



# Towards The Next Generation of RMBS

The APS Insurance Portfolio Strategy Conference

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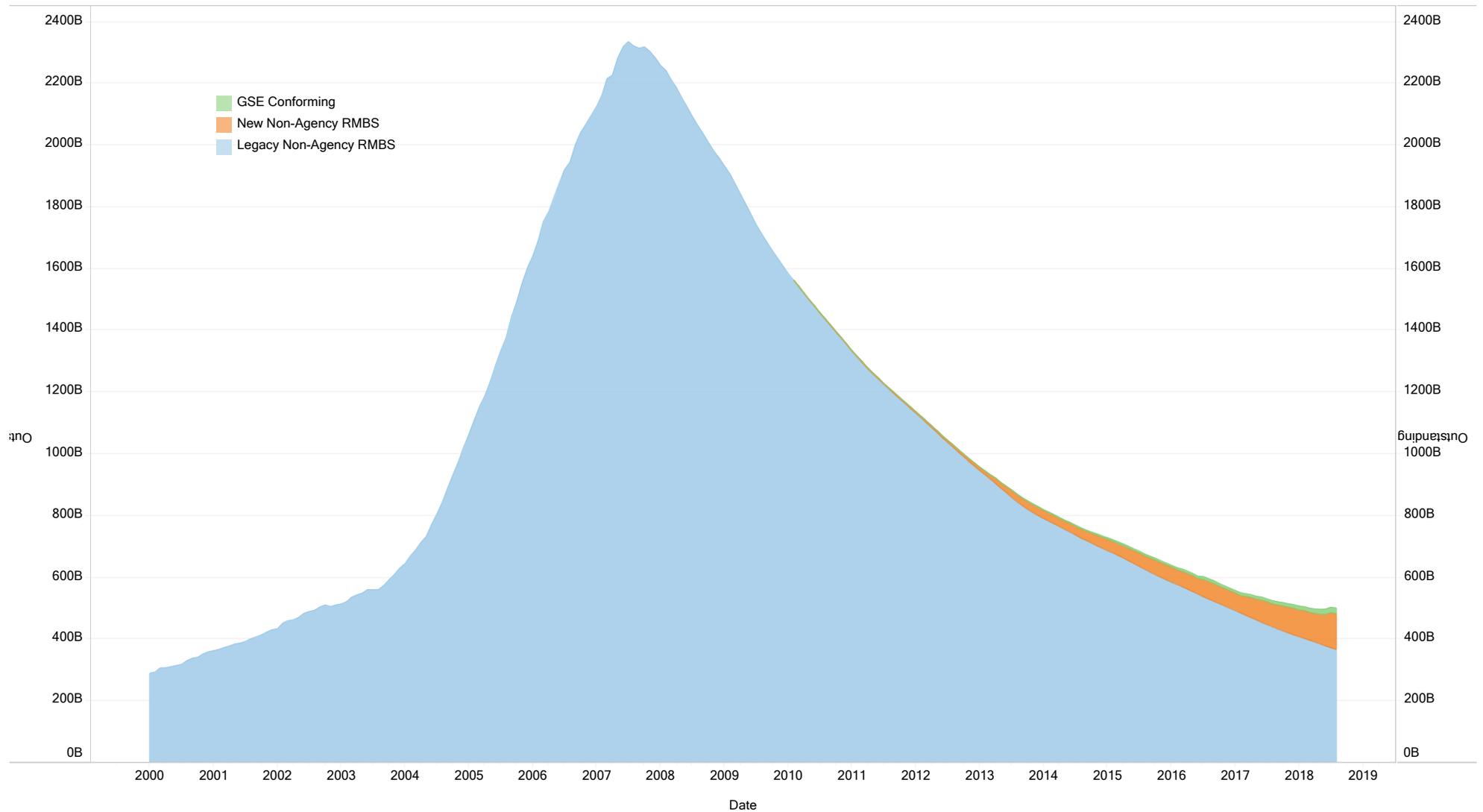
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# THE GENERATIONS OF RMBS

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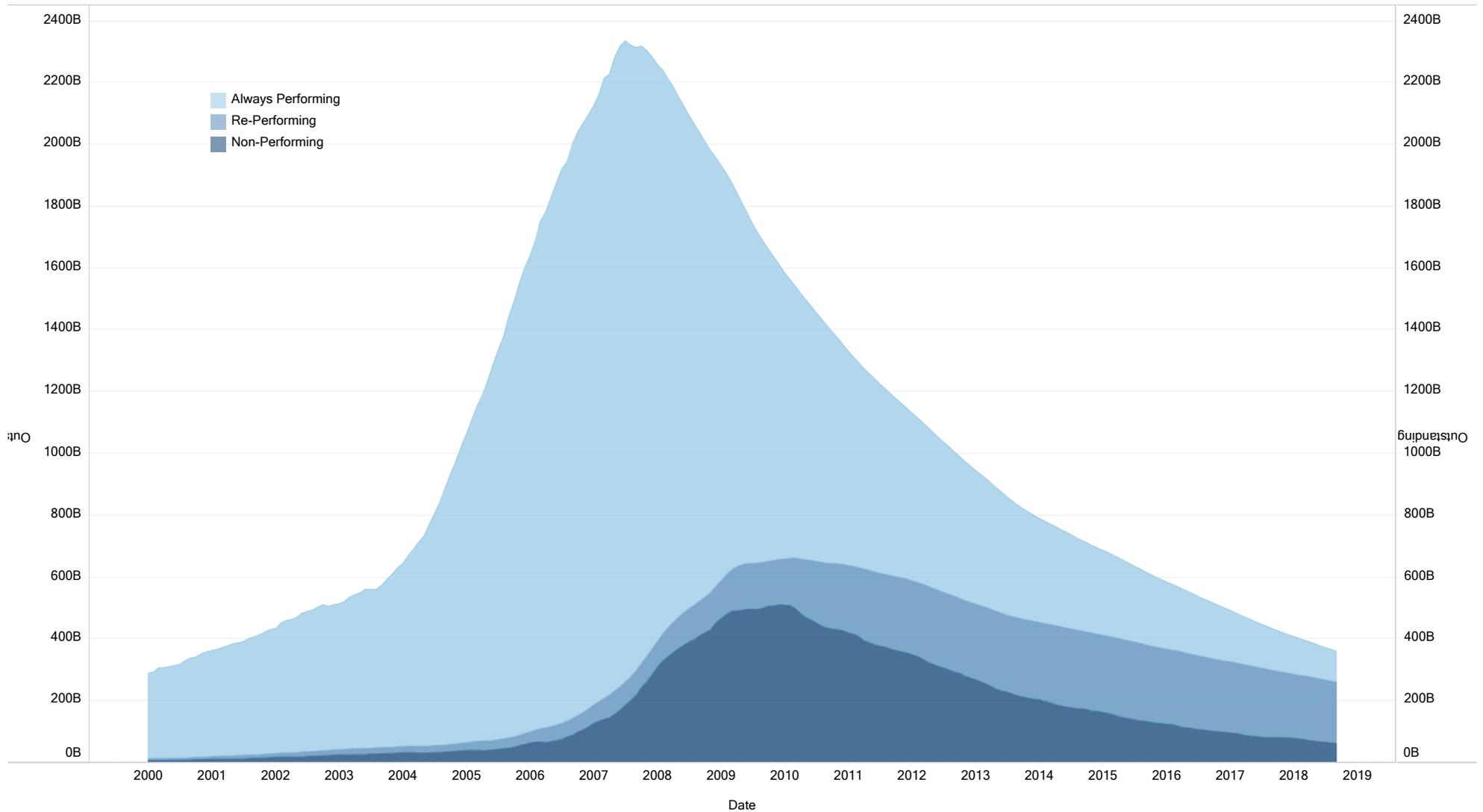
- **Legacy**
- The new RMBS
- GSE PLS

# A NEW GENERATION OF RMBS HAS STARTED TO REBUILD THE PRIVATE MARKET



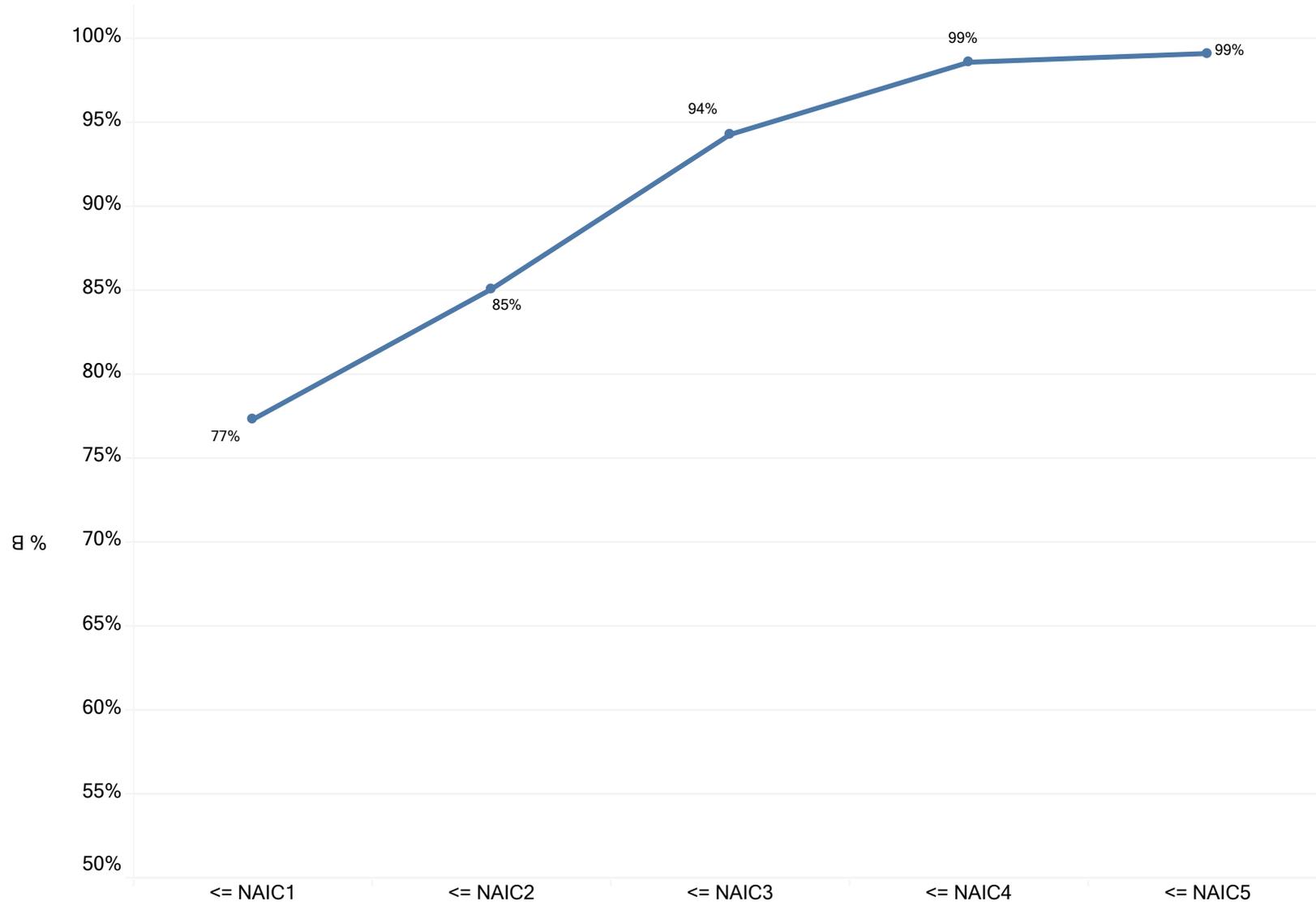
Source: Amherst Pierpont, Amherst InsightLabs

# THE LEGACY MARKET IS DOMINATED BY BORROWERS WITH STORIES



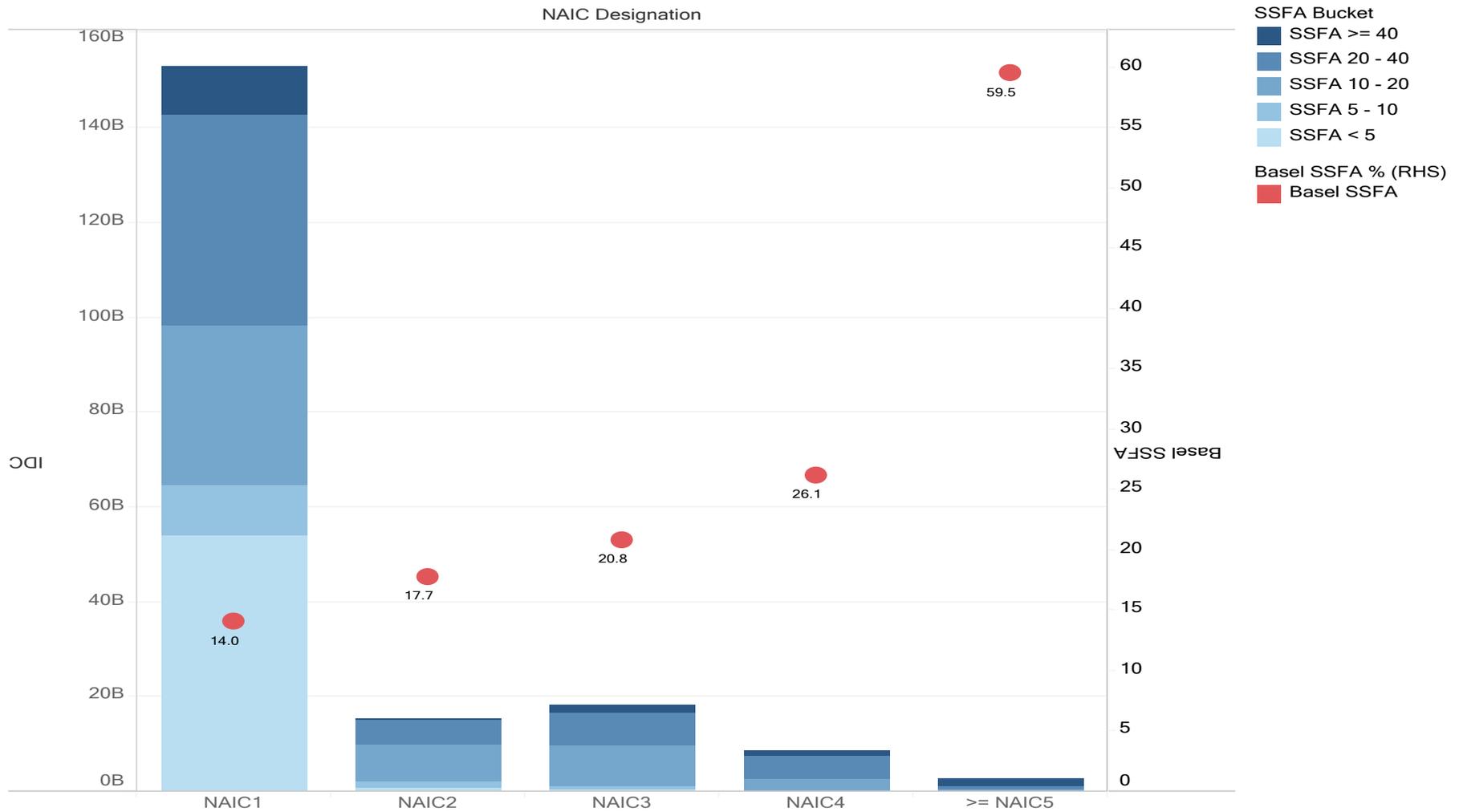
Source: Amherst Pierpont, Amherst InsightLabs

# THE VAST MAJORITY OF LEGACY RMBS STILL REPRESENTS OPPORTUNITY FOR INSURERS



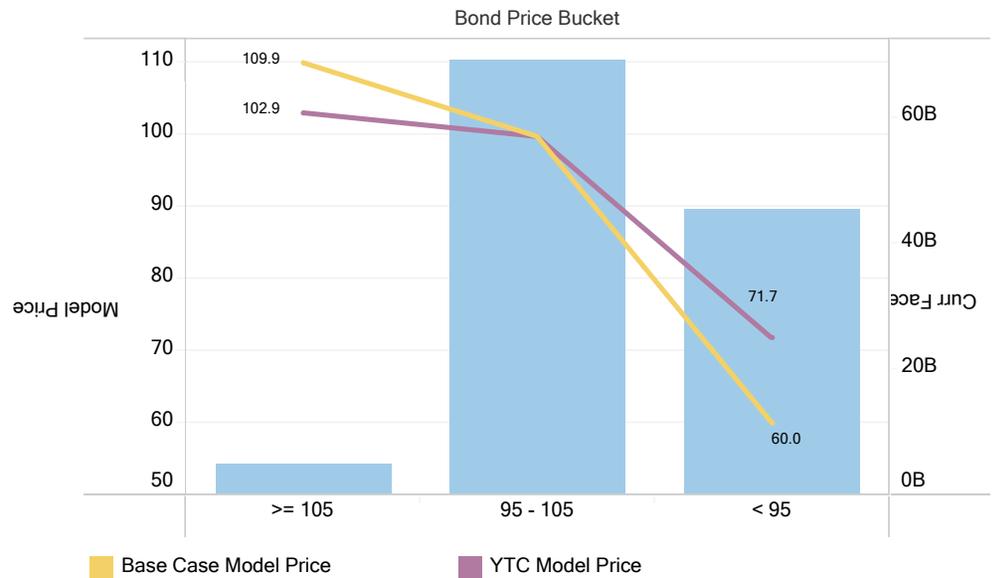
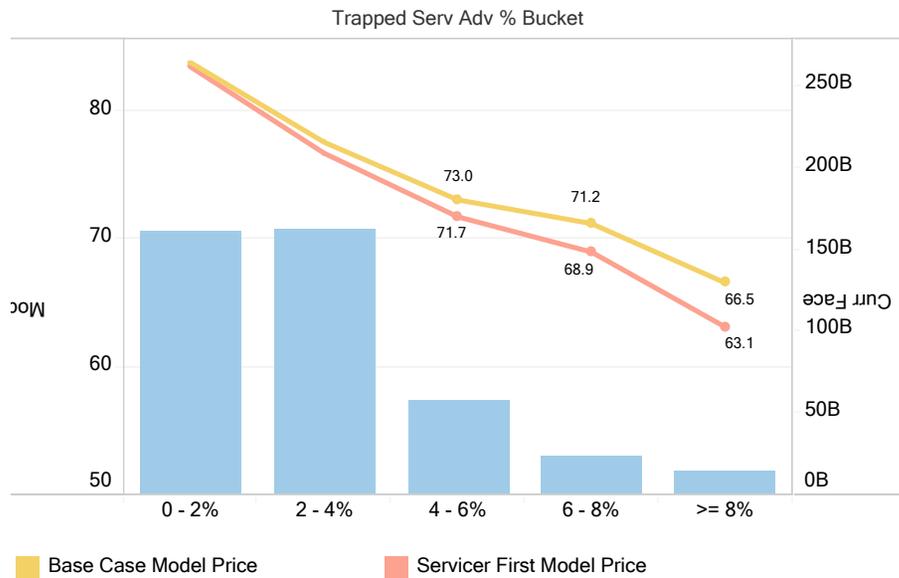
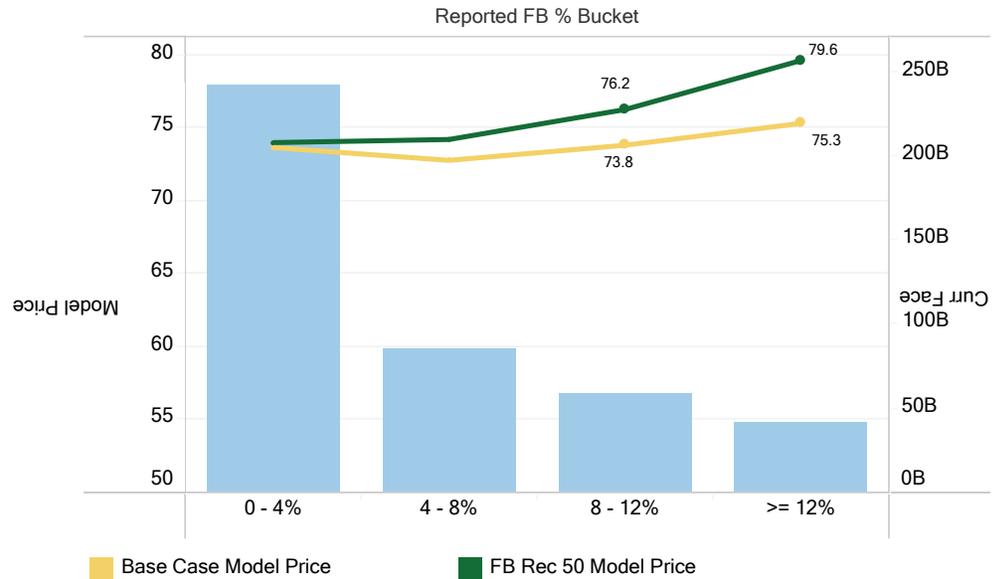
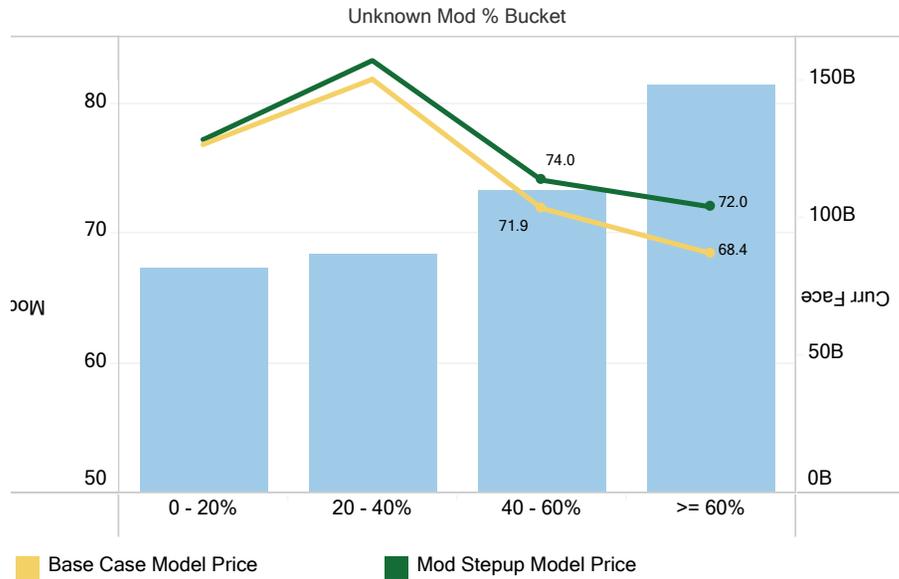
Source: Amherst Pierpont, Amherst InsightLabs, IDC, NAIC

# INSURERS HAVE ADVANTAGE OVER BANKS



Source: Amherst Pierpont, Amherst InsightLabs, IDC, NAIC

# LEGACY RMBS HAS A RANGE OF VALUABLE OPTIONS



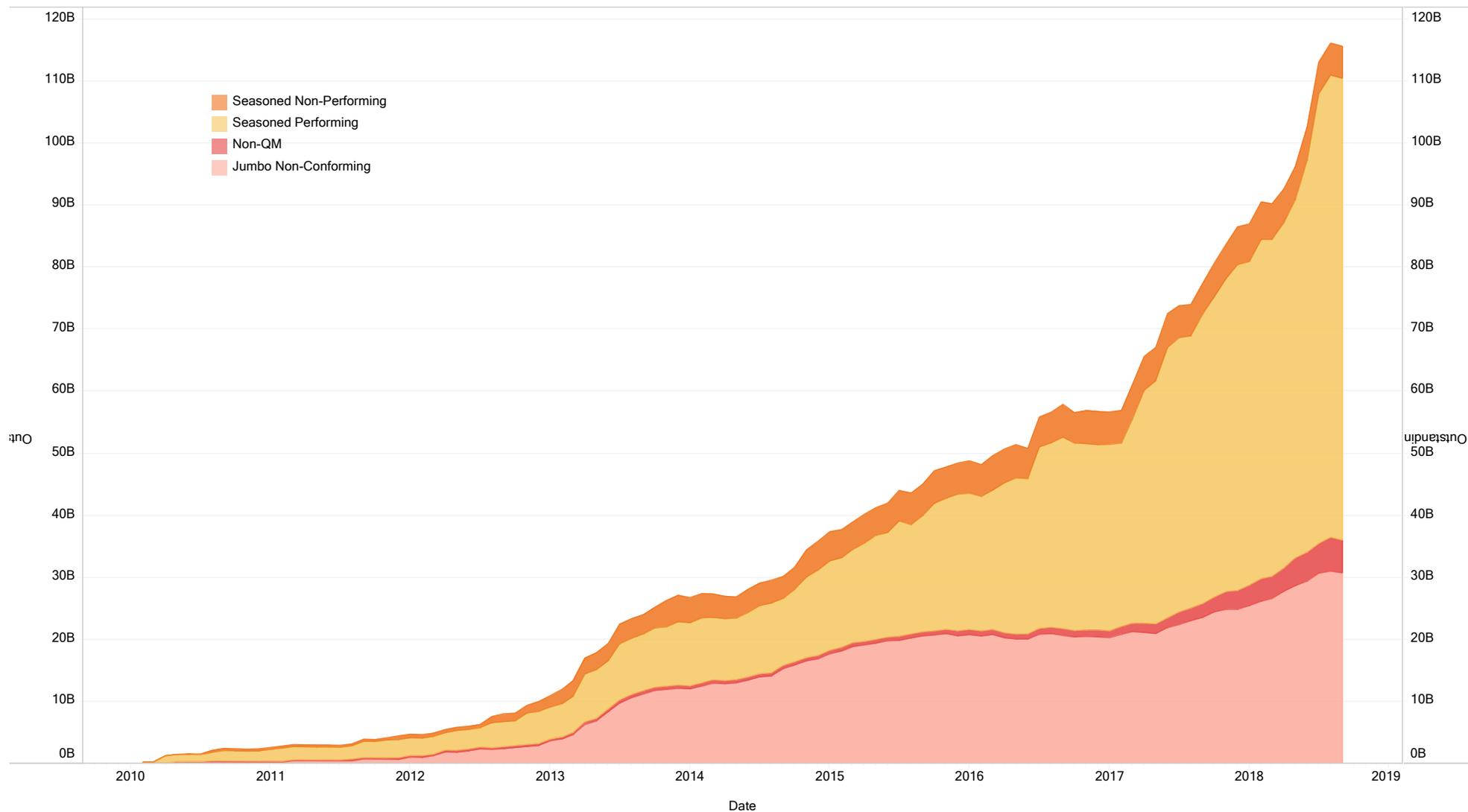
Source: Amherst Pierpont, Amherst InsightLabs, Intex

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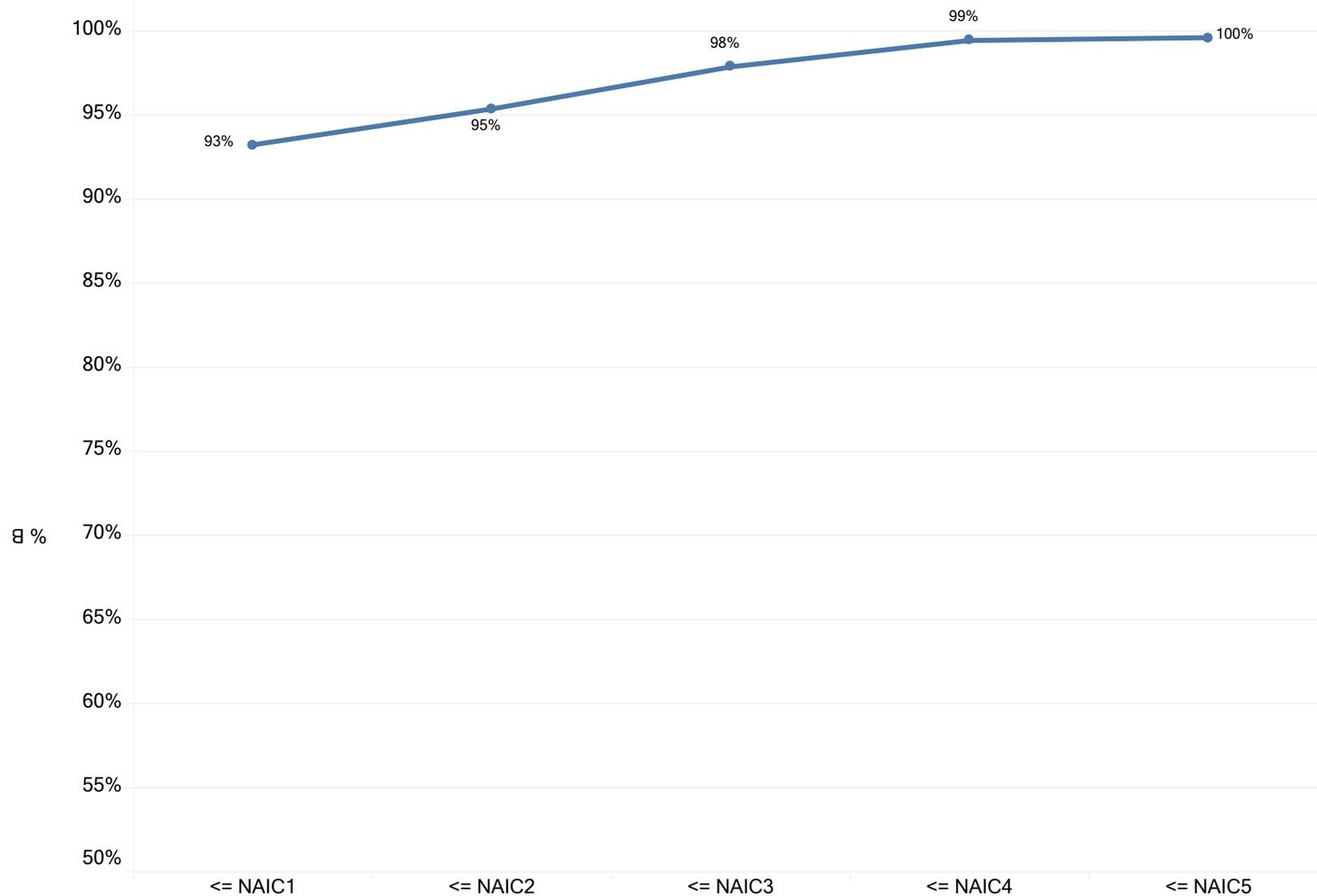
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# NEW AND SEASONED PERFORMING LOANS DOMINATE NEW RMBS



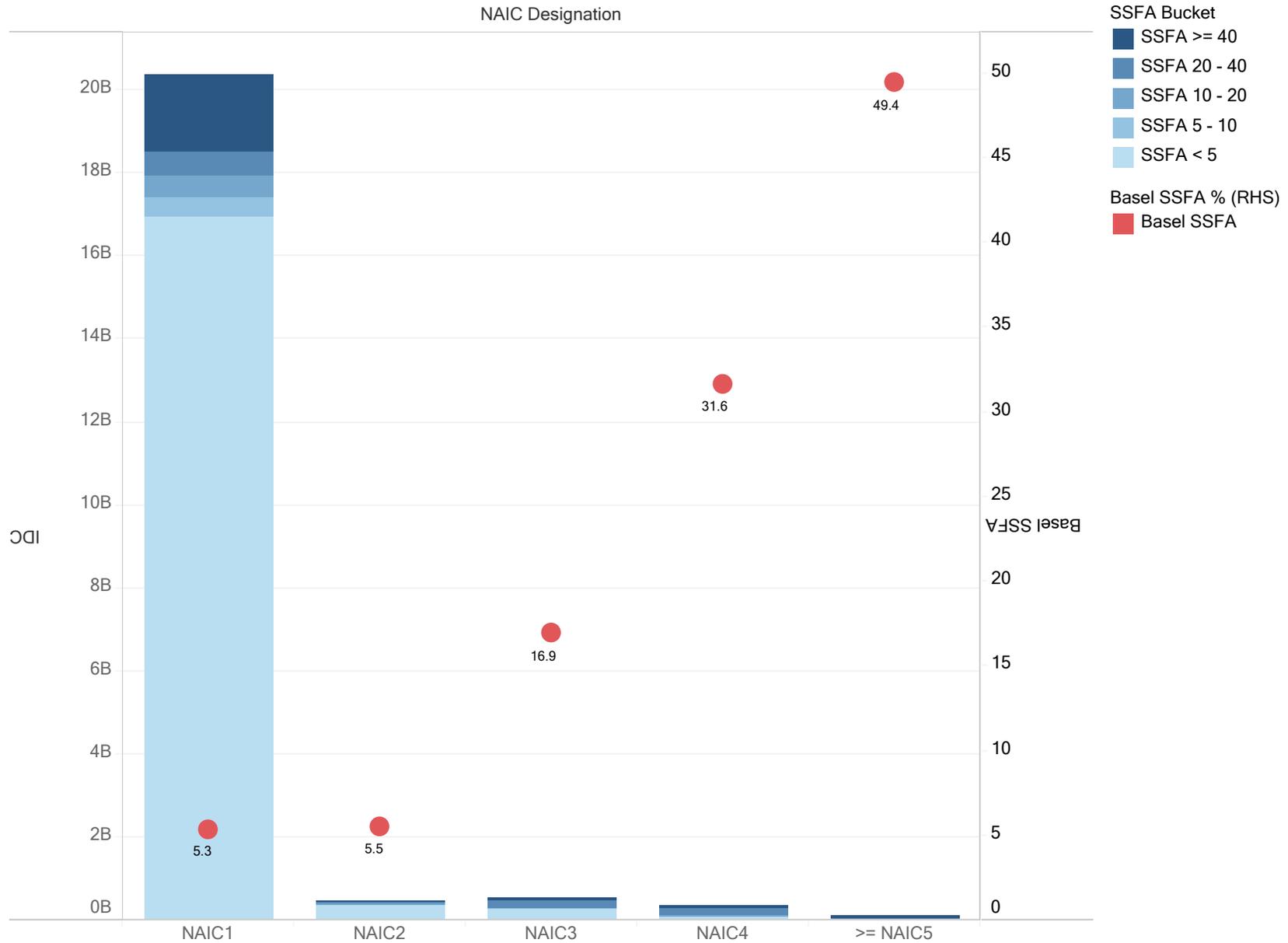
Source: Amherst Pierpont, Amherst InsightLabs

# NAIC CAPITAL TREATMENT IS STRONG



Source: Amherst Pierpont, Amherst InsightLabs, IDC, NAIC

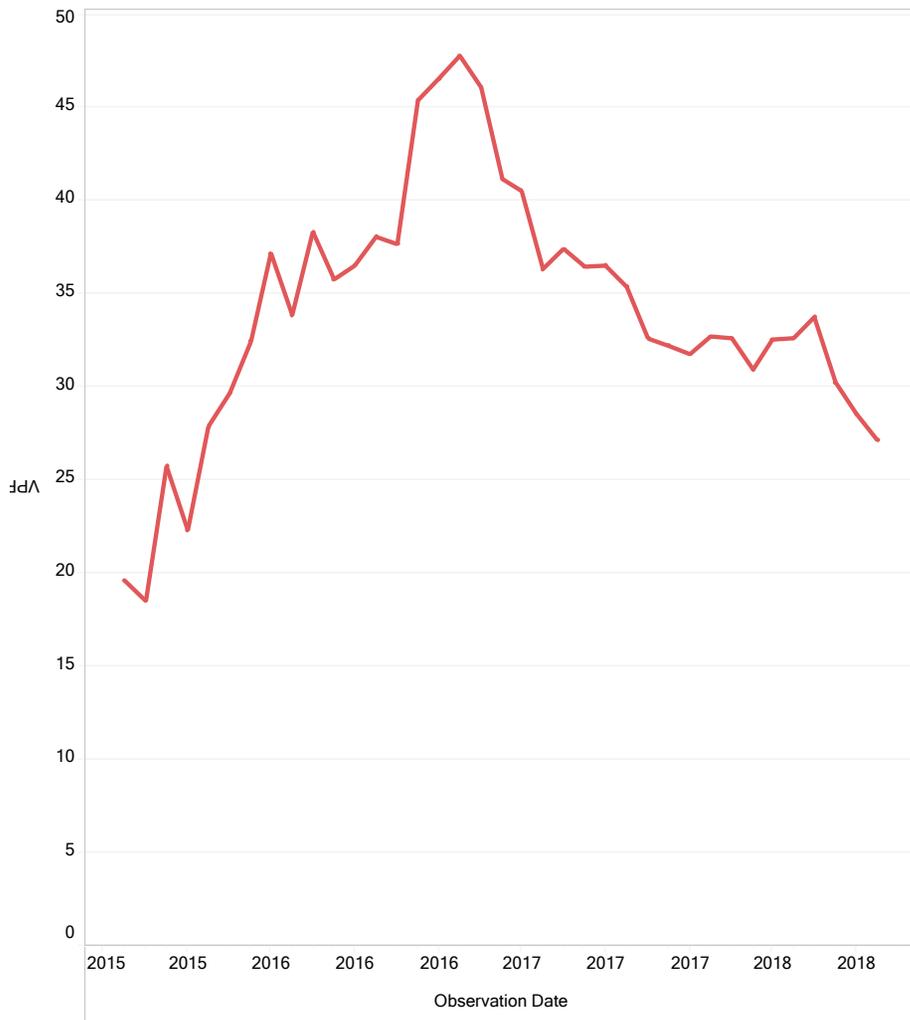
# BUT BANK CAPITAL TREATMENT IS STRONG, TOO



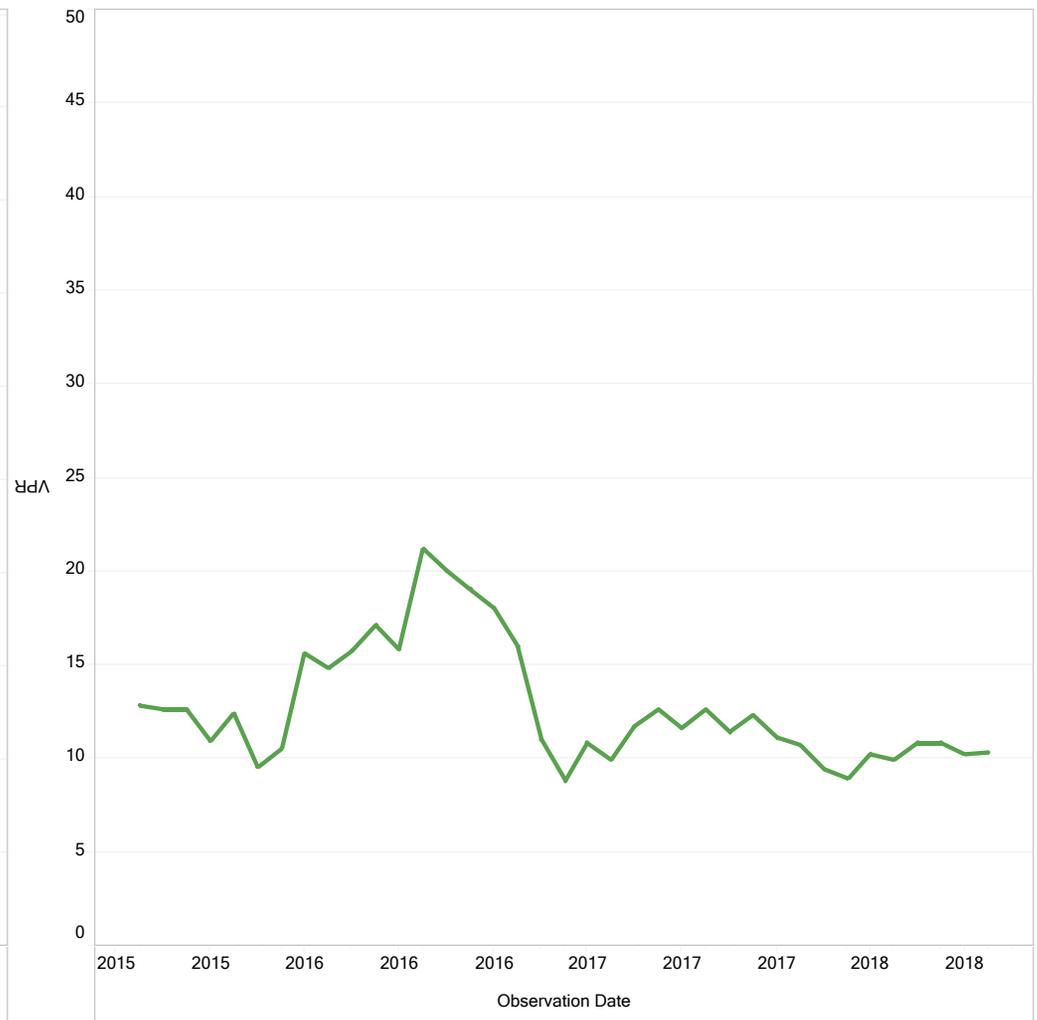
Source: Amherst Pierpont, Amherst InsightLabs, IDC, NAIC

# NEW PLS PREPAY QUICKLY

Non-QM



GSE 30y Fixed

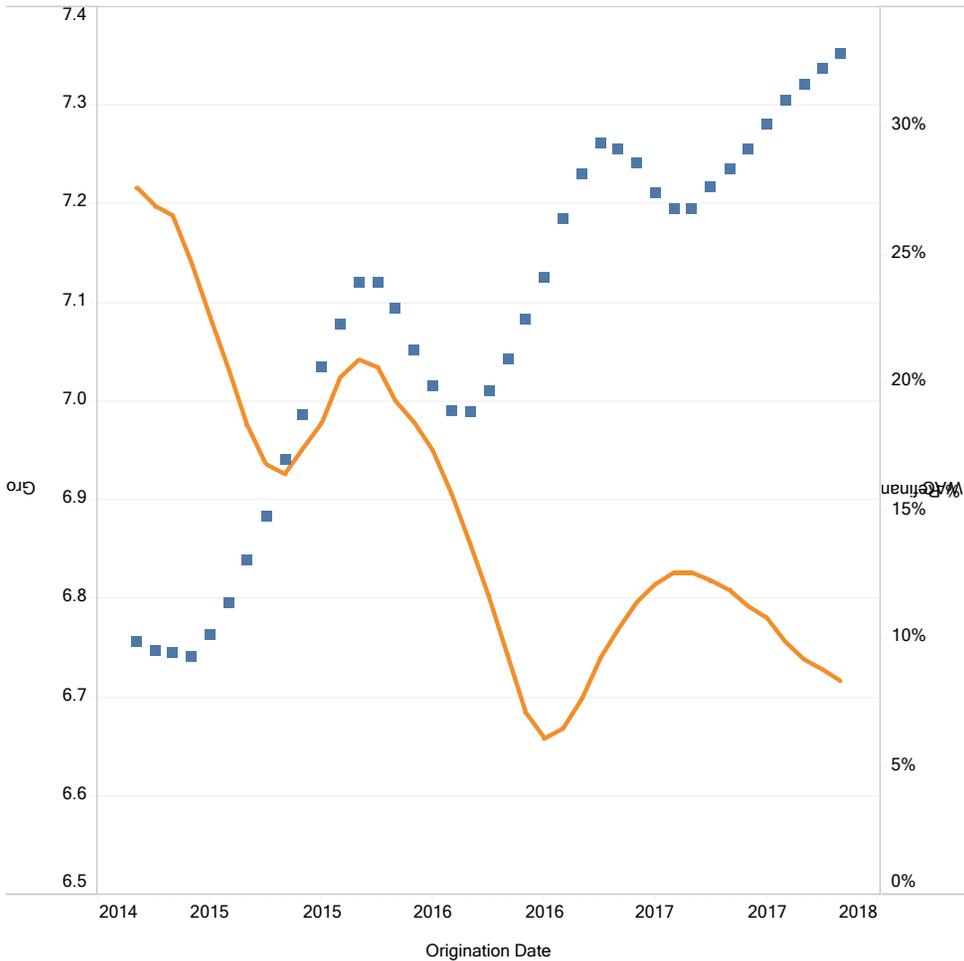


Source: Amherst Pierpont, Amherst InsightLabs, EMBS

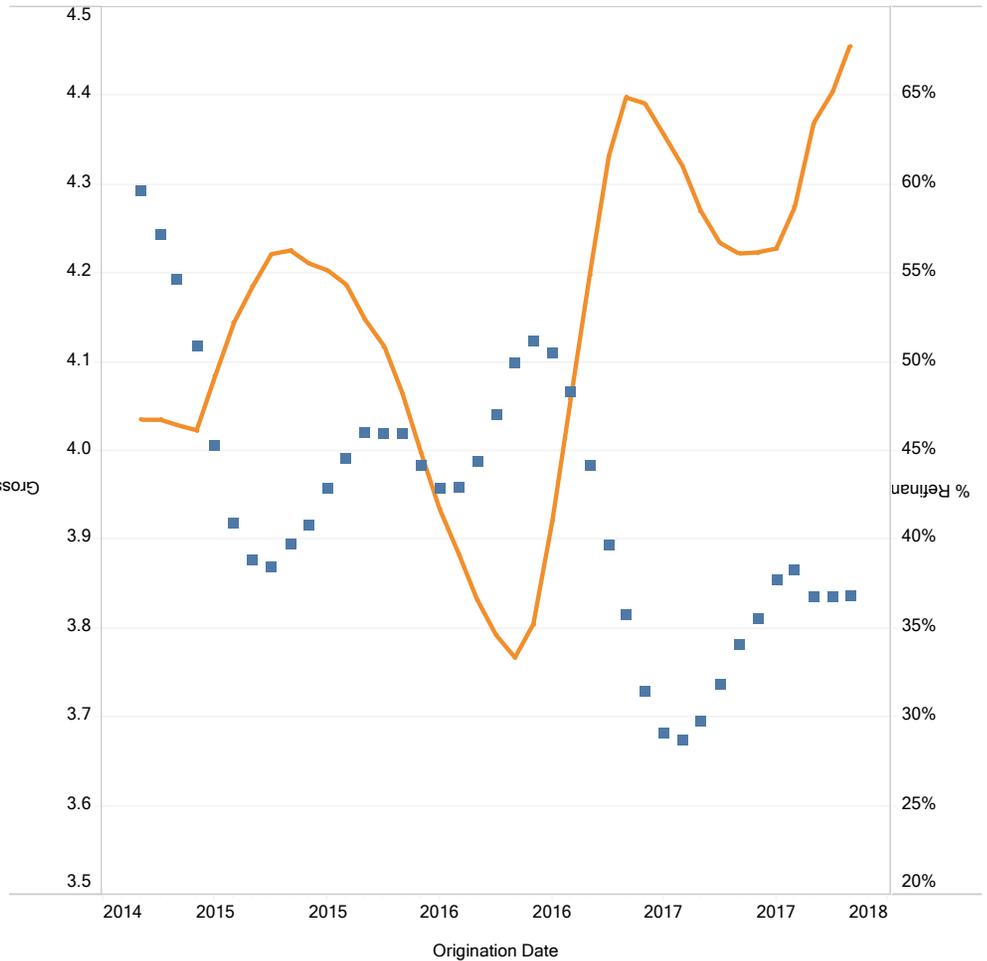
# FALLING PRIMARY RATES HAVE DRIVEN SPEEDS HIGHER

■ Origination GWAC (LHS) ■ Refinance % (RHS)

Non-QM



GSE 30y Fixed



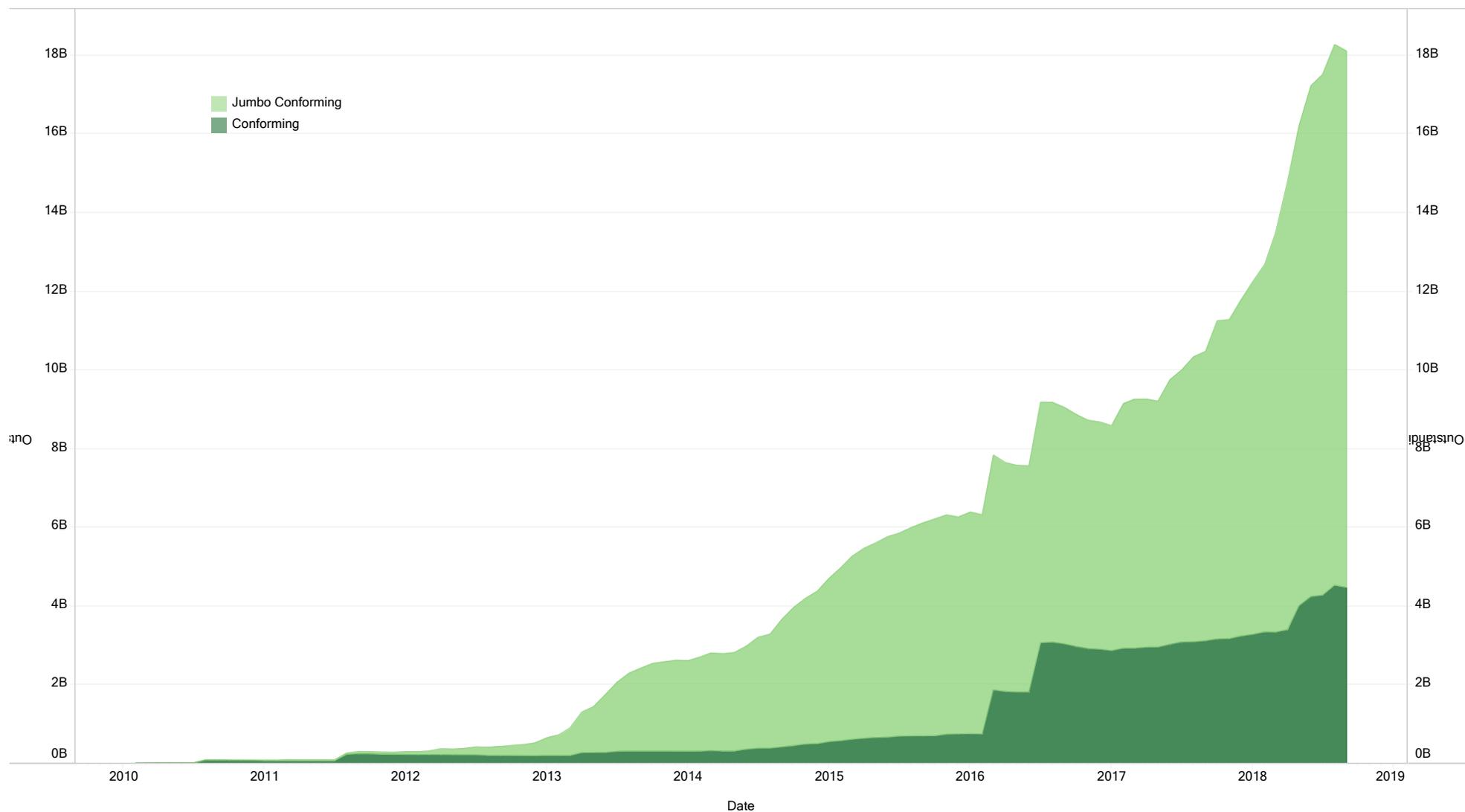
Source: Amherst Pierpont, Amherst InsightLabs, EMBS

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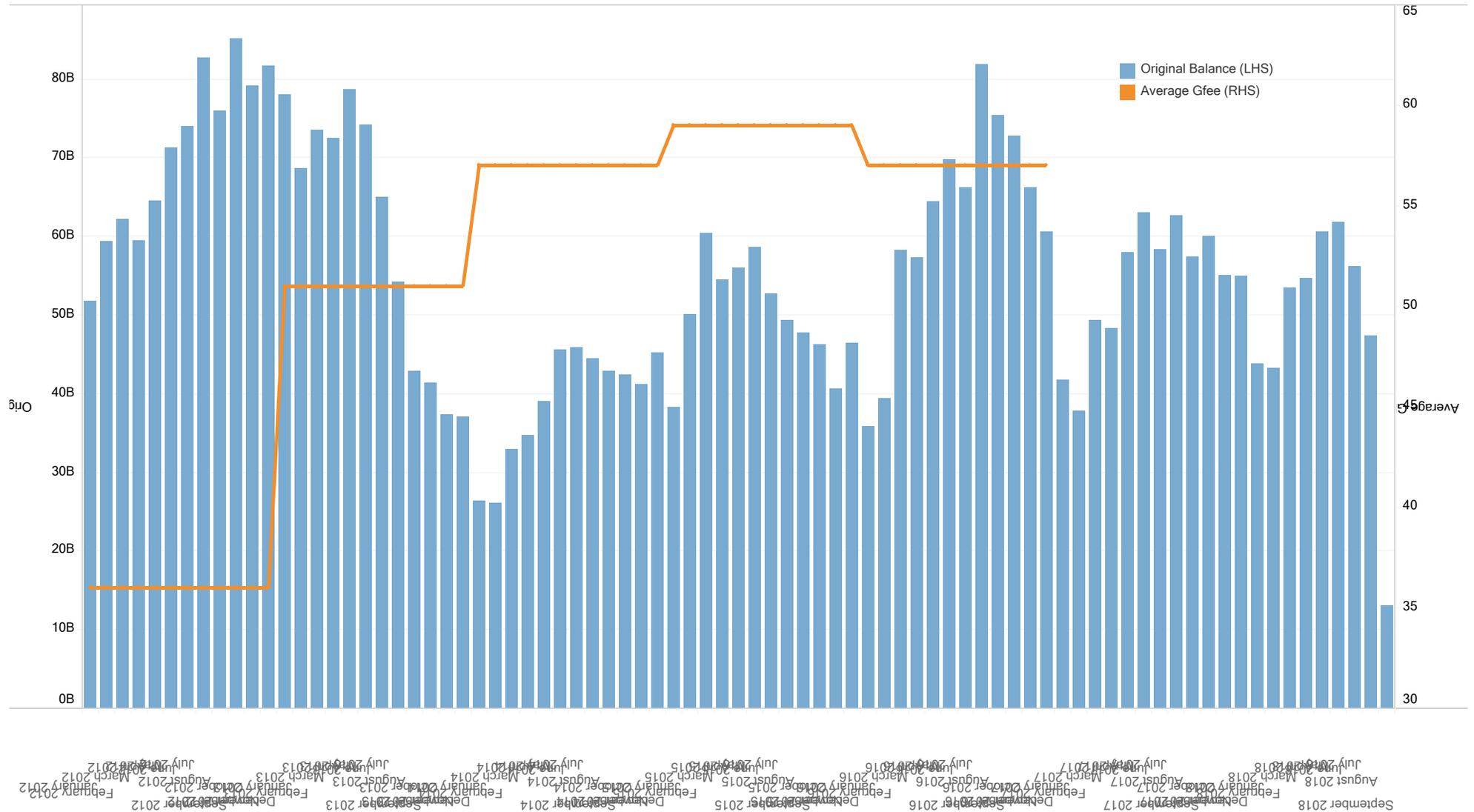
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# GSE CONFORMING PLS



Source: Amherst Pierpont, Amherst InsightLabs

# RIISING GSE FEES HAVE OPENED THE DOOR TO PRIVATE SECURITIZATION



Source: Amherst Pierpont, Amherst InsightLabs, EMBS, FHFA

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