FitchRatings

Shellpoint Mortgage Servicing

Ratings

Residential Primary Servicer	
Subprime	RPS2–[a]
Residential Special Servicer	RSS2–[a]

[a]Last rating action: Upgraded Nov. 19, 2019.

Rating Outlook

Stable

Applicable Criteria

Criteria for Rating Loan Servicers (February 2020)

Related Research

U.S. RMBS Servicer Handbook (April 2019)

Key Rating Drivers

Stable Loan Servicing Performance During Significant Portfolio Growth: Shellpoint Mortgage Servicing (SMS) has experienced significant loan servicing growth during the recent 36-month period, in alignment with the company's aggressive growth strategy. For instance, the Ditech acquisition has doubled SMS' servicing portfolio, and such acquisitions can present management challenges and disruptions in service levels; however. SMS has a track record of successfully onboarding loan transfers while also managing organic growth as a servicer for its affiliated lending partners.

Completed Technology Integration with Ditech: SMS has transferred 707,000 loans from Ditech's BKFS MSP system to its own customized Finastra Servicing Director system. The onboarding of loans and employees has occurred in five phases beginning in fourth-quarter 2019 through March 16, 2020. A loan transfer of this size can present a risk of data integrity issues arising; however, management represents that data integrity issues were identified and remediated during each phase of the loan transfer process.

Effective Enterprise-Wide Compliance Management Systems: SMS employs a multichannel compliance management system that includes quality control (QC), internal audit, and vendor management as well as compliance and litigation management.

Competitive Loan Administration Performance Metrics: Call center performance metrics are competitive with industry averages. Default administration metrics in foreclosure timelines and REO metrics show year-over-year improvement.

Financial Condition: Fitch Ratings does not publicly rate the credit and financial strength of SMS or New Residential. However, Fitch's Financial Institutions group reviewed SMS' financial statements to provide an internal assessment.

Servicer Considerations

- **Positive:** SMS has extensive management tenure in performing and non-performing servicing.
- Satisfactory servicer performance metrics and strong technology environment.
- Established history of successful loan boarding transfers, including Ditech, without a significant business disruption to date.
- **Negative:** The company has potential business disruption risk from significant portfolio growth.

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Servicer Overview

Shellpoint Mortgage Servicing (SMS) was established in 1998 as a high-touch servicer specializing in distressed loans. SMS operates from its primary servicing location in Greenville, SC, a second site in Houston, TX and a newly acquired location in Tempe, AZ. The company maintains a business relationship with Shellpoint Partners (Shellpoint), its parent/issuer, and NewRez, LLC, its sister company, which operates a mortgage origination business headquartered in Fort Washington, PA. SMS also services a large number of loans for New Residential Investment Corp. (New Residential), the New York City-based real estate investment trust that acquired all Shellpoint assets in 2018.

Shellpoint is a group of companies made up of NewRez LLC (fka New Penn Financial, LLC), a national mortgage lender specializing in the residential real estate market; Avenue 365 (a 45-state provider of title services to the real estate and mortgage industry); and E-Street Appraisal Management Company (oversees and manages a network of certified and licensed appraisers in 49 states).

NewRez is licensed to originate in 50 states, as well as the District of Columbia, Guam, Puerto Rico and the U.S. Virgin Islands. The company offers conventional, government and portfolio loan programs through three different channels: call center, retail and wholesale.

These companies operate as vertically integrated, residential mortgage banking entities with diversified revenue sources and capabilities. The companies do not provide any direct or indirect services to SMS' servicing operation.

As of Sept. 25, 2019, New Residential Investment Corp. acquired a significant amount of Ditech's servicing-related assets from bankruptcy court, and the deal closed on Oct. 1, 2019. In addition to 707,000 loans and more than 500 employees, New Residential also acquired Ditech's servicing platform in Tempe, AZ, which is now being managed by SMS. SMS management continues to make enhancements to systems and processes to accommodate growth. The servicer will need to focus on maintaining service levels while integrating the Ditech loan portfolio and employees, and merging corporate cultures and best practices.

Significant Changes

- Taking over the management of Ditech servicing assets after their acquisition by New Residential.
- The formation of two bifurcated servicing divisions to handle third-party clients and delinquent loans and a separate division to handle New Residential-purchased and NewRez-originated conforming loans.
- New senior staff including general counsel and an SVP of operations.
- Addition of a dedicated GNMA team for loss mitigation negotiations.
- Enhanced telecommunications software including improvements to the company's dialer and Interactive Voice Response technologies.

Rating Drivers

Stable Loan Servicing Performance During Significant Portfolio Growth

The Ditech acquisition has doubled SMS' loan servicing portfolio. The loan transfer was completed by March 16, 2020 and occurred in five phases that included the transitioning of loans from Ditech's Black Knight Financial Services' (BKFS) MSP servicing system to SMS' customized Finastra Servicing Director system as well as transitioning more than 500 Ditech employees to SMS. SMS has also assumed control of Ditech's servicing location in Tempe, AZ. SMS more than doubled its portfolio size from 229,000 to 638,000 loans from 2018 to 2019 and has once again double its portfolio size with the acquisition of Ditech. However, there are a number of synergies embedded in the acquisition, including the use of common third-party vendors, foreclosure, bankruptcy and vendor invoicing systems, and in some cases, common best practices. Management will continue to coordinate with former Ditech staff to integrate best practices and continue any necessary training on the new systems. Fitch will continue to monitor the technology and employee integration as developments occur.

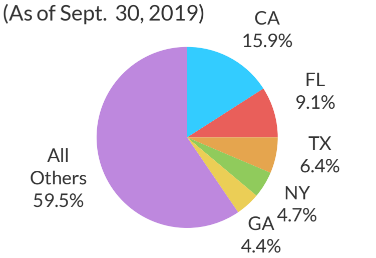
Portfolio Summary

(As of Sept. 30, 2019)	Amount ($)	% of Market[a]	No. of Loans	% of Market[a]
Non-Agency Loans	33,803,537,486	6.67	106,704	3.57
Agency Loans	130,980,249,427	2.95	639,946	2.56
Owned Portfolio	227,667,904	0.03	551	0.02
Third-Party Servicing	19,315,628,490	12.44	73,993	9.42
Other (Not Included in Above Categories)	—	—	—	—
Total Servicing Portfolio	**184,327,083,308**	**1.40**	**821,194**	**1.17**

[a]Market share based on latest available data (3Q19) supplied by Fitch-rated servicers.
Source: Shellpoint Mortgage Servicing.

Total Servicing Portfolio Distribution by State

(As of Sept. 30, 2019)



Note: Numbers may not add to 100% due to rounding.
Source: Shellpoint Mortgage Servicing.

Completed Technology Integration with Ditech

The Ditech loan transfer process began in October 2019 and was completed on March 16, 2020. SMS successfully transitioned the boarding of 115,000 to 150,000 loans per month from the MSP system to Servicing Director, a customized core servicing system. The company utilizes ancillary systems to support various servicing processes. A proprietary data warehouse provides internal data reporting capabilities. The company uses the BKFS Loansphere foreclosure and bankruptcy modules for case tracking, reporting and vendor invoicing. Fitch acknowledges that a loan servicing transfer of this size can present data integrity issues as well as have a negative impact on service levels. However, SMS has experience mapping loan transfers from the MSP system utilizing Servicing Director's import tool, which was aid in the loan onboarding. Additionally, the onboarding schedule, which was based on a monthly approach, provided sufficient time to identify mapping issues and any other data transfer issues that arise with sufficient time to remediate resulting in minimal disruption to the servicing platform.

SMS' technology has been effectively designed to disseminate portfolio information to clients, investors, trustees and other information recipients, as defined in servicing agreements. SMS continues to invest in technology enhancements to support its servicing platform, provide improved customer service and accommodate portfolio growth. Upcoming developments include enhancements to SMS' loss mitigation portal such as smartphone application integration for photographing and scanning documents, E-signature capabilities to facilitate the modification closing process, and instructional videos on the customer website for information on loss mitigation options. Additional improvements include enhanced telecommunications software with dialer and interactive voice response technology. Management indicated that they are open to considering further business process enhancements via blockchain technology in the future.

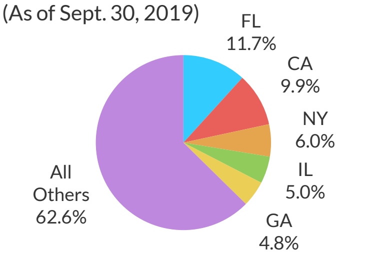
SMS has real-time replication to its Houston location, with a full-time technology staff on hand for maintenance and disaster recovery assistance. The servicer's failover process is highly automated. The company's disaster recovery and business continuity plan is based on mirrored servicing functions among its geographically diverse locations in Greenville, SC, Houston, TX and, now, Tempe, AZ. Investor accounting and reporting are situated in a single site and management indicated their desire to have backup personnel at a second site for business continuity purposes. The business continuity plan incorporates pandemic planning and is tested annually. Intrusion testing is performed internally and by a third-party vendor. An SSAE 16 SOC 1 Type 2 report is provided annually by a third-party auditing firm.

The company offers as many as eight mandatory information security courses on an annual basis. Password administration is conducted via Microsoft Active Directory, and there is a quarterly review of user access credentials.

Management has indicated that an integral aspect of the integration plan will be incorporating best information technology practices between SMS and Ditech's Tempe, AZ servicing platform. It is anticipated that the Tempe, AZ location will enhance the overall company's disaster recovery and business continuity plan as well as provide a time zone differential for call center operating hours and access to regional job markets.

Distribution of Loans 90+ Days Delinquent by State

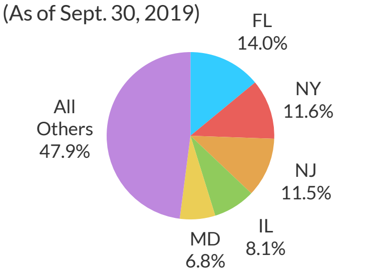
(As of Sept. 30, 2019)



Note: Numbers may not add to 100% due to rounding.
Source: Shellpoint Mortgage Servicing.

Distribution of Real Estate Owned Properties by State

(As of Sept. 30, 2019)



Note: Numbers may not add to 100% due to rounding.
Source: Shellpoint Mortgage Servicing.

Effective Enterprise-Wide Compliance Management Systems

SMS employs a multichannel compliance management system that includes QC, internal audit and vendor management as well as compliance and litigation management. The company's compliance monitoring environment consists of four lines of defense that include quality assurance, QC, complaint management and internal audit. Quality assurance is embedded in each business unit and is focused on daily preventative controls to identify risk gaps proactively. QC uses monthly testing of completed processes to determine operational quality and compliance with regulations. Complaint management conducts continuous daily and monthly monitoring and root cause analysis of customer complaints to identify trends for remediation and training. The company's change management process encompasses tracking, reporting, process updates and control implementation of more than 250 annual changes. Policies and procedures are available on the company's intranet, and a centralized technical writer coordinates all changes and updates.

Internal audit consists of 30 employees based in Greenville, SC. An annual audit schedule is developed and an audit calendar is released. Audit results are tracked via an issue tracking database and that is accessible by the change management team and are discussed during a weekly meeting conducted with compliance personnel. An escalation process is in place to review overdue action plans. Fitch analysts reviewed the company's audit reports performed over an 18-month period and found them to be satisfactory with a few opportunities for improvements. Similarly, the company's quality assurance reports were comprehensive and indicated satisfactory results. The company's Regulation AB report issued Feb. 19, 2019 indicated full compliance with the specified requirements.

Satisfactory Loan Administration Performance Metrics

Monthly payments are received via several different channels, including a third-party lockbox vendor, a customer website, online banking, a paper check and an interactive voice (IVR) response unit. Approximately 82% of all monthly payments are posted electronically. The following is a summary of SMS' payment processing channels during the past 12 months:

- lockbox processing accounts for 14% of monthly payments with a rejection rate of 1%;
- customer online banking accounts for 19% of payments;
- an average of 20% of monthly payments are made on the website;
- automated clearing house processing accounts for 32% of monthly payments;
- about 18% of monthly payments are processed via paper check; and
- monthly average of misapplied payments is a low 0.02%.

Bank accounts are balanced and reconciled daily among the payment processing and investor reporting groups to ensure timely posting and depositing of funds. SMS is servicing loans from over 150 securitizations and adds an average of approximately five new private securities each month. Reporting formats are fully customizable, and file delivery can be accomplished via secure email, website upload or file transfer protocol.

SMS continues to invest in information technology to support its customer relationship management effort. As of May 31, 2019, the customer service effort consisted of 160 employees located across SMS' multiple U.S. servicing locations. Customer service handles inbound calls that are 30 days or less delinquent, as well as outbound welcome calls on newly acquired loans.

The company effectively monitors natural disaster risk in its portfolio. Geographic portfolio diversity is satisfactory, with the top five states by unit number representing about 42% of the portfolio and 47% by UPB, thereby minimizing the concentration risk and associated impact of a regional economic downturn or climate disaster. Specially trained natural disaster agents ensure that the call center is prepared for natural disasters such as hurricanes, tornadoes, snowstorms and earthquakes. The team reviews call center capacity and develops special scripting for agents to use, and posts disaster information messages for the IVR and the website.

A comprehensive multi-week new hire training program includes a corporate overview, compliance education, product and technology training and a nesting period with side-by-side mentoring. The company offers continuing education and training as part of a career path program that can lead to internal advancement and minimize employee turnover. The company employs 12 Spanish language agents, including a supervisor, at its call center.

Every customer service call is recorded and routinely monitored for quality and compliance by a QC group that scores four calls per agent per month. Fitch reviewed a random sampling of customer service and collection calls and found them to be of satisfactory quality overall.

Overall, SMS has satisfactory customer service and borrower information technologies in place that include an interactive response unit for self-service and a customer-centric internet site for account information, loan data, payment remittance options and account statements.

The company's three call centers have expanded hours of operation to handle about 77,000 calls per month. Hazard and flood insurance-related calls are handled by the third-party insurance vendor and monitored by SMS for quality. Quality assurance reviews approximately 5–10 calls per month and agents receive formal scorecards. A call monitoring scorecard is revised as necessary based on weekly calibration sessions. SMS' call center performance metrics are within acceptable industry service levels as follows:

- average speed to answer is 58 seconds;
- the abandonment rate is 4.09%;
- first call resolution rate is 90%; and
- the IVR unit handles about 43% of incoming calls.

SMS has acceptable policies and processes in place for escrow account administration and oversight as illustrated by the following performance metrics:

- the company collects escrow for the payment of real estate taxes (86%), hazard insurance (83%) and flood insurance (4%);
- lender placed insurance for loans 60 or less days delinquent and loans 60 or more days delinquent is a low 3.69% and 4.12%, respectively; and
- the overall flat cancellation rate for lender placed hazard insurance is 26.25%, which should be targeted for improvement.

The company's delinquent account collection effort is conducted among its multiple call center locations, which provide extended calling hours for its demographically diverse portfolio. An auto-dialer is used predominantly for early-stage account collections, while manual dialing is used for high-risk campaigns, as well as e-mail and text, where permissible. A capacity planning approach is used to optimize scheduling and utilization of staff resources, and the company has extended evening and Saturday hours to reach a geographically diverse portfolio. A proprietary risk score is assigned to accounts, and is calculated from data that include payment history, FICO score (for some clients), loan type and best time to call. Call frequency is based on the behavior score.

The company's collection metrics generally evidence an effective delinquency management effort. SMS reported the following loan collection performance metrics:

- monthly average speed to answer rate of 80 seconds;
- monthly average abandonment rate of 4.09%;
- promise to pay rate of 76%; and
- right party contact rate of about 31%.

Obtaining a reason for default, updating financial information, and identifying an appropriate workout or exit strategy are critical during borrower outreach efforts. Calling campaigns are customized based on a variety of factors depending on portfolio and borrower characteristics, and regular meetings with investors are conducted to establish goals.

Collector performance is measured against internal key performance indicators and a monthly scorecard is produced for each agent. Call quality is measured via call monitoring by the quality assurance team, and compliance with applicable regulations is also assessed.

The loss mitigation team oversees a portfolio of about 11,000 active loss mitigation cases. A single point of contact (SPOC) is assigned at loan boarding and provides a cradle-to-grave dedicated contact person. An intake team reviews the loss mitigation packages for completeness, and an underwriting team reviews the loan workout applications for approval. A proprietary loan workout decisioning model is used to analyze loans for workout approvals pursuant to investor guidelines. SMS utilizes a web portal for borrowers to submit loss mitigation applications and supporting documentation.

The bankruptcy team currently oversees about 8,900 bankruptcy cases. A third-party default workflow management system is used to track the status of bankruptcy cases and manage attorney network performance. The primary servicing system tracks pre- and post-petition payments. As of May 31, 2019, about 90% of bankruptcy cases were Chapter 13 and 10% were Chapter 7 with about 64% of bankruptcy cases performing according to their plan. The company will generally have its outside counsel file a motion for relief after the account has become 60+ days delinquent. The entire loan servicing portfolio is scrubbed daily against a third-party public bankruptcy database to identify new bankruptcy filings and to obtain or confirm the status of existing bankruptcy cases.

The foreclosure team currently oversees more than 18,000 foreclosure cases. Foreclosure review begins when the loan is 75+ days delinquent. A quality assurance checklist is used to ensure that all collection contact and loan workout opportunities have been exhausted prior to foreclosure referral. Monthly quality reviews are performed by the foreclosure manager and QC groups. A third-party default workflow management system is used to track the status of foreclosure cases and manage attorney network performance. SMS reports that there is an average of 57 days to cure title issues and that 33% of foreclosures are resolved via third-party sales.

The company manages the REO marketing process internally with a staff of 50 employees using multiple third-party vendor systems to track the marketing and sale of REOs. About 5,200 properties entered the REO pipeline during the past 12 months. The company adheres to the Protecting Tenants at Foreclosure Act and bona fide tenants stay in the property through lease expiration. Presently, there is only one REO tenant rental. SMS reported that the average number of days to complete an eviction is 211 days and the average number of days to market an REO property is 303. Additionally, the company reported a cash-for-keys success rate of 53% and a sales price to current list price ratio of 99%.

Financial Condition

The servicer and/or its parent company's financial condition is an important indication of its ability to meet obligations, including advancing if applicable and the funding of its operations. Fitch's financial review includes an assessment of the ability of the company to weather adverse market conditions, finance expansions and make capital investments as it focuses on sustaining or growing the servicing platform. Typically, servicers with an investment-grade credit rating will receive a higher score in the financial condition category of Fitch's review.

Fitch does not publicly rate the credit and financial strength of SMS or its parent, New Residential Investment Corp. However, Fitch's Financial Institutions group reviewed the company's financial statements to provide an internal assessment, and the outcome of the assessment is incorporated into Fitch's overall evaluation of the servicer.

Rating Sensitivities

Fitch's analysis incorporates a sensitivity analysis to demonstrate how the servicer ratings would react to material changes in the financial condition of the servicer. The implied rating sensitivities are only an indication of some potential outcomes and do not consider other risk factors that the servicer ratings may become exposed to, such as the servicer's ability to manage the serviced portfolio, or material changes in the portfolio composition, including rapid growth and/or deterioration in credit quality, and unanticipated regulatory actions or settlements.

The sensitivity analysis of the financial condition was conducted at two notches up and down from the internal credit assessment of New Residential Investment Corp. The financial condition analysis indicated that rating migration would not occur with one or two notches of deterioration or improvement in the parent's financial assessment.

Select Staffing Metrics[a]

(As of May31, 2019)	Subject Servicer Provided Data	Fitch Assessment
% of Temp Staff (Including Contract)	1.8	Superior
% of Voluntary Turnover	12.3	Strong
% of Involuntary Turnover	4.5	Superior
Training: 12-mo. Average No. of Hours for Staff Members (Excluding New Hires)	30.00	Adequate
Training: 12-mo. Average No. of Hours for New Hires	130.00	Superior

[a]Assessment based on collected data from Fitch-rated servicers.
Source: Shellpoint Mortgage Servicing.

Main Systems

Applications, Interfaces and Tools	Name	Vendor Product, Customized Vendor Product or Proprietary
Core Servicing	Servicing Director	Customized Vendor Product
Customer Service	Avaya Aura Contact Center (IVR) CallMiner Eureka (Speech Recognition)	Vendor Products
Collections	Avaya Aura Contact Center (IVR) CallMiner Eureka (Speech Recognition)	Vendor Products
Loss Mitigation	Loss Mitigation System LMS; Black Knight LoanSphere	Proprietary (LMS); Vendor Product (LoanSphere)
Bankruptcy	Bankruptcy Management System (Module within Servicing Director)	Customized Vendor Product
Foreclosure	Black Knight LoanSphere (Default Management)	Vendor Products
REO	Pyramid Platform; Equator REO Module	Vendor products

Source: Shellpoint Mortgage Servicing.

Select Loan Admin Metrics[a]

(%, As of May 31, 2019)	Subject Servicer Provided Data	Fitch Assessment
Suspense Items Aged 30+ Days	3.6	Superior
Misapplied Payment	0.0	Superior
Hold Time (Speed to Answer by CSR in Seconds)	58.62	Adequate
Abandonment Rate	4.1	Adequate

[a]Assessment based on collected data from Fitch-rated servicers. CSR – Customer service representative. Note: Metrics are for the most recent 12-month period.
Source: Shellpoint Mortgage Servicing.

Select Default Metrics[a]

(As of Sept. 30, 2019)	Subject Servicer Provided Data	Fitch Assessment
Hold Time (Speed to Answer by CSR in Seconds)	81	Below Average
Abandonment Rate (%)	12.00	Below Average

[a]Assessment based on collected data from Fitch-rated servicers. CSR – Customer service representative.
Note: Metrics are for the most recent 12-month period.
Source: Shellpoint Mortgage Servicing.

Product Type: Prime

Delinquency Statistics — Prime

(Years as of Sept. 30)	2017 Amount ($000)	2017 % of Amount	2017 No. of Loans	2017 % of No. of Loans	2018 Amount ($000)	2018 % of Amount	2018 No. of Loans	2018 % of No. of Loans	2019 Amount ($000)	2019 % of Amount	2019 No. of Loans	2019 % of No. of Loans
30 to 59 Days	45,983	5.4	95	6.1	65,668	6	167	8	1,293,987	4.4	6,830	9.1
60 to 89 Days	24,095	2.9	61	3.9	17,954	2	46	2	503,947	1.7	2,708	3.6
90+ Days	91,008	10.8	192	12.3	74,653	7	142	7	566,000	1.9	3,129	4.2
All Loans in Bankruptcy Status	64,349	7.6	138	8.9	52,362	5	108	5	347,694	1.2	2,137	2.9
In Foreclosure Status (Excluding Bankruptcy)	191,351	22.7	362	23.2	122,671	11	230	12	1,220,612	4.2	5,704	7.6
Subtotal	**416,787**	**49.3**	**848**	**54.4**	**333,307**	**30**	**693**	**35**	**3,932,241**	**13.4**	**20,508**	**27.4**
In REO Status	65,218	7.7	124	8.0	28,794	3	54	3	169,104	0.6	886	1.2
Total Delinquency	**482,005**	**57.1**	**972**	**62.4**	**362,101**	**33**	**747**	**38**	**4,101,344**	**14.0**	**21,394**	**28.6**
Total Non-Agency RMBS Prime Portfolio	844,949	—	1,559	—	1,093,596	—	1,966	—	29,365,680	—	74,864	—

REO – Real estate owned. Note: Numbers may not add due to rounding. Data reflect the Mortgage Bankers Association method of delinquency reporting.
Source: Shellpoint Mortgage Servicing.

Average 12-Month Delinquency Migration — Prime

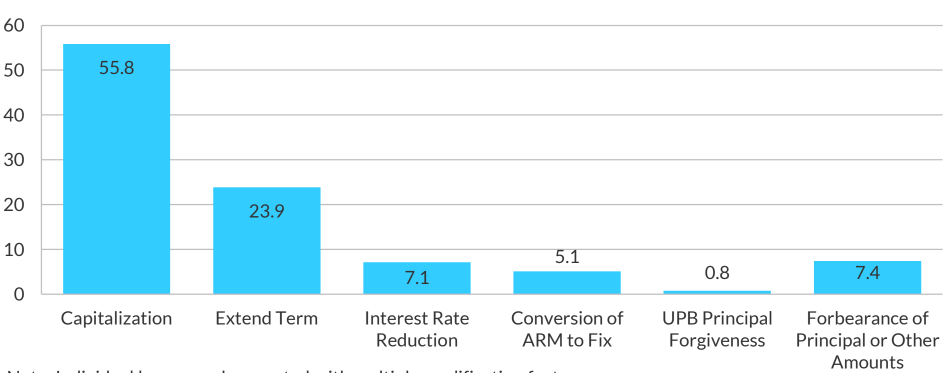
(% of No. of Loans, 12-Month Period Ended Sept. 30, 2019)

		Status at End of Month										
Status at Beginning of Month	No. of Loans	Paid in Full	Current	30 Days	60 Days	90+ Days	BK	FC	REO	Charged Off	Service Released	Liquidated at a Loss
Current	41,064	0.0	99.2	0.7	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
30 Days	1,667	0.0	59.8	33.8	6.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0
60 Days	503	0.0	21.7	28.6	37.2	12.2	0.3	0.0	0.0	0.0	0.0	0.0
90 Days or More	381	0.0	10.0	6.2	9.3	58.5	0.7	15.0	0.2	0.0	0.0	0.0
Bankruptcy	476	0.0	4.4	0.3	0.2	0.7	94.2	0.2	0.0	0.0	0.0	0.0
Foreclosure	905	0.0	2.9	0.3	0.2	0.5	0.2	93.9	2.0	0.0	0.0	0.0

Source: Shellpoint Mortgage Servicing.

Modification Features — Prime

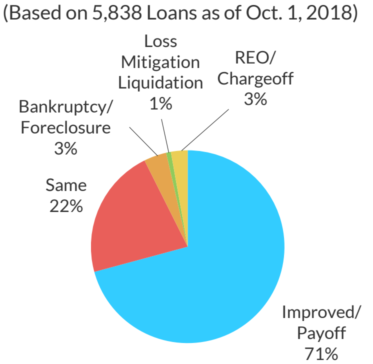
(As of Sept. 30, 2019, Based on 394 Modifications)



Note: Individual loans may be counted with multiple modification features.
Source: Shellpoint Mortgage Servicing.

Resolution of Non-Agency RMBS Prime Loans 60+ Days Delinquent Ending Sept. 30, 2019

(Based on 5,838 Loans as of Oct. 1, 2018)



Source: Shellpoint Mortgage Servicing.

Product Type: Special

Delinquency Statistics — Special

	2017				2018				2019			
(Years as of Sept. 30)	Amount ($000)	% of Amount	No. of Loans	% of No. of Loans	Amount ($000)	% of Amount	No. of Loans	% of No. of Loans	Amount ($000)	% of Amount	No. of Loans	% of No. of Loans
30 to 59 Days	134,365	6	724	8	195,751	8	1,094	10	227,504	8	1,410	8
60 to 89 Days	123,001	6	599	6	139,031	6	722	6	132,681	5	699	4
90+ Days	330,636	16	1,420	15	323,636	14	1,466	13	115,797	4	886	5
All Loans in Bankruptcy Status	132,869	6	590	6	136,463	6	697	6	140,900	5	745	4
In Foreclosure Status (Excluding Bankruptcy)	289,585	14	827	9	324,775	14	997	9	504,630	17	1,800	11
Subtotal	**1,010,456**	**47**	**4,160**	**44**	**1,119,656**	**48**	**4,976**	**44**	**1,121,513**	**39**	**5,540**	**33**
In REO Status	13,772	1	33	0	20,466	1	53	0	86,366	3	279	2
Total Delinquency	**1,024,229**	**48**	**4,193**	**44**	**1,140,122**	**48**	**5,029**	**44**	**1,207,878**	**42**	**5,819**	**34**
Total Non-Agency RMBS Special Portfolio	2,132,335	—	9,528	—	2,355,520	—	11,340	—	2,892,926	—	16,970	—

REO – Real estate owned. Note: Numbers may not add due to rounding. Data reflect the Mortgage Bankers Association method of delinquency reporting.
Source: Shellpoint Mortgage Servicing.

Average 12-Month Delinquency Migration — Special

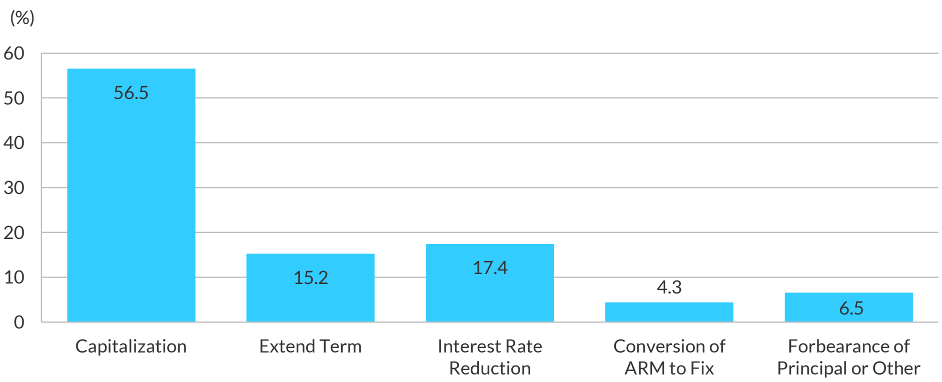
(% of No. of Loans, 12-Month Period Ended Sept. 30, 2019)

		Status at End of Month										
Status at Beginning of Month	No. of Loans	Paid in Full	Current	30 Days	60 Days	90+ Days	BK	FC	REO	Charged Off	Service Released	Liquidated at a Loss
Current	4,029	0.0	83.1	15.8	0.6	0.2	0.2	0.0	0.0	0.0	0.0	0.0
30 Days	2,059	0.0	16.7	36.4	45.6	0.9	0.3	0.1	0.0	0.0	0.0	0.0
60 Days	2,299	0.0	4.2	9.8	46.4	39.1	0.4	0.1	0.0	0.0	0.0	0.0
90 Days or More	8,173	0.0	0.9	0.8	3.6	83.9	0.5	10.2	0.1	0.0	0.0	0.0
Bankruptcy	3,811	0.0	0.2	0.1	0.1	1.6	94.7	3.3	0.0	0.0	0.0	0.0
Foreclosure	9,546	0.0	0.5	0.1	0.1	0.6	1.8	94.9	2.0	0.0	0.0	0.0

Source: Shellpoint Mortgage Servicing.

Modification Features — Special

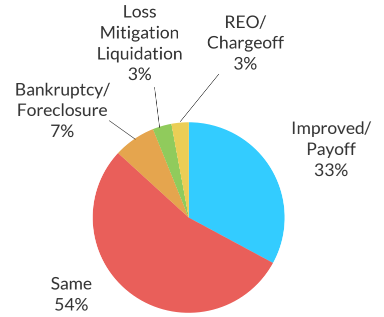
(As of Sept. 30, 2019, Based on 46 Modifications)



Note: Individual loans may be counted with multiple modification features.
Source: Shellpoint Mortgage Servicing.

Resolution of Non-Agency RMBS Special Servicing Loans 60+ Days Delinquent Ending Sept. 30, 2019

(Based on 1,860 Loans as of Oct. 1, 2018)



Source: Shellpoint Mortgage Servicing.