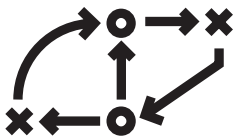


LEVELS[®] Model for U.S. Residential Mortgage Loans

Power your mortgage risk analysis with greater insight

Effectively manage credit risk and best execution for securitized loans with **S&P Global Ratings Loan Evaluation and Estimate of Loss System (LEVELS)**. LEVELS utilizes residential mortgage loan characteristics, borrower data and regional economic data to produce in-depth loan-level analysis and reports with estimates of loan/pool-level performance. Obtain the essential insights you need in order to assess credit risk associated with individual or pool-level U.S. mortgage loans.



Calibrated to S&P Global Ratings criteria and methodology

The LEVELS credit model is typically used by S&P Global Ratings analysts as a starting point in the credit assessment of residential mortgage loans backing US RMBS. LEVELS provides:

- Rich data - calibrated on the performance of nearly eight million mortgage loans originated since 1998*
- Algorithms aligned and maintained to the latest S&P Global Ratings criteria and credit enhancement adjustment factors
- The ability to analyze one or thousands of loans at one time, across multiple economic stress scenarios
- A model that supports non-qualified mortgage (Non-QM) loans as well as seasoned and more traditional newly originated conforming and non-conforming loans



Analyze and manage consumer mortgage exposure

LEVELS calculates two fundamental credit risk estimates:

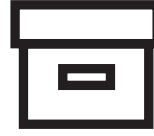
- **Foreclosure Frequency:** LEVELS assigns risk factors to each loan's key characteristics and computes a probability of default or "foreclosure frequency" for every loan
- **Loss Severity:** LEVELS provides an analysis of each loan's collateral characteristics in order to generate an expected loss given default (LGD) or "loss severity" on a loan-by-loan basis. The LGD and estimated loss or "loss coverage" of an individual mortgage loan and/or pool of loans is expressed in percentage and dollar-amount terms



Extensive coverage

LEVELS currently supports various loan types:

- Residential mortgage loans
- Prime/Non-prime
- First liens
- Second liens
- Federal Housing Administration/Veterans Affairs pools (FHA/VA)
- Credit Risk Transfer (CRT)
- Prime-Jumbo
- Non-Qualified Mortgages (Non-QM)
- Debt Service Coverage Ratio loans made to consumers (DSCR)
- Debt-to-Income (DTI)
- Property type such as: Single Family Residences (SFR), Planned Unit Development (PUD), Condominiums, 2-4 Family Units
- Loan purpose such as: Purchase/Cash-out/Rate-Refi loans
- Occupancy: Primary Home/Secondary/Investor Property
- Fixed Rate Loans/Adjustable Rate Mortgages
- Loan term
- Loans to multiple borrowers



Flexible delivery

Choose from two delivery options:

- **Desktop:** results are stored on your local database and can be viewed through custom reports
- **Engine:** a software application which can be integrated into a workflow. Results are returned from the engine and also written in output files via an API

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