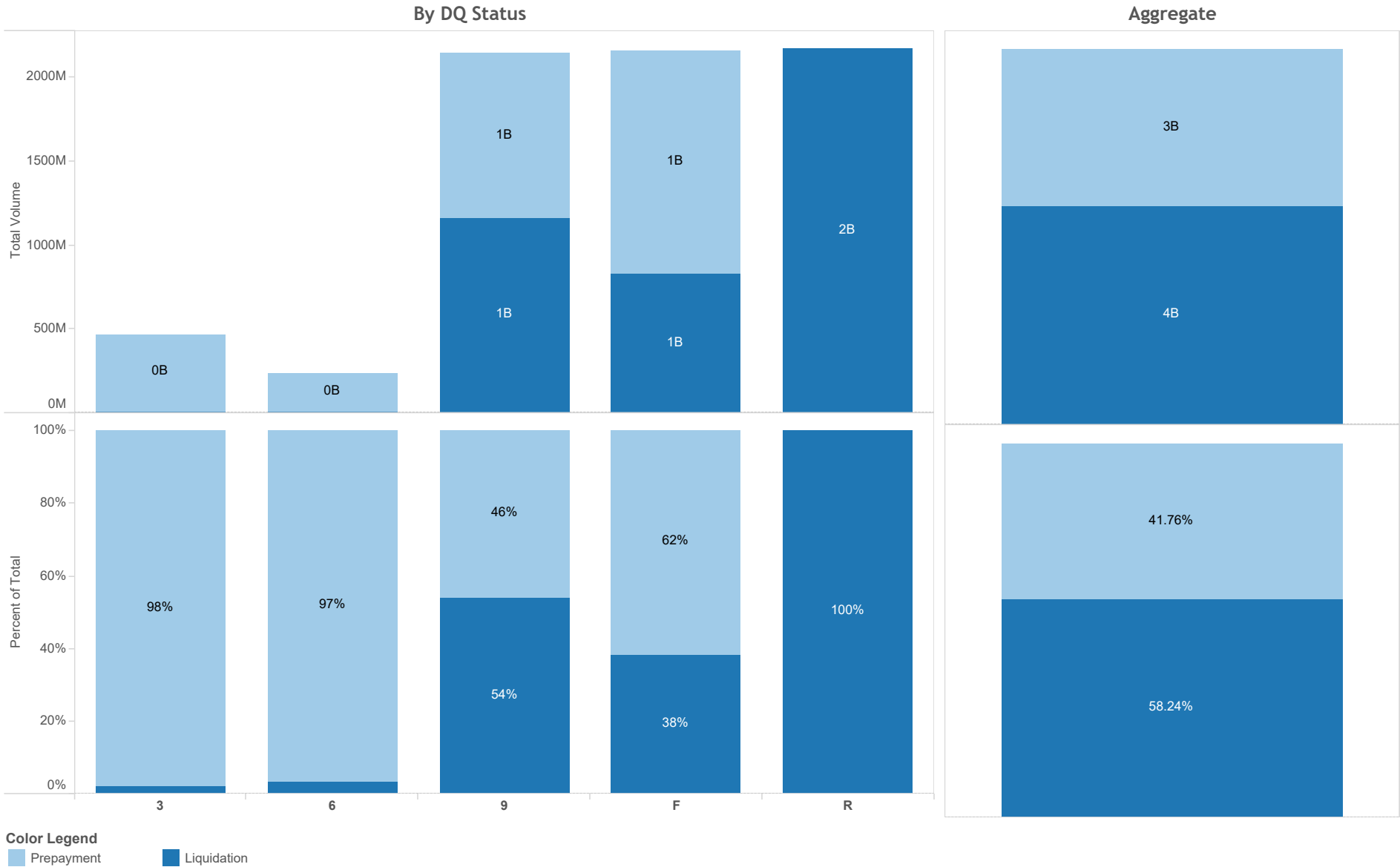


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Delinquent Loan Abatements (24 Month Observation)



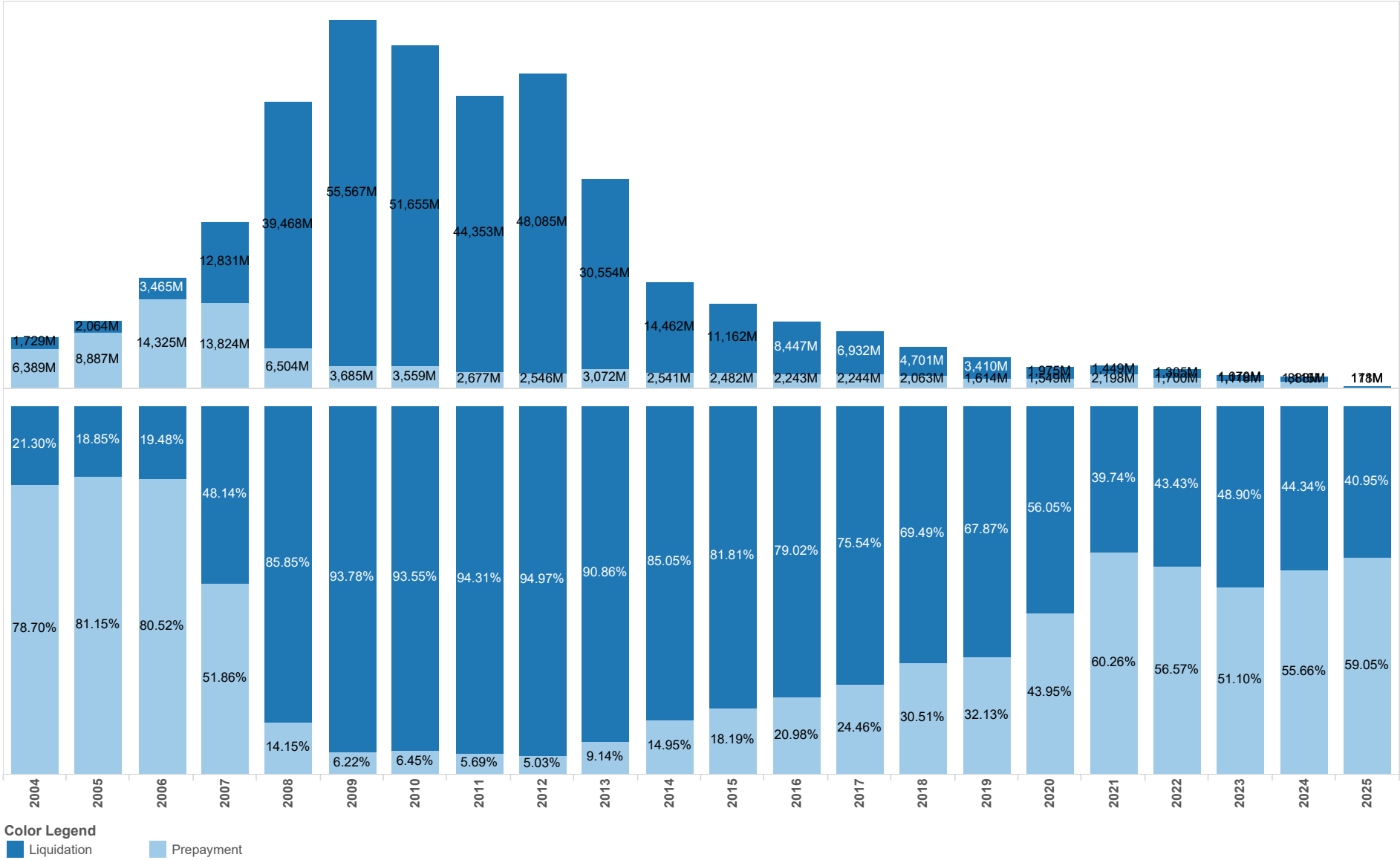
Source: SanCap, Corelogic
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Delinquent Loan Abatements

90+ and Foreclosure Only



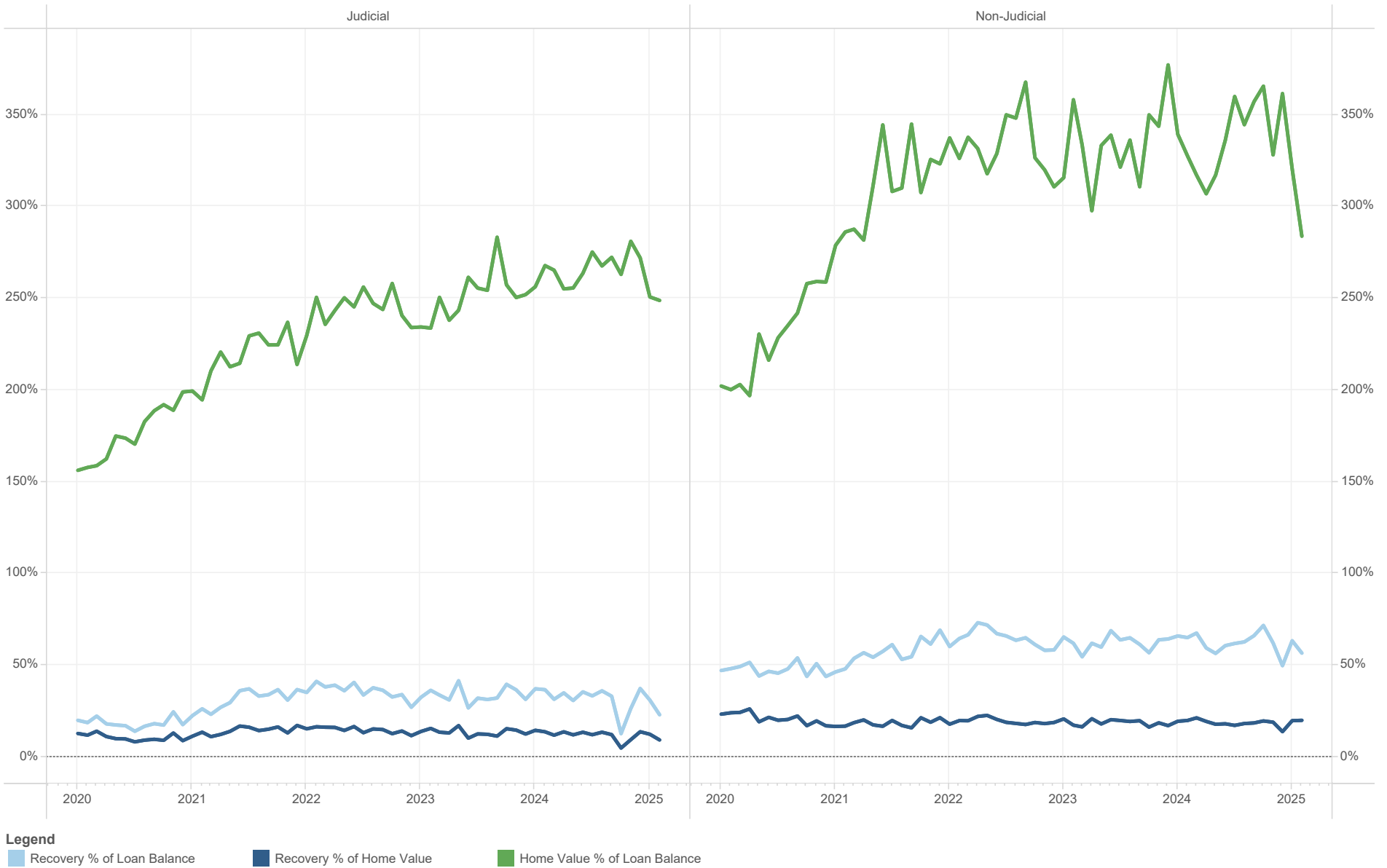
Color Legend
■ Liquidation
■ Prepayment

Source: SanCap, Corelogic
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Liquidation Recovery Percents of Loan Balance and Home Values



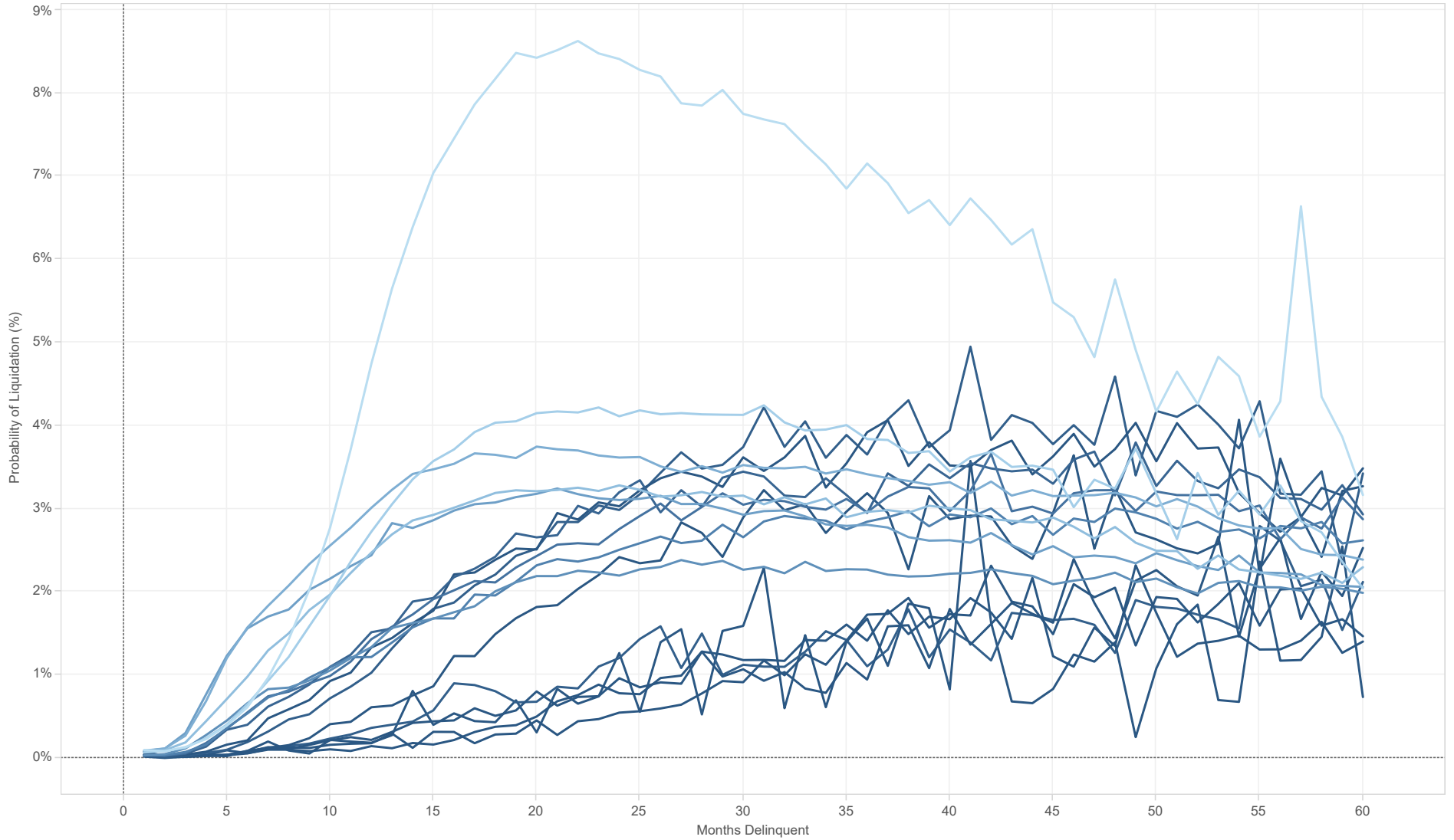
Source: SanCap, Corelogic
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Monthly Liquidation Probability of Delinquent Loans

Balance of Liquidated Loans Divided by Total Balance



Observation Year



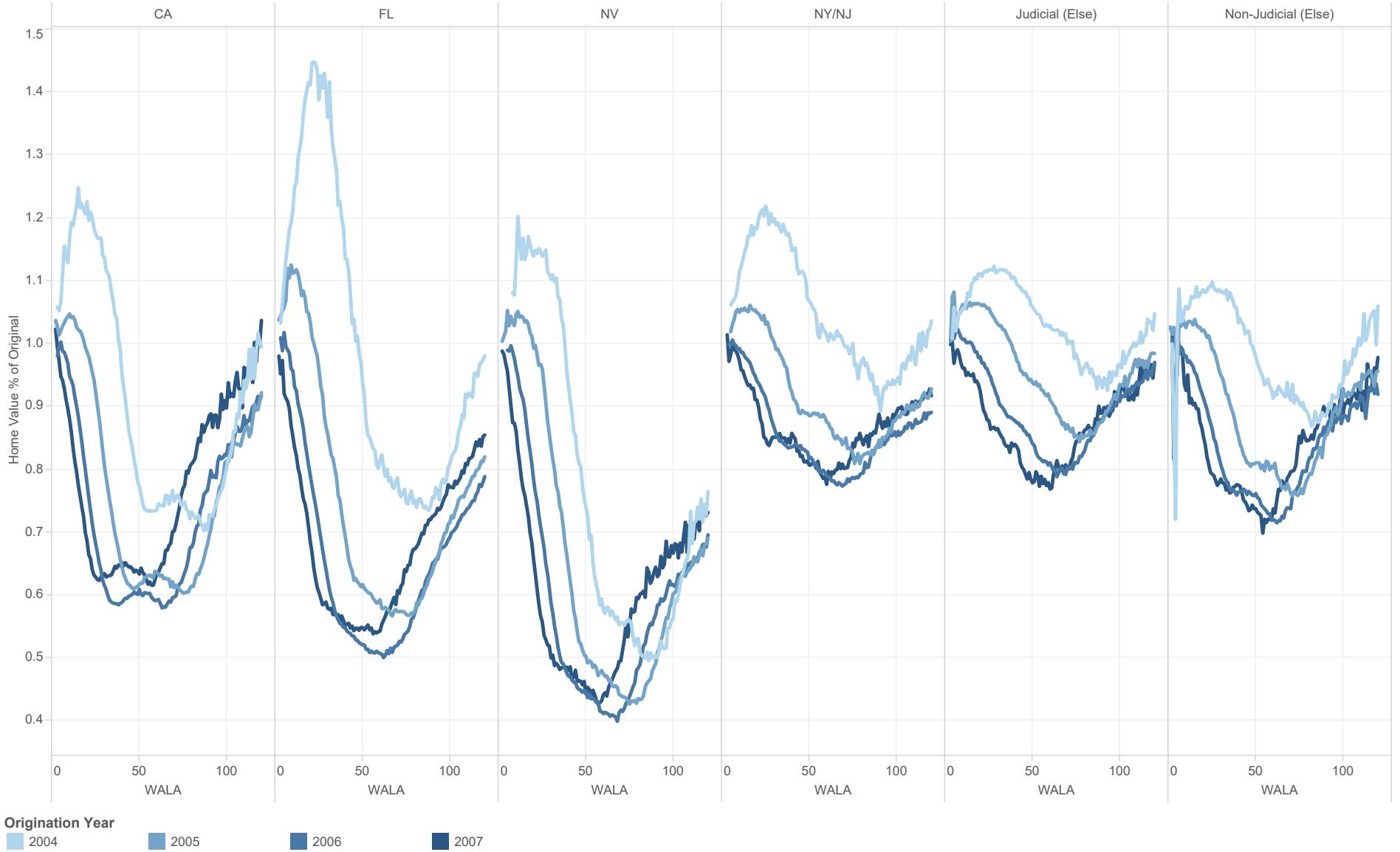
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Home Values for 2004-2007 Loans

Home Value Percents by Vintage and State

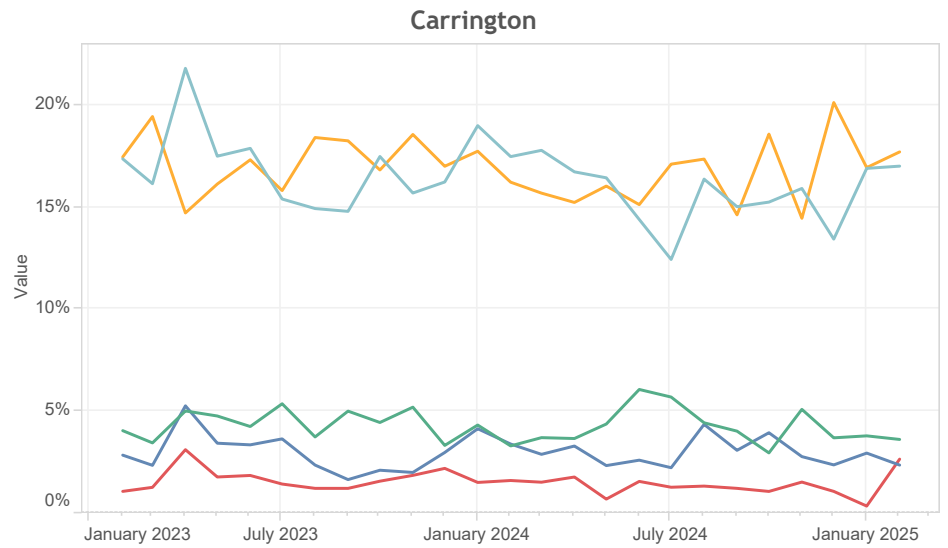
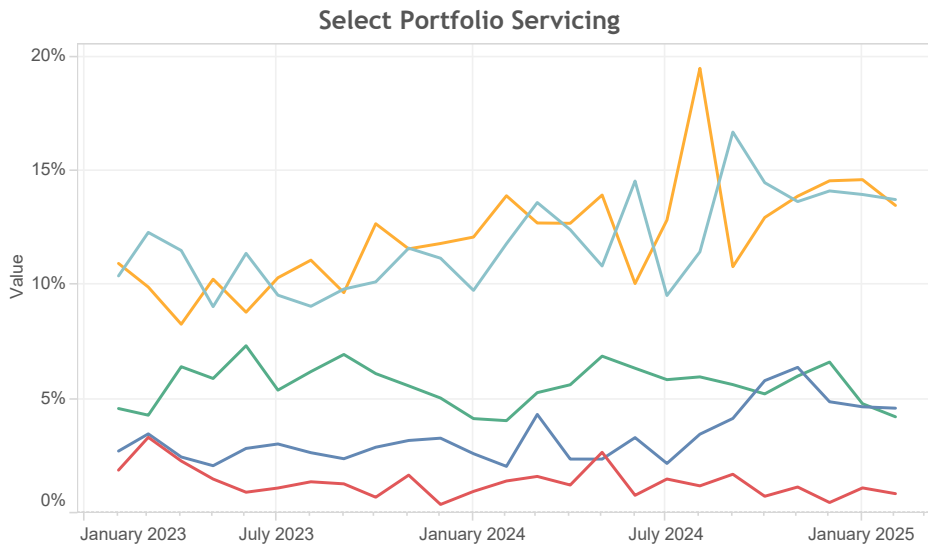
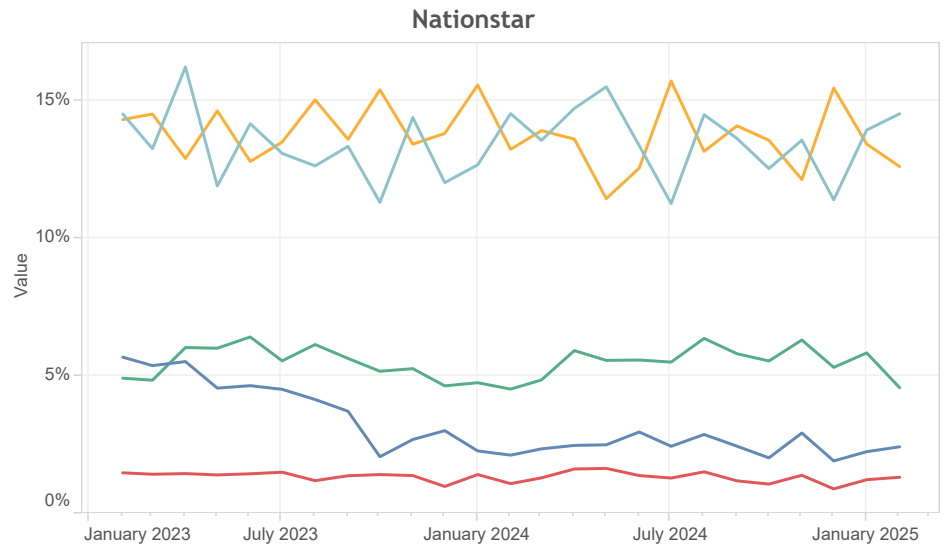
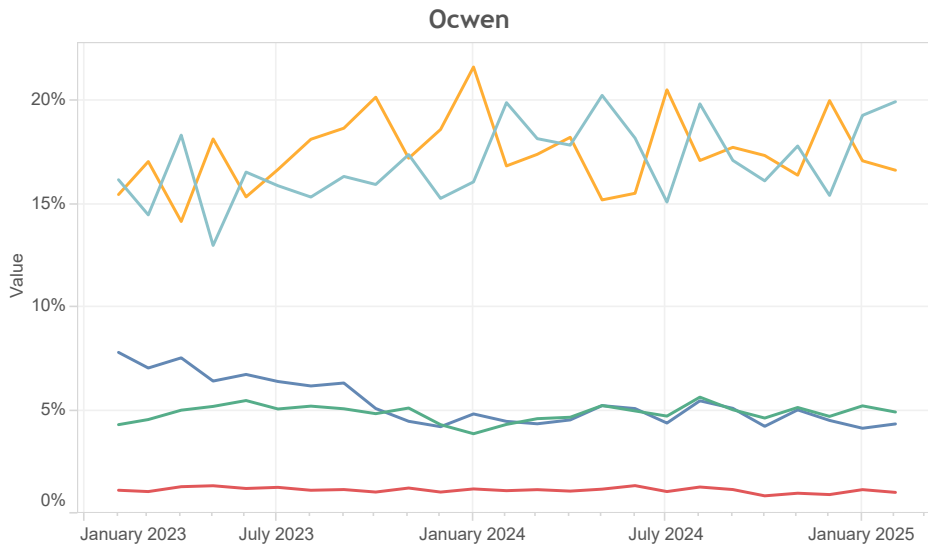


Source: SanCap, Corelogic
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Servicer Performance



Performance Measure

- VPR
- CCR
- CMR (Balance Modified)
- CTR
- CDR

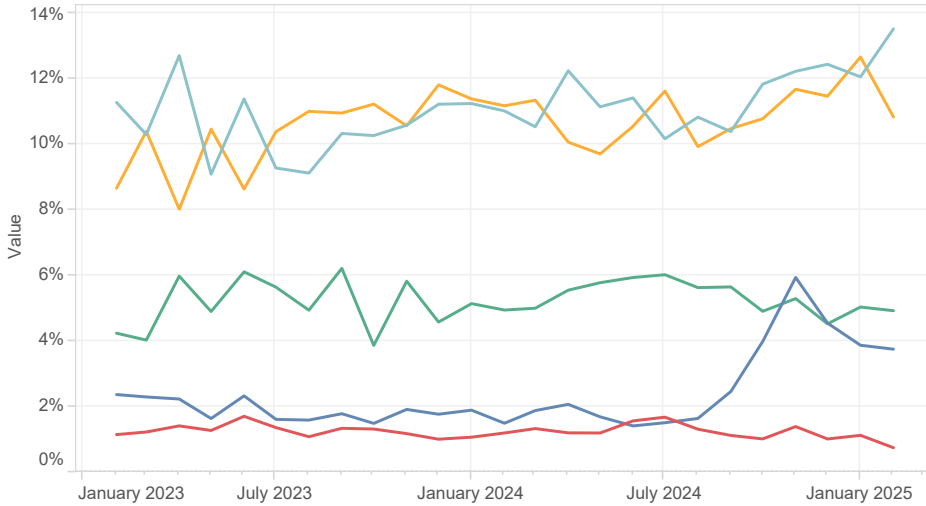
Source: SanCap, Corelogic
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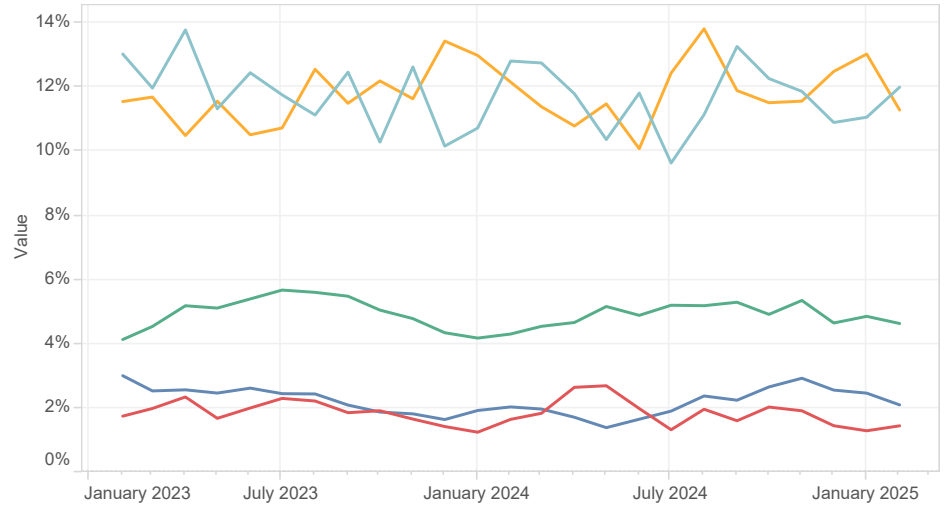
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Servicer Performance

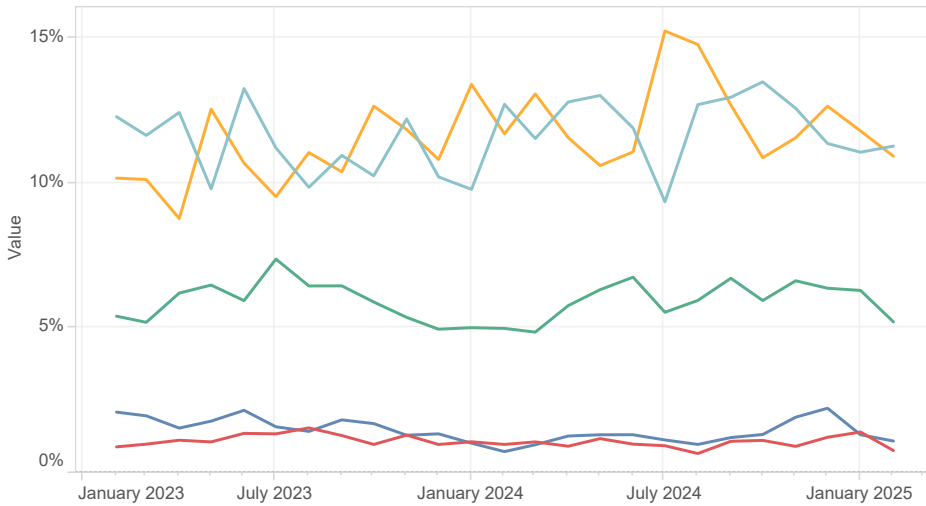
JP Morgan



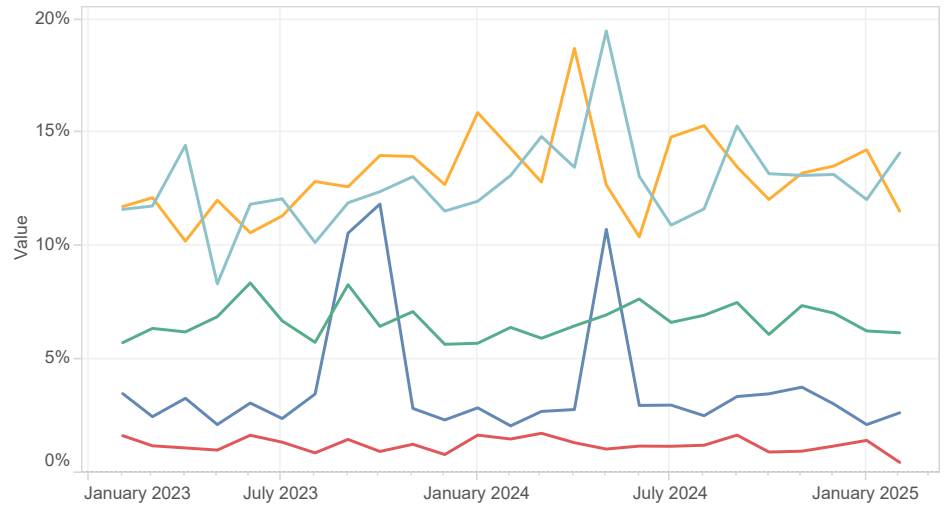
Bank of America



Wells Fargo



All Other Servicers



Performance Measure

- VPR
- CCR
- CMR (Balance Modified)
- CTR
- CDR

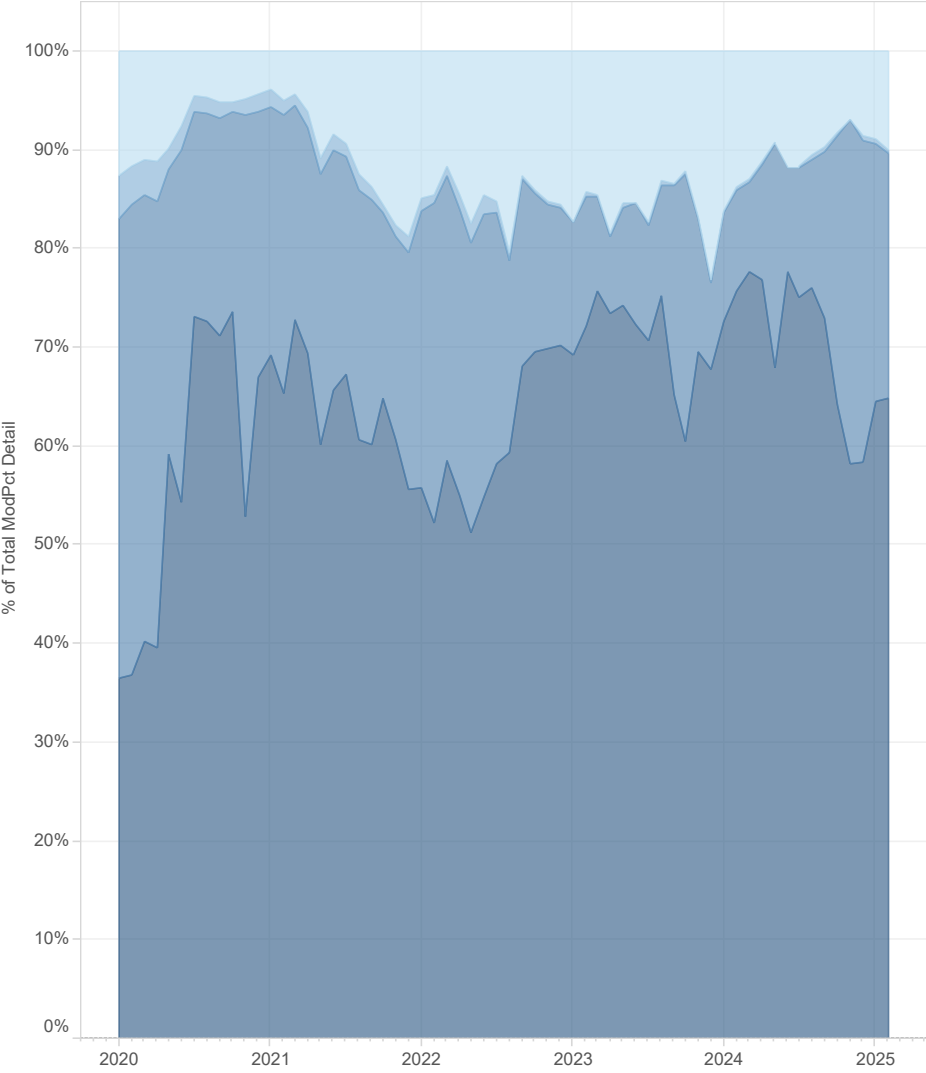
Source: SanCap, Corelogic
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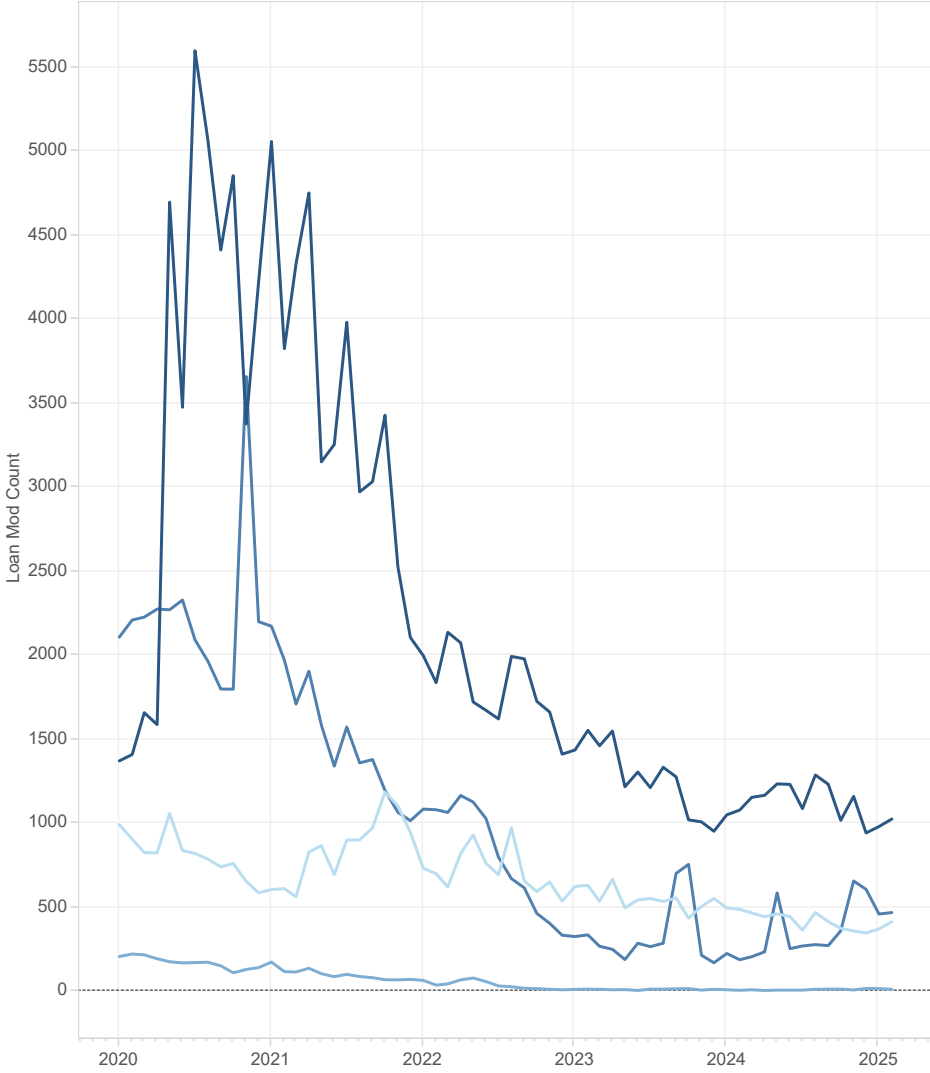
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Loan Modification Detail by Type of Modification

% Mod by Type



Modified Loan Count



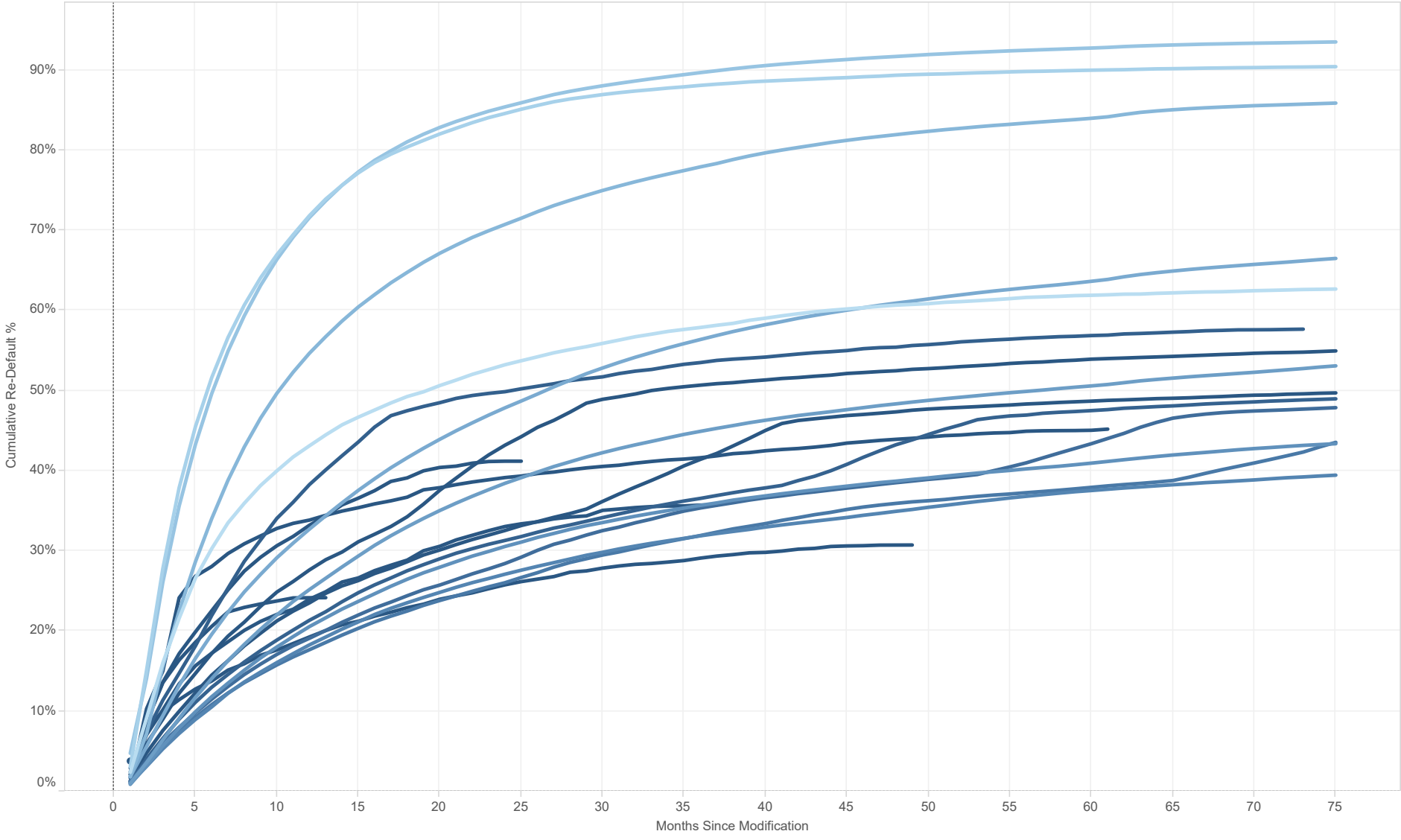
Modification Type

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

Source: SanCap, Corelogic
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Loan Modification Recidivism



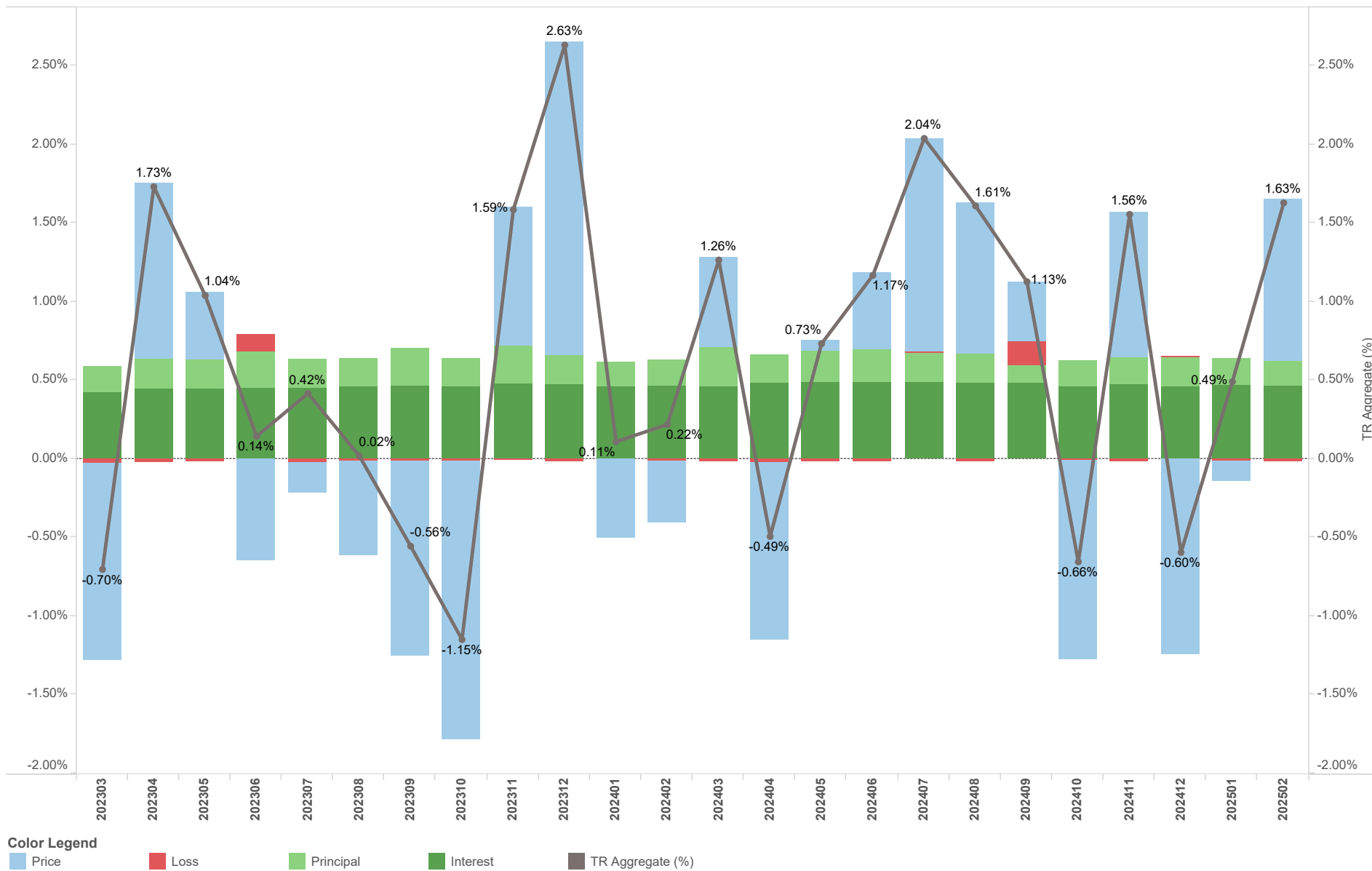
Year of Modification
 2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021

Source: SanCap, Corelogic
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Non-Agency Market Monthly Return Composition



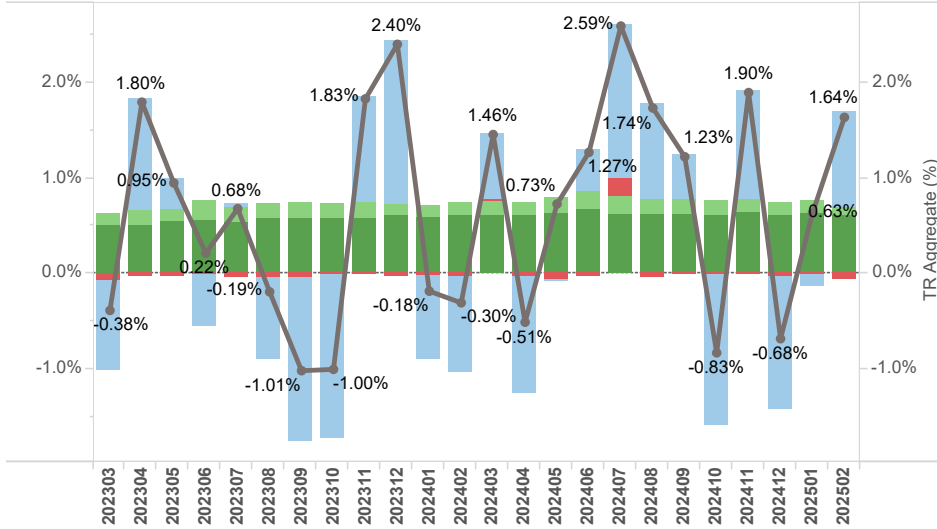
Source: SanCap, Corelogic, Intex, IDC
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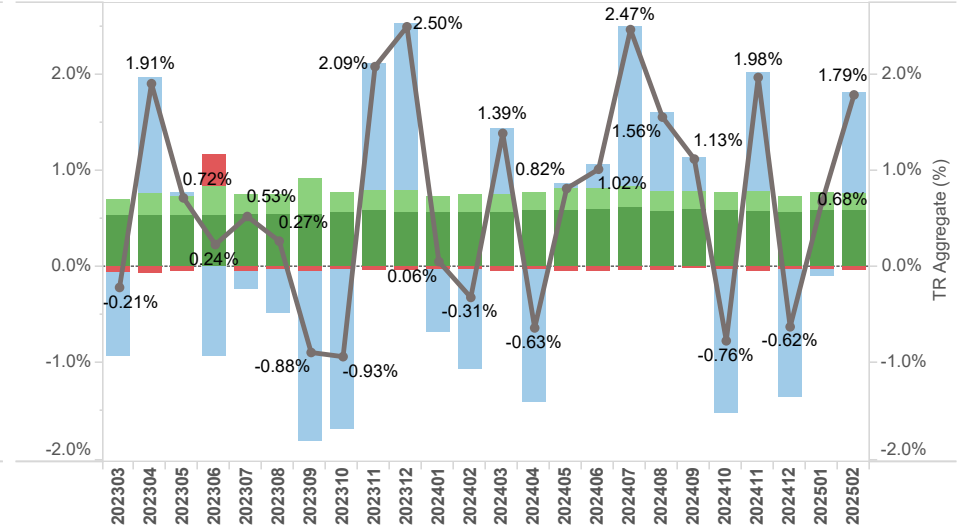
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Non-Agency Monthly Return Composition by Credit Type

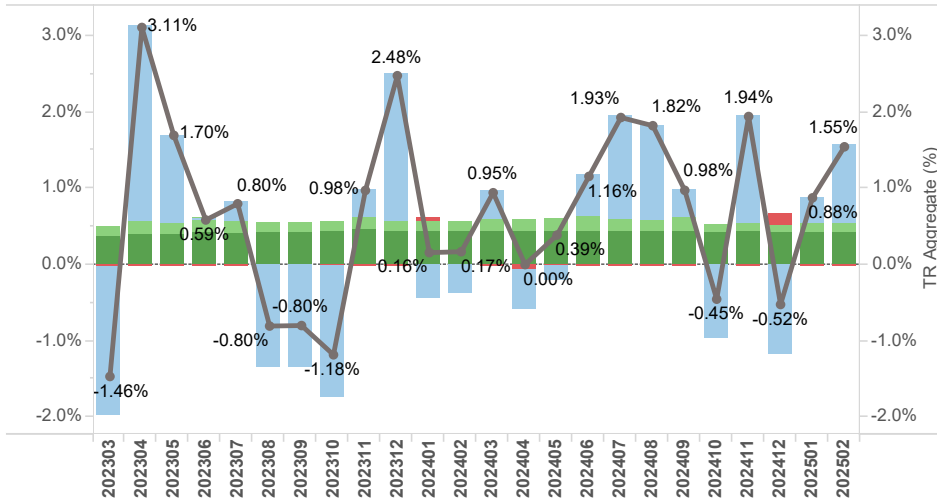
Prime



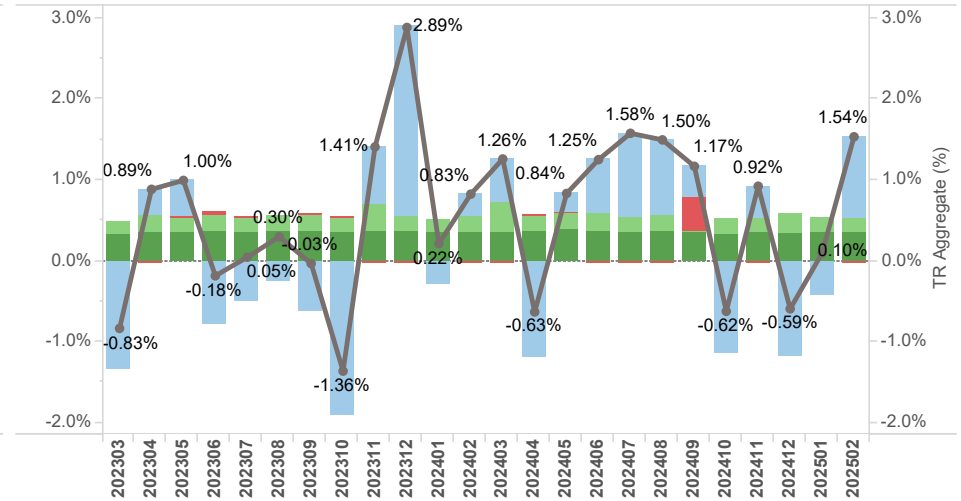
Alt-A



Option ARM



Subprime



Color Legend

- Price
- Loss
- Principal
- Interest
- TR Aggregate (%)

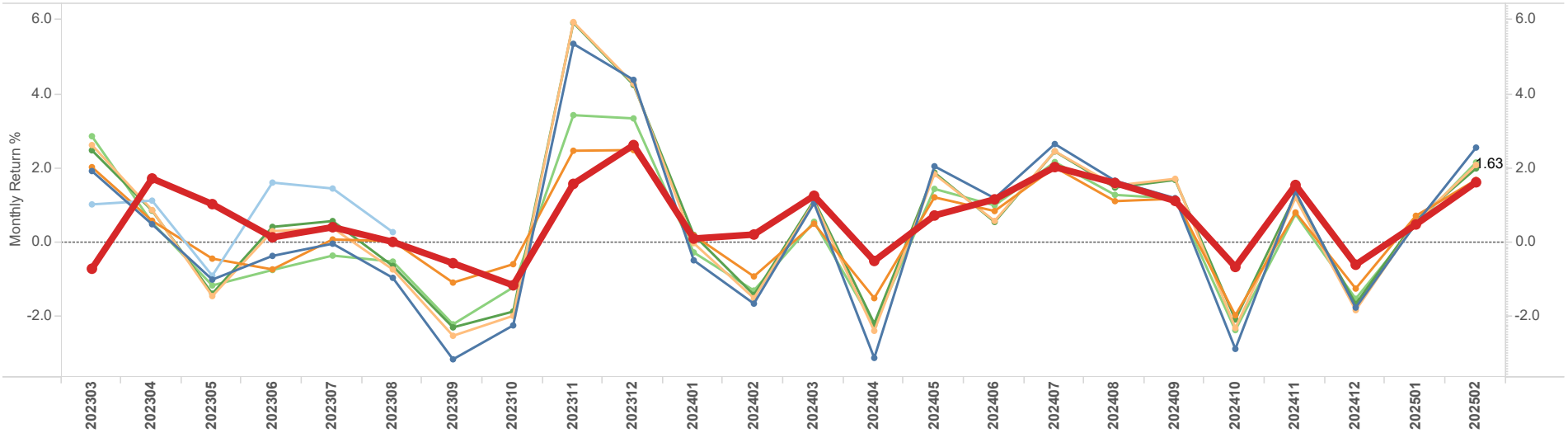
Source: SanCap, Corelogic, Intex, IDC
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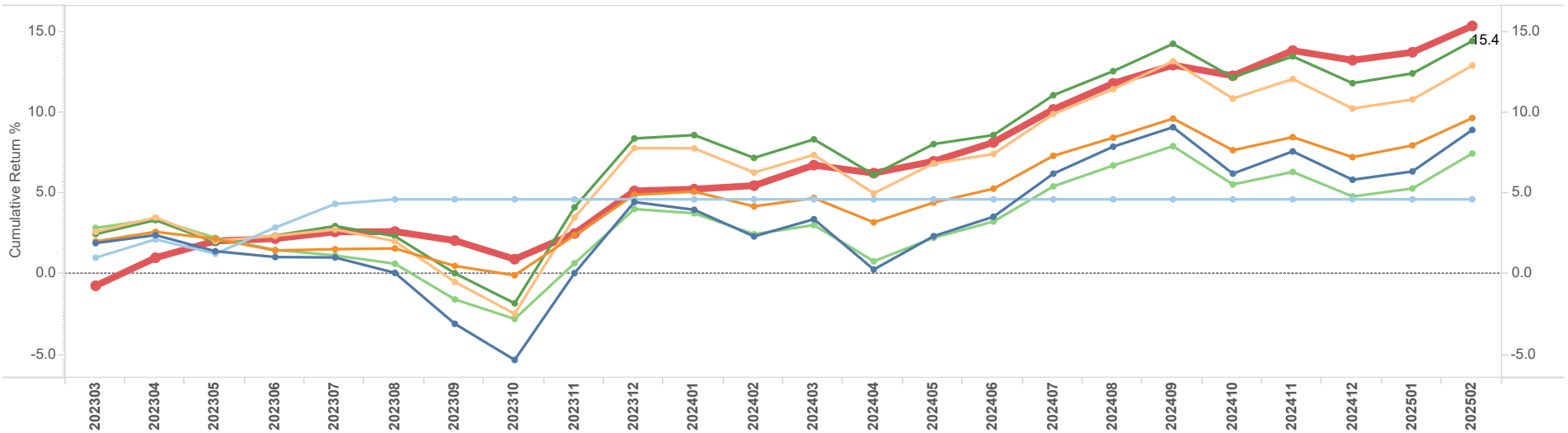
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Non-Agency Market Performance

Relative Monthly Returns



Relative Cumulative Monthly Returns



Index

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

NA RMBS

- Aggregate

Source: SanCap, Corelogic, Intex, IDC, YieldBook
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