

Killian, Chris

From: Killian, Chris

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To: Killian, Chris

Subject: FW: Richmond Offers

Attachments: 08092013 securitized products weekly.pdf

Found this interesting -- according to Nomura's estimates, MRP is only offering an average of 69% of property value for the --current-- loans in Richmond.

-Chris

According to data cited in the BNY Mellon lawsuit, the price for delinquent/foreclosure loans appears to be significantly below the 80% of updated home price threshold cited in MRP presentation materials. Figure 2 shows the average price offered as a percent of loan balance and updated home price (using zipcode-level HPI indices). Even after adjusting for the margin of error associated with the HPI indices and distressed home price discounts, it appears that the offered price for delinquent loans are approximately 40-53% of the updated value of the home, and for loans in foreclosure, around 30-42% of the value of the home - significantly lower than the 80% of home price valuation numbers that were discussed in the proposal.

Fig. 2: Average price offered as a percentage of loan balance and home price (for deals with BNYM as trustee)

Current status	Avg LTV	Months dq	Loan Count	Px (as % of balance)	Px (% as of updated home price)
Current	114	-	71	64%	69%
Delinquent	123	7	27	34%	39%
Foreclosure	120	10	3	27%	32%

Source: BNYM complaint, Loan Performance, Nomura

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