

December 21, 2017

Dear NAIC AVS+ Subscriber:

Following the publication of Phase I results on AVS+, it was discovered that the published RMBS dataset contained an error.

Specifically, some transactions containing newly-issued prime quality loans were analyzed using a module meant for seasoned legacy loans. The effect of this error was to apply greater than justified severities (upon default) to the loans backing these transactions. The error was discovered during our continuous data quality assurance process.

In all, the error affected 22 CUSIPs out of approximately 15,500 analyzed. In this regard, the following CUSIPs were affected:

CUSIP	SECURITY_DES
33850BAW7	FSMT 2017-1 B1
33850RAN2	FSMT 2017-2 A13
33850RAZ5	FSMT 2017-2 B2
46647JAN0	JPMMT 2016-4 A13
46647JAZ3	JPMMT 2016-4 B1
46647SAN0	JPMMT 2017-3 1A7
46647SAW0	JPMMT 2017-3 1A11
46647SBA7	JPMMT 2017-3 1A13
46647SCA6	JPMMT 2017-3 2A3
46647SCQ1	JPMMT 2017-3 B1
46647SCS7	JPMMT 2017-3 B2
46648UAZ7	JPMMT 2017-4 B2
46648UBA1	JPMMT 2017-4 B3
64829LBM9	NRZT 2016-4A B4
81746DAU4	SEMT 2017-5 A19
81746FAU9	SEMT 2017-6 A19
81746GAU7	SEMT 2017-7 A19
81746HAA9	SEMT 2017-CH1 A1
81746HAB7	SEMT 2017-CH1 A2
81746HAL5	SEMT 2017-CH1 A11
81746HBT7	SEMT 2017-CH1 A20
82281FAU8	SCOT 2017-2 A19

We are presently working to correct the affected values in AVS+ and expect to complete our work by year-end. We will also resend corrected files to full file purchasers.

If you have any questions or concerns, please contact Eric Kolchinsky at ekolchinsky@naic.org.

We apologize for this error and are working diligently to correct it.

Thank you and Happy Holidays. Eric Kolchinsky, Director, Structured Securities Group