IMPORTANT NOTICE

THIS OFFERING IS AVAILABLE ONLY TO INVESTORS MEETING THE QUALIFICATIONS DESCRIBED IN THE ATTACHED OFFERING DOCUMENT (THE "MEMORANDUM").

IMPORTANT: You must read the following before continuing. The following applies to the Memorandum following this page, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Memorandum. In accessing the Memorandum, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. ACQUISITION AND TRANSFER OF THE SECURITIES ARE SUBJECT TO ANY ADDITIONAL RESTRICTIONS DESCRIBED IN THE MEMORANDUM.

EXCEPT AS SET FORTH IN THE MEMORANDUM, THE MEMORANDUM MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your Representation: In order to be eligible to view this Memorandum, investors must be either (1) Qualified Institutional Buyers ("QIBs") (within the meaning of Rule 144A under the Securities Act) or (2) non-U.S. persons (within the meaning of Regulation S under the Securities Act). This Memorandum is being sent at your request and by accepting the e-mail and accessing this Memorandum, you shall be deemed to have represented to us that (1) you and any customers you represent are either (a) QIBs or (b) non-U.S. persons, and that the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the U.S., and (2) that you consent to delivery of the Memorandum by electronic transmission.

You are reminded that this Memorandum has been delivered to you on the basis that you are a person into whose possession this Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Memorandum to any other person.

The materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the underwriters or any affiliate of the underwriters is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the underwriters or such affiliate on behalf of the Issuer in such jurisdiction.

This Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently no underwriter or initial purchaser nor any person who controls it nor any director, officer, employee nor agent of it or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Memorandum distributed to you in electronic format and the hard copy version available to you on request from the underwriter or initial purchaser.

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PRELIMINARY OFFERING MEMORANDUM, SUBJECT TO COMPLETION, DATED JANUARY 13, 2023

Offering Memorandum Supplement dated January __, 2023
(To Offering Memorandum dated May 8, 2018)

$332,596,979 (Approximate)

SEQUOIA MORTGAGE TRUST 2023-1

Mortgage Pass-Through Certificates, Series 2023-1

RWT Holdings, Inc., *Sponsor*
Redwood Residential Acquisition Corporation, *Seller and Servicing Administrator*
Sequoia Residential Funding, Inc., *Depositor*
Sequoia Mortgage Trust 2023-1, *Issuing Entity*

Consider carefully the risk factors beginning on page S-26 of this offering memorandum supplement and on page 1 of the accompanying offering memorandum.

For a list of defined terms used in this offering memorandum supplement, see the glossary of defined terms on page S-208 of this offering memorandum supplement.

The certificates represent beneficial interests in the issuing entity only and do not represent an interest in or obligation of the sponsor, the depositor, the trustee, the master servicer, the initial purchasers, the servicer or any of their respective affiliates.

This offering memorandum supplement may be used to offer and sell certificates only if accompanied by the offering memorandum.

The issuing entity will issue:

- up to fifty-one classes of senior certificates, including twenty-six classes of interest-only certificates;
- five classes of subordinate certificates;
- a class of servicing strip certificates; and
- two classes of residual certificates.

The classes of certificates offered by this offering memorandum supplement are listed, together with their initial class principal amounts or class notional amounts, as applicable, and their certificate interest rates, in the tables under the heading "*The Offered Certificates*" beginning on page S-1 of this offering memorandum supplement. This offering memorandum supplement and the accompanying offering memorandum relate only to the offering of those certificates and not any other certificates issued by the issuing entity. Certain classes of certificates will be exchangeable for other classes of certificates, and *vice versa*, as and to the extent described herein.

The certificates will represent ownership interests in a pool of fixed rate mortgage loans, all of which have original terms to maturity of 25 or 30 years. All of the mortgage loans are secured by first liens on single family residential properties, planned unit developments and condominiums.

Principal of and interest on the certificates are payable on the 25th day of each month, or if such day is not a business day, the next succeeding business day, commencing on February 27, 2023.

The certificates will have the benefit of credit enhancement in the form of subordination of each class of subordinate certificates to the senior certificates in respect of principal and interest (including with respect to the allocation of net interest shortfalls) and to those classes of subordinate certificates, if any, higher in order of payment priority for the distribution of principal and interest received and the allocation of losses on the mortgage loans. The certificates will also have the benefit of credit enhancement in the form of shifting interest in prepayments through the allocation, subject to certain exceptions, of all unscheduled principal collections on the mortgage loans to the senior certificates (other than the interest-only certificates) for the first five (5) years and a lesser, but still disproportionately large, allocation of these collections to the senior certificates (other than the interest-only certificates) during the following four (4) years.

THE CERTIFICATES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES LAWS. THE CERTIFICATES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT). THE CERTIFICATES MAY ALSO BE OFFERED OR SOLD ONLY TO CERTAIN PERSONS IN TRANSACTIONS OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S. ACCORDINGLY, THE CERTIFICATES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. SEE "NOTICE TO INVESTORS."

The information contained herein is confidential and may not be reproduced in whole or in part. The offered certificates offered by this offering memorandum supplement are being offered on a best efforts basis by Wells Fargo Securities, LLC ("Wells Fargo Securities") and Stifel, Nicolaus & Company, Incorporated ("Stifel"), as initial purchasers, for sale in privately negotiated transactions or otherwise at varying prices determined at the time of sale. The initial purchasers are not required to sell any specific dollar amount of the offered certificates. The offering will end on the Closing Date. After the time a price for a class is first determined, the depositor may request that the initial purchasers continue to use their best efforts to identify investors to purchase any remaining offered certificates at varying prices to be determined in each case at the time of sale. As a result, the purchase price paid by investors may change after the initial time of sale and may be higher or lower than the price paid by investors in the same class of offered certificates whose price was determined at a different time of sale. Transfer of the offered certificates will be subject to certain restrictions as described herein. The initial purchasers have the right to reject any order. Proceeds to the depositor from the sale to the initial purchasers of the certificates referred to above and any certificates exchanged therefor are specified under "*Method of Distribution*" herein, in each case before deducting expenses. The depositor will pay to the initial purchasers the placement fees described under "*Method of Distribution*." As such, investors in the offered certificates should expect that they may pay a price for their certificates that is higher than the price paid by the initial purchasers to the depositor. Any such excess will be compensation to the initial purchasers. See "*Method of Distribution*" and "*Use of Proceeds*" herein. It is expected that delivery of the offered certificates will be made in book-entry form through the facilities of The Depository Trust Company, Clearstream Banking Luxembourg and the Euroclear System on or about January 27, 2023 (the "*Closing Date*"). The issuing entity will make one or more REMIC elections for U.S. federal income tax purposes.

Wells Fargo Securities
Sole Bookrunner

Stifel
Co-Manager

Initial Purchasers

THIS OFFERING MEMORANDUM SUPPLEMENT HAS BEEN PREPARED BY THE ISSUING ENTITY SOLELY FOR THE PURPOSE OF OFFERING THE CERTIFICATES DESCRIBED HEREIN. THIS OFFERING MEMORANDUM SUPPLEMENT IS FURNISHED TO YOU ON A CONFIDENTIAL BASIS SOLELY FOR THE PURPOSE OF EVALUATING THE INVESTMENT OFFERED HEREBY. THE INFORMATION CONTAINED HEREIN MAY NOT BE REPRODUCED OR USED IN WHOLE OR IN PART FOR ANY OTHER PURPOSE. NOTWITHSTANDING ANY OTHER EXPRESS OR IMPLIED AGREEMENT TO THE CONTRARY, THE ISSUING ENTITY, THE INITIAL PURCHASERS AND EACH RECIPIENT HEREOF AGREE THAT EACH OF THEM AND EACH OF THEIR EMPLOYEES, REPRESENTATIVES AND OTHER AGENTS MAY DISCLOSE, IMMEDIATELY UPON COMMENCEMENT OF DISCUSSIONS, TO ANY AND ALL PERSONS, WITHOUT LIMITATION OF ANY KIND, THE TAX TREATMENT AND TAX STRUCTURE OF THE TRANSACTION AND ALL MATERIALS OF ANY KIND (INCLUDING OPINIONS OR OTHER TAX ANALYSES) THAT ARE PROVIDED TO ANY OF THEM RELATING TO SUCH TAX TREATMENT AND TAX STRUCTURE, EXCEPT WHERE CONFIDENTIALITY IS REASONABLY NECESSARY TO COMPLY WITH U.S. FEDERAL OR STATE SECURITIES LAWS. FOR PURPOSES OF THIS PARAGRAPH, THE TERMS "TAX," "TAX TREATMENT," "TAX STRUCTURE" AND "TAX BENEFIT" ARE DEFINED UNDER TREASURY REGULATION §1.6011-4(c).

THIS OFFERING MEMORANDUM SUPPLEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES OTHER THAN THE OFFERED CERTIFICATES, NOR AN OFFER OF THE CERTIFICATES TO ANY PERSON IN ANY STATE OR OTHER JURISDICTION IN WHICH SUCH OFFER WOULD BE UNLAWFUL.

THIS OFFERING MEMORANDUM SUPPLEMENT HAS BEEN PREPARED FROM INFORMATION FURNISHED BY THE DEPOSITOR, THE SELLER, THE SERVICER, THE SERVICING ADMINISTRATOR, THE MASTER SERVICER, THE SECURITIES ADMINISTRATOR, THE TRUSTEE AND FROM OTHER SOURCES. THE INITIAL PURCHASERS MAKE NO REPRESENTATIONS OR WARRANTIES AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM SUPPLEMENT AND NOTHING HEREIN SHALL BE DEEMED TO CONSTITUTE SUCH A REPRESENTATION OR WARRANTY BY THE INITIAL PURCHASERS OR A PROMISE OR REPRESENTATION AS TO THE FUTURE PERFORMANCE OF THE DEPOSITOR, THE SELLER, THE SERVICER, THE SERVICING ADMINISTRATOR, THE MASTER SERVICER, THE SECURITIES ADMINISTRATOR, THE TRUSTEE, THE ISSUING ENTITY OR THE MORTGAGE LOANS. THE DELIVERY OF THIS OFFERING MEMORANDUM SUPPLEMENT AT ANY TIME DOES NOT IMPLY THAT INFORMATION HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO ITS DATE.

EXCEPT WHERE OTHERWISE INDICATED, THIS OFFERING MEMORANDUM SUPPLEMENT SPEAKS AS OF THE DATE HEREOF.

NO PERSON OTHER THAN THE DEPOSITOR OR AN INITIAL PURCHASER HAS BEEN AUTHORIZED TO MAKE ANY REPRESENTATION OR TO GIVE ANY INFORMATION WITH RESPECT TO THE OFFERED CERTIFICATES, EXCEPT THE INFORMATION CONTAINED OR INCORPORATED HEREIN. PROSPECTIVE INVESTORS SHOULD NOT RELY ON INFORMATION OTHER THAN THAT CONTAINED OR INCORPORATED IN THIS OFFERING MEMORANDUM SUPPLEMENT.

EACH PERSON RECEIVING THIS OFFERING MEMORANDUM SUPPLEMENT ACKNOWLEDGES THAT (I) SUCH PERSON HAS BEEN AFFORDED AN OPPORTUNITY TO REQUEST FROM THE DEPOSITOR AND TO REVIEW, AND HAS RECEIVED, ALL ADDITIONAL INFORMATION CONSIDERED BY IT TO BE NECESSARY TO VERIFY THE ACCURACY OF, OR TO SUPPLEMENT, THE INFORMATION HEREIN, (II) SUCH PERSON HAS NOT RELIED ON THE INITIAL PURCHASERS OR ANY PERSON AFFILIATED WITH THE INITIAL PURCHASERS IN CONNECTION WITH THEIR INVESTIGATION OF THE ACCURACY OF SUCH INFORMATION OR ITS INVESTMENT DECISION AND (III) NO ONE OTHER THAN THE DEPOSITOR OR AN INITIAL PURCHASER HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION CONCERNING THE DEPOSITOR OR THE CERTIFICATES OFFERED HEREBY OTHER THAN AS CONTAINED HEREIN AND INFORMATION GIVEN BY DULY AUTHORIZED REPRESENTATIVES OF THE ISSUING ENTITY IN CONNECTION WITH SUCH PERSON'S EXAMINATION OF THE ISSUING ENTITY AND THE TERMS OF THE OFFERING, AND, IF GIVEN OR

MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS SHOULD NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE DEPOSITOR OR THE INITIAL PURCHASERS.

THE OBLIGATIONS OF THE PARTIES TO THE TRANSACTIONS CONTEMPLATED HEREIN ARE SET FORTH IN AND WILL BE GOVERNED BY CERTAIN DOCUMENTS DESCRIBED HEREIN. ALL OF THE STATEMENTS AND INFORMATION HEREIN ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO SUCH DOCUMENTS. THIS OFFERING MEMORANDUM SUPPLEMENT CONTAINS SUMMARIES OF CERTAIN OF THESE DOCUMENTS, BUT FOR A COMPLETE DESCRIPTION OF THE RIGHTS AND OBLIGATIONS SUMMARIZED HEREIN, REFERENCE IS HEREBY MADE TO THE ACTUAL DOCUMENTS, COPIES OF WHICH ARE AVAILABLE FROM THE DEPOSITOR UPON WRITTEN REQUEST.

THE CERTIFICATES ARE OFFERED SUBJECT TO PRIOR SALE, WHEN, AS AND IF ISSUED, SUBJECT TO THE RIGHT OF THE INITIAL PURCHASERS TO REJECT ANY SUBSCRIPTION FOR THE CERTIFICATES, IN WHOLE OR IN PART, FOR ANY REASON AND SUBJECT TO CERTAIN OTHER CONDITIONS SET FORTH HEREIN.

THERE CAN BE NO ASSURANCE THAT A SECONDARY MARKET FOR ANY OF THE OFFERED CERTIFICATES WILL DEVELOP OR, IF IT DOES DEVELOP, THAT IT WILL CONTINUE. THE OFFERED CERTIFICATES WILL NOT BE LISTED ON ANY SECURITIES EXCHANGE.

THIS OFFERING MEMORANDUM SUPPLEMENT IS NOT INTENDED TO FURNISH LEGAL, REGULATORY, TAX OR ACCOUNTING ADVICE TO ANY PROSPECTIVE INVESTOR IN THE CERTIFICATES. THIS OFFERING MEMORANDUM SUPPLEMENT SHOULD BE REVIEWED BY EACH PROSPECTIVE INVESTOR AND ITS LEGAL, REGULATORY, TAX AND ACCOUNTING ADVISORS. INVESTORS WHOSE INVESTMENT AUTHORITY IS SUBJECT TO LEGAL RESTRICTIONS SHOULD CONSULT THEIR OWN LEGAL ADVISORS TO DETERMINE WHETHER AND TO WHAT EXTENT THE OFFERED CERTIFICATES CONSTITUTE LEGAL INVESTMENTS FOR THEM.

TO THE EXTENT THAT INVESTORS CHOOSE TO UTILIZE THIRD PARTY PREDICTIVE MODELS IN CONNECTION WITH CONSIDERING AN INVESTMENT IN THE CERTIFICATES, NONE OF THE SPONSOR, THE DEPOSITOR OR THE INITIAL PURCHASERS MAKE ANY REPRESENTATION OR WARRANTY REGARDING THE ACCURACY, COMPLETENESS OR APPROPRIATENESS OF ANY INFORMATION OR REPORTS GENERATED BY SUCH MODELS, INCLUDING, WITHOUT LIMITATION, WHETHER THE CERTIFICATES OR THE UNDERLYING COLLATERAL WILL PERFORM IN A MANNER CONSISTENT THEREWITH.

EACH PROSPECTIVE PURCHASER OF ANY OF THE OFFERED CERTIFICATES MUST COMPLY WITH ALL APPLICABLE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION IN WHICH IT PURCHASES, OFFERS OR SELLS SUCH CERTIFICATES OR POSSESSES OR DISTRIBUTES THIS OFFERING MEMORANDUM SUPPLEMENT AND MUST OBTAIN ANY CONSENT, APPROVAL OR PERMISSION REQUIRED BY IT FOR THE PURCHASE, OFFER OR SALE BY IT OF THE OFFERED CERTIFICATES UNDER THE LAWS AND REGULATIONS IN FORCE IN ANY JURISDICTION TO WHICH IT IS SUBJECT OR IN WHICH IT MAKES SUCH PURCHASES, OFFERS OR SALES, AND NONE OF THE ISSUING ENTITY, THE DEPOSITOR, THE INITIAL PURCHASERS, THE SELLER, THE SERVICER, THE SERVICING ADMINISTRATOR, THE MASTER SERVICER, THE SECURITIES ADMINISTRATOR, THE TRUSTEE AND ANY OF THEIR RESPECTIVE AFFILIATES SHALL HAVE ANY RESPONSIBILITY THEREFOR.

IMPORTANT INFORMATION REGARDING THE CERTIFICATES

THE OFFERED CERTIFICATES REFERRED TO IN THIS OFFERING MEMORANDUM SUPPLEMENT ARE SUBJECT TO MODIFICATION OR REVISION (INCLUDING THE POSSIBILITY THAT ONE OR MORE CLASSES OF OFFERED CERTIFICATES MAY BE SPLIT, COMBINED OR ELIMINATED AT ANY TIME PRIOR TO ISSUANCE OR AVAILABILITY OF A FINAL OFFERING MEMORANDUM SUPPLEMENT) AND ARE OFFERED ON A “WHEN, AS AND IF ISSUED” BASIS. PROSPECTIVE

INVESTORS SHOULD UNDERSTAND THAT, WHEN CONSIDERING THE PURCHASE OF THESE SECURITIES, A CONTRACT OF SALE WILL COME INTO BEING NO SOONER THAN THE DATE ON WHICH THE RELEVANT CLASS OF OFFERED CERTIFICATES HAS BEEN PRICED AND THE INITIAL PURCHASERS HAVE CONFIRMED THE ALLOCATION OF OFFERED CERTIFICATES TO BE MADE TO INVESTORS; ANY "INDICATIONS OF INTEREST" EXPRESSED BY ANY PROSPECTIVE INVESTOR AND ANY "SOFT CIRCLES" GENERATED BY THE INITIAL PURCHASERS WILL NOT CREATE BINDING CONTRACTUAL OBLIGATIONS FOR SUCH PROSPECTIVE INVESTORS, ON THE ONE HAND, OR THE INITIAL PURCHASERS, THE SPONSOR, THE SELLER, THE DEPOSITOR OR ANY OF THEIR RESPECTIVE AGENTS OR AFFILIATES, ON THE OTHER HAND.

AS A RESULT OF THE FOREGOING, A PROSPECTIVE INVESTOR MAY COMMIT TO PURCHASE OFFERED CERTIFICATES THAT HAVE CHARACTERISTICS THAT MAY CHANGE, AND EACH PROSPECTIVE INVESTOR IS ADVISED THAT ALL OR A PORTION OF THE OFFERED CERTIFICATES REFERRED TO IN THIS OFFERING MEMORANDUM SUPPLEMENT MAY BE ISSUED WITHOUT ALL OR CERTAIN OF THE CHARACTERISTICS DESCRIBED HEREIN OR MAY BE ISSUED WITH CHARACTERISTICS THAT DIFFER FROM THE CHARACTERISTICS DESCRIBED HEREIN.

TO THE EXTENT THAT ANY PROSPECTIVE INVESTOR HAS REQUESTED OR REQUESTS THAT THE DEPOSITOR PROVIDE TO SUCH PROSPECTIVE INVESTOR INFORMATION IN ADDITION TO THIS OFFERING MEMORANDUM SUPPLEMENT IN CONNECTION WITH SUCH PROSPECTIVE INVESTOR'S CONSIDERATION OF THE PURCHASE OF THE OFFERED CERTIFICATES DESCRIBED HEREIN, SUCH MATERIALS HAVE BEEN OR WILL BE PROVIDED TO EACH PROSPECTIVE INVESTOR FOR INFORMATION PURPOSES ONLY IN RESPONSE TO SUCH PROSPECTIVE INVESTOR'S SPECIFIC REQUEST. THE INITIAL PURCHASERS MAY FROM TIME TO TIME PERFORM INVESTMENT BANKING SERVICES FOR, OR SOLICIT INVESTMENT BANKING BUSINESS FROM, ANY COMPANY NAMED IN THESE MATERIALS OR THIS OFFERING MEMORANDUM SUPPLEMENT.

THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM SUPPLEMENT SUPERSEDES ANY PREVIOUS SUCH INFORMATION DELIVERED TO ANY PROSPECTIVE INVESTOR AND MAY BE SUPERSEDED BY INFORMATION DELIVERED TO SUCH PROSPECTIVE INVESTOR PRIOR TO THE TIME OF SALE.

NOTICE TO RESIDENTS OF THE UNITED KINGDOM

IN THE UNITED KINGDOM, THIS OFFERING MEMORANDUM SUPPLEMENT MAY ONLY BE COMMUNICATED TO PERSONS WHO EITHER (I) HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS AND FALL WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, AS AMENDED (THE "ORDER"); (II) FALL WITHIN ARTICLE 49(2)(A) TO (D) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC.") OF THE ORDER; OR (III) TO WHOM THIS OFFERING MEMORANDUM SUPPLEMENT MAY OTHERWISE LAWFULLY BE COMMUNICATED (EACH SUCH PERSON BEING REFERRED TO AS A "RELEVANT PERSON"). ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS OFFERING MEMORANDUM SUPPLEMENT RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS. THIS OFFERING MEMORANDUM SUPPLEMENT MUST NOT BE ACTED OR RELIED UPON BY PERSONS WHO ARE NOT RELEVANT PERSONS.

THIS OFFERING MEMORANDUM SUPPLEMENT IS NOT A PROSPECTUS FOR THE PURPOSES OF THE UK PROSPECTUS REGULATION (AS DEFINED BELOW). THE CERTIFICATES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UNITED KINGDOM. FOR THESE PURPOSES, A "UK RETAIL INVESTOR" MEANS A PERSON WHO IS ONE (OR MORE) OF: (I) A RETAIL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2 OF REGULATION (EU) NO 2017/565 AS IT FORMS PART OF THE DOMESTIC LAW OF THE UNITED KINGDOM BY VIRTUE OF THE EUROPEAN UNION (WITHDRAWAL) ACT 2018 (AS AMENDED FROM TIME TO TIME, THE "EUWA"); OR

(II) A CUSTOMER WITHIN THE MEANING OF THE PROVISIONS OF THE FINANCIAL SERVICES AND MARKETS ACT 2000, AS AMENDED (THE “FSMA”) AND ANY RULES OR REGULATIONS MADE UNDER THE FSMA TO IMPLEMENT DIRECTIVE (EU) 2016/97, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT, AS DEFINED IN POINT (8) OF ARTICLE 2(1) OF REGULATION (EU) NO 600/2014 AS IT FORMS PART OF THE DOMESTIC LAW OF THE UNITED KINGDOM BY VIRTUE OF THE EUWA; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN ARTICLE 2 OF REGULATION (EU) 2017/1129 AS IT FORMS PART OF THE DOMESTIC LAW OF THE UNITED KINGDOM BY VIRTUE OF THE EUWA (THE “UK PROSPECTUS REGULATION”).

CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014 AS IT FORMS PART OF THE DOMESTIC LAW OF THE UNITED KINGDOM BY VIRTUE OF THE EUWA (THE “UK PRIIPS REGULATION”) FOR OFFERING OR SELLING THE CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO UK RETAIL INVESTORS IN THE UNITED KINGDOM HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO ANY UK RETAIL INVESTOR IN THE UNITED KINGDOM MAY BE UNLAWFUL UNDER THE UK PRIIPS REGULATION.

NOTICE TO RESIDENTS OF THE EUROPEAN ECONOMIC AREA

THIS OFFERING MEMORANDUM SUPPLEMENT IS NOT A PROSPECTUS FOR THE PURPOSES OF REGULATION (EU) 2017/1129 (AS AMENDED, THE “PROSPECTUS REGULATION”). THE CERTIFICATES ARE NOT INTENDED TO BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO AND SHOULD NOT BE OFFERED, SOLD OR OTHERWISE MADE AVAILABLE TO ANY EU RETAIL INVESTOR (DEFINED BELOW) IN THE EUROPEAN ECONOMIC AREA (“EEA”). AN “EU RETAIL INVESTOR” MEANS A PERSON WHO IS ONE (OR MORE) OF THE FOLLOWING: (I) A RETAIL CLIENT AS DEFINED IN POINT (11) OF ARTICLE 4(1) OF DIRECTIVE 2014/65/EU (AS AMENDED, “MIFID II”); OR (II) A CUSTOMER WITHIN THE MEANING OF DIRECTIVE (EU) 2016/97 AS AMENDED, WHERE THAT CUSTOMER WOULD NOT QUALIFY AS A PROFESSIONAL CLIENT AS DEFINED IN POINT (10) OF ARTICLE 4(1) OF MIFID II; OR (III) NOT A QUALIFIED INVESTOR AS DEFINED IN THE PROSPECTUS REGULATION.

CONSEQUENTLY NO KEY INFORMATION DOCUMENT REQUIRED BY REGULATION (EU) NO 1286/2014, AS AMENDED (THE “PRIIPS REGULATION”) FOR OFFERING OR SELLING THE CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO EU RETAIL INVESTORS IN THE EEA HAS BEEN PREPARED AND THEREFORE OFFERING OR SELLING THE CERTIFICATES OR OTHERWISE MAKING THEM AVAILABLE TO ANY EU RETAIL INVESTOR IN THE EEA MAY BE UNLAWFUL UNDER THE PRIIPS REGULATION.

EU RISK RETENTION REQUIREMENT AND UK RISK RETENTION REQUIREMENT

NONE OF THE ISSUING ENTITY, THE SPONSOR, THE SELLER, THE INITIAL PURCHASERS, THE DEPOSITOR, THEIR RESPECTIVE AFFILIATES NOR ANY OTHER PARTY TO THE TRANSACTIONS DESCRIBED IN THIS OFFERING MEMORANDUM SUPPLEMENT, AS AN ORIGINATOR, SPONSOR, ORIGINAL LENDER OR OTHERWISE, IS REQUIRED OR INTENDS TO RETAIN A MATERIAL NET ECONOMIC INTEREST WITH RESPECT TO THIS TRANSACTION OR TO PROVIDE ANY ADDITIONAL INFORMATION THAT WOULD SATISFY THE EU RISK RETENTION REQUIREMENT OR THE UK RISK RETENTION REQUIREMENT OR TO TAKE ANY OTHER ACTION WHICH MAY BE REQUIRED BY EU INSTITUTIONAL INVESTORS OR UK INSTITUTIONAL INVESTORS FOR THE PURPOSES OF THEIR COMPLIANCE WITH THE EU DUE DILIGENCE REQUIREMENTS OR THE UK DUE DILIGENCE REQUIREMENTS, AND NO SUCH PERSON ASSUMES ANY LIABILITY WHATSOEVER IN CONNECTION WITH ANY INVESTOR’S NON-COMPLIANCE WITH THE EU DUE DILIGENCE REQUIREMENTS OR THE UK DUE DILIGENCE REQUIREMENTS.

FOR MORE INFORMATION REGARDING THE EU SECURITIZATION REGULATION AND THE UK SECURITIZATION REGULATION, SEE "*RISK FACTORS—FINANCIAL REGULATORY REFORMS AND ADDITIONAL PROPOSED REGULATIONS COULD HAVE A SIGNIFICANT IMPACT ON THE SPONSOR, THE DEPOSITOR, THE SERVICING ADMINISTRATOR, THE MASTER SERVICER, THE SERVICER OR ANY SUCCESSOR SERVICERS OR ON THE PERFORMANCE, LIQUIDITY AND MARKET VALUE OF THE CERTIFICATES—EU SECURITIZATION REGULATION AND UK SECURITIZATION REGULATION* " IN THIS OFFERING MEMORANDUM SUPPLEMENT.

JAPAN

THIS OFFER HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE FINANCIAL INSTRUMENTS AND EXCHANGE ACT OF JAPAN (LAW NO. 25 OF 1948, AS AMENDED: THE "FIEA"). THE OFFERED CERTIFICATES HAVE NOT, DIRECTLY OR INDIRECTLY, BEEN OFFERED OR SOLD AND WILL NOT, DIRECTLY OR INDIRECTLY, BE OFFERED OR SOLD IN JAPAN OR TO OR FOR THE BENEFIT OF A RESIDENT OF JAPAN (AS DEFINED IN ITEM 5, PARAGRAPH 1, ARTICLE 6 OF THE FOREIGN EXCHANGE AND FOREIGN TRADE ACT NO. 228 OF 1949, AS AMENDED), OR TO OTHERS FOR RE-OFFERING OR RE-SALE, DIRECTLY OR INDIRECTLY, IN JAPAN, OR TO OR FOR THE BENEFIT OF ANY RESIDENT OF JAPAN, EXCEPT PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF, AND OTHERWISE IN COMPLIANCE WITH THE FIEA AND OTHER RELEVANT LAWS, REGULATIONS AND MINISTERIAL GUIDELINES OF JAPAN.

JAPANESE RISK RETENTION REQUIREMENT

THE JAPANESE FINANCIAL SERVICES AGENCY ("JFSA") PUBLISHED A RISK RETENTION RULE AS PART OF THE REGULATORY CAPITAL REGULATION OF CERTAIN CATEGORIES OF JAPANESE INVESTORS SEEKING TO INVEST IN SECURITIZATION TRANSACTIONS (THE "JRR RULE"). THE JRR RULE MANDATES AN "INDIRECT" COMPLIANCE REQUIREMENT, MEANING THAT CERTAIN CATEGORIES OF JAPANESE INVESTORS WILL BE REQUIRED TO APPLY HIGHER RISK WEIGHTING TO SECURITIZATION EXPOSURES THEY HOLD UNLESS THE SPONSORS COMMIT TO HOLD A RETENTION INTEREST IN THE SECURITIES ISSUED IN THE SECURITIZATION TRANSACTION EQUAL TO AT LEAST 5% OF THE EXPOSURE OF THE TOTAL UNDERLYING ASSETS IN THE SECURITIZATION TRANSACTION (THE "JAPANESE RETENTION REQUIREMENT"), OR SUCH INVESTORS DETERMINE THAT THE UNDERLYING ASSETS WERE NOT "INAPPROPRIATELY ORIGINATED." IN THE ABSENCE OF SUCH A DETERMINATION BY SUCH INVESTORS THAT SUCH UNDERLYING ASSETS WERE NOT "INAPPROPRIATELY ORIGINATED," THE JAPANESE RETENTION REQUIREMENT WOULD APPLY TO AN INVESTMENT BY SUCH INVESTORS IN SUCH SECURITIES.

NO PARTY TO THE TRANSACTION DESCRIBED IN THIS OFFERING MEMORANDUM SUPPLEMENT HAS COMMITTED TO HOLD A RISK RETENTION INTEREST IN COMPLIANCE WITH THE JAPANESE RETENTION REQUIREMENT, AND WE MAKE NO REPRESENTATION AS TO WHETHER THE TRANSACTION DESCRIBED IN THIS OFFERING MEMORANDUM SUPPLEMENT WOULD OTHERWISE COMPLY WITH THE JRR RULE.

AVAILABLE INFORMATION

To permit compliance with Rule 144A under the Securities Act in connection with sales of the offered certificates, the securities administrator will be required to furnish, upon the request of any holder of the offered certificates, to such holder and a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act.

IMPORTANT NOTICE ABOUT INFORMATION PRESENTED IN THIS OFFERING MEMORANDUM SUPPLEMENT AND THE ACCOMPANYING OFFERING MEMORANDUM

We provide information to you about the certificates offered by this offering memorandum supplement in two separate documents that provide progressively more detail: (1) the accompanying offering memorandum, which provides general information, some of which may not apply to your certificates and (2) this offering memorandum supplement, which describes the specific terms of your certificates. Reference to this offering memorandum supplement herein include supplements to this offering memorandum supplement unless the context otherwise provides.

THE INFORMATION PRESENTED IN THIS OFFERING MEMORANDUM SUPPLEMENT IS INTENDED TO ENHANCE THE GENERAL TERMS OF THE ACCOMPANYING OFFERING MEMORANDUM.

We include cross-references in this offering memorandum supplement and the accompanying offering memorandum to captions in these materials where you can find further related discussions. The following table of contents and the table of contents included in the accompanying offering memorandum provide the pages on which these captions are located.

NOTICE TO INVESTORS

Because of the following restrictions, investors in the offered certificates are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the offered certificates.

The certificates are being offered in a private placement to a limited number of institutional investors and qualified non-U.S. persons and will not be registered under the Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws. Neither the securities administrator nor the issuing entity is required to register the certificates under the Securities Act, to qualify the certificates under the securities laws of any state or to provide registration rights to any certificateholder.

Each investor that purchases certificates from the initial purchasers (each, an "investor"), will be deemed to have represented and agreed as follows (terms used herein that are defined in Rule 144A or Regulation S under the Securities Act are used herein as defined therein):

(1) By accepting this offering memorandum supplement, the recipient acknowledges its express oral agreement with the depositor and the initial purchasers to maintain in confidence this offering memorandum supplement and the information contained herein, which may include information that constitutes material non-public information. The depositor and the initial purchasers have caused this offering memorandum supplement to be delivered to you in reliance upon your agreement to maintain such confidentiality.

(2) The investor represents that it is purchasing the certificates for its own account or an account with respect to which it exercises sole investment discretion, for investment purposes only and not with a view to or for sale in connection with any distribution thereof in any manner that would violate the Securities Act or any applicable state securities laws, and that it or the holder of such account either (A) (i) is a "qualified institutional buyer" within the meaning of Rule 144A (a "Qualified Institutional Buyer"), (ii) is aware that the sale of the certificates to it is being made in reliance on Rule 144A and (iii) is acquiring such certificates for its own account or for the account of a Qualified Institutional Buyer or (B) is a foreign purchaser (a "Qualified Non-U.S. Person") that was outside the United States at the time the buy order for such certificates was originated (or a foreign purchaser that is a dealer or other professional fiduciary in the United States acting on a discretionary basis for foreign beneficial owners (other than an estate or trust)) and was not purchasing for the account or benefit of a U.S. Person. The pooling and servicing agreement provides that the certificate registrar will have the right to require any investor that does not meet the foregoing requirements to sell the offered certificates that such investor holds.

(3) The investor understands that the certificates are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act. The investor understands that the certificates have not been and will not be registered under the Securities Act or any applicable securities laws of any state of the United States and may not be offered, sold, pledged or otherwise transferred except (X) (i) to a person that

it reasonably believes is a Qualified Institutional Buyer purchasing for its own account or the account of a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A, (ii) to a person that is a Qualified Non-U.S. Person in compliance with Rule 903 or 904 under the Securities Act or (iii) to the issuing entity or the depositor, and (Y) in accordance with any applicable securities laws of any state of the United States or any other applicable jurisdiction, and that the certificates will bear a legend to the foregoing effect. Any holder of an offered certificate desiring to effect a transfer of such certificate or beneficial interest therein will, by acceptance thereof, be deemed to have agreed to indemnify the depositor, the master servicer, the trustee, the securities administrator, the certificate registrar and the issuing entity against any liability that may result if the transfer is not exempt from the registration requirements of the Securities Act or is not made in accordance with such applicable federal and state laws and the pooling and servicing agreement.

(4) The investor agrees that it will give each subsequent investor to which it transfers any certificates notice of any restrictions on transfer of the certificates. It further agrees that it will not sell or otherwise transfer any of the certificates except in compliance with the provisions hereof and of the pooling and servicing agreement. It has not and will not, nor has it or will it authorize any person to, take any action that would constitute a "distribution" of the certificates under the Securities Act or any state securities law, or that would require registration or qualification pursuant thereto.

(5) The investor understands that any subsequent transfer of the certificates or any interest therein is subject to certain restrictions and conditions set forth in the pooling and servicing agreement and the investor agrees to be bound by, and not to resell, pledge or otherwise transfer the certificates or any interest therein except in compliance with, such restrictions and conditions and the Securities Act.

This offering memorandum supplement is being furnished solely for the purpose of evaluating the investment offered hereby and may not be reproduced or used in whole or in part for any other purpose. None of the seller, the servicer, the servicing administrator, the master servicer, the securities administrator, the trustee, the initial purchasers, their respective Affiliates or any other person other than the depositor makes any representations or warranties as to the accuracy or completeness of the information contained in this offering memorandum supplement. Investors interested in participating in this private placement must rely on their own independent investigation of the issuing entity.

No person other than the depositor or an initial purchaser has been authorized to make any representation or to give any information with respect to the certificates, except the information contained or incorporated herein. Prospective investors should not rely on information other than that contained or incorporated in this offering memorandum supplement.

The certificates will bear a legend to the following effect, unless the issuing entity determines otherwise consistent with applicable law:

> THIS CERTIFICATE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, UNITED STATES PERSONS, EXCEPT AS PERMITTED BY THIS LEGEND. THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS CERTIFICATE, REPRESENTS, ACKNOWLEDGES AND AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS CERTIFICATE EXCEPT IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND EXCEPT (A) IN COMPLIANCE WITH RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT IT REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER AS DEFINED IN RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, WHOM IT HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, PROVIDED THAT SUCH PURCHASER DELIVERS ALL DOCUMENTS AND CERTIFICATIONS AS THE ISSUING ENTITY OR THE SECURITIES ADMINISTRATOR MAY REASONABLY REQUIRE; (B) TO A PERSON THAT IS A

QUALIFIED NON-U.S. PERSON OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT; OR (C) TO THE ISSUING ENTITY OR THE DEPOSITOR, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAW OF ANY STATE OF THE UNITED STATES AND ANY OTHER JURISDICTION. IN ADDITION, THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS CERTIFICATE, REPRESENTS, ACKNOWLEDGES AND AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS CERTIFICATE EXCEPT IN A TRANSACTION THAT DOES NOT CAUSE THE ISSUING ENTITY OR THE MORTGAGE LOANS TO BE REQUIRED TO REGISTER UNDER THE INVESTMENT COMPANY ACT.

EACH TRANSFEREE OF A CERTIFICATE (OTHER THAN THE ISSUING ENTITY OR THE DEPOSITOR) WILL BE DEEMED TO REPRESENT AT TIME OF TRANSFER THAT SUCH TRANSFEREE IS EITHER (A) A QUALIFIED INSTITUTIONAL BUYER OR (B) A NON-U.S. PERSON AS DEFINED IN REGULATION S.

ANY PURPORTED CERTIFICATE OWNER WHOSE ACQUISITION OR HOLDING OF THIS CERTIFICATE (OR INTEREST THEREIN) WAS EFFECTED IN VIOLATION OF THE RESTRICTIONS PROVIDED IN THE POOLING AND SERVICING AGREEMENT SHALL INDEMNIFY AND HOLD HARMLESS THE CERTIFICATE REGISTRAR, THE SECURITIES ADMINISTRATOR, THE DEPOSITOR, THE TRUSTEE AND THE ISSUING ENTITY FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, COSTS OR EXPENSES INCURRED BY SUCH PARTIES AS A RESULT OF SUCH ACQUISITION OR HOLDING.

TRANSFERS OF THE CERTIFICATES MUST GENERALLY BE ACCOMPANIED BY APPROPRIATE TAX TRANSFER DOCUMENTATION AND ARE SUBJECT TO RESTRICTIONS AS PROVIDED IN THE POOLING AND SERVICING AGREEMENT.

ANY TRANSFER OF THIS CERTIFICATE IN VIOLATION OF THE FOREGOING WILL BE OF NO FORCE AND EFFECT AND WILL BE NULL AND VOID AB INITIO AND WILL NOT OPERATE TO TRANSFER ANY RIGHTS TO THE INITIAL PURCHASERS OR SUBSEQUENT TRANSFEREE, NOTWITHSTANDING ANY INSTRUCTIONS TO THE CONTRARY TO THE ISSUING ENTITY, THE SECURITIES ADMINISTRATOR OR ANY INTERMEDIARY.

The certificates that are Rule 144A global certificates will also bear legends substantially to the following effect unless the issuing entity determines otherwise in compliance with applicable law:

THE ISSUING ENTITY MAY REQUIRE ANY HOLDER OF THIS CERTIFICATE THAT IS A "U.S. PERSON" AS DEFINED IN REGULATION S OR A HOLDER WHO WAS SOLD THIS CERTIFICATE IN THE UNITED STATES WHO IN EITHER CASE IS DETERMINED NOT TO HAVE BEEN A QUALIFIED INSTITUTIONAL BUYER AT THE TIME OF ACQUISITION OF THIS CERTIFICATE TO SELL THIS CERTIFICATE TO A PERSON THAT IS (I) A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, OR (II) NOT A "U.S. PERSON" AS DEFINED IN REGULATION S IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S.

The certificates that are Regulation S global certificates will also bear legends substantially to the following effect unless the issuing entity determines otherwise in compliance with applicable law:

THE ISSUING ENTITY MAY REQUIRE ANY HOLDER OF THIS CERTIFICATE THAT IS A "U.S. PERSON" AS DEFINED IN REGULATION S, THAT WAS SOLD THIS CERTIFICATE IN THE UNITED STATES, AT THE TIME OF ACQUISITION OF THIS CERTIFICATE, TO SELL THIS CERTIFICATE TO A PERSON THAT IS (I) A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, OR (II)

NOT A "U.S. PERSON" AS DEFINED IN REGULATION S IN AN OFFSHORE TRANSACTION MEETING THE REQUIREMENTS OF REGULATION S.

UNTIL 40 DAYS AFTER THE INITIAL PURCHASERS NOTIFY THE ISSUING ENTITY THAT THE RESALE OF THE OFFERED CERTIFICATES HAS BEEN COMPLETED (THE "RESTRICTED PERIOD") IN CONNECTION WITH THE OFFERING OF THE CERTIFICATES IN THE UNITED STATES FROM OUTSIDE OF THE UNITED STATES, THE SALE, PLEDGE OR TRANSFER OF THIS CERTIFICATE IS SUBJECT TO CERTAIN CONDITIONS AND RESTRICTIONS. THE HOLDER HEREOF, BY PURCHASING OR OTHERWISE ACQUIRING THIS CERTIFICATE, ACKNOWLEDGES THAT THIS CERTIFICATE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT AND AGREES FOR THE BENEFIT OF THE ISSUING ENTITY THAT THIS CERTIFICATE MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS OF THE STATES, TERRITORIES AND POSSESSIONS OF THE UNITED STATES GOVERNING THE OFFER AND SALE OF SECURITIES, AND PRIOR TO THE EXPIRATION OF THE RESTRICTED PERIOD, ONLY (I) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT OR (II) PURSUANT TO AND IN ACCORDANCE WITH RULE 144A UNDER THE SECURITIES ACT.

The purchaser understands that each certificate in global form will bear a legend substantially to the following effect unless the issuing entity determines otherwise in compliance with applicable law:

THIS CERTIFICATE IS A GLOBAL CERTIFICATE WITHIN THE MEANING OF THE POOLING AND SERVICING AGREEMENT HEREINAFTER REFERRED TO AND IS REGISTERED IN THE NAME OF THE DEPOSITORY TRUST COMPANY ("DTC"), A NEW YORK CORPORATION, 55 WATER STREET, NEW YORK, NEW YORK 10004, OR A NOMINEE THEREOF. THIS CERTIFICATE MAY NOT BE EXCHANGED IN WHOLE OR IN PART FOR A SECURITY REGISTERED, AND NO TRANSFER OF THIS CERTIFICATE IN WHOLE OR IN PART MAY BE REGISTERED, IN THE NAME OF ANY PERSON OTHER THAN DTC OR A NOMINEE THEREOF, EXCEPT IN THE LIMITED CIRCUMSTANCES DESCRIBED IN THE POOLING AND SERVICING AGREEMENT. UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF DTC TO THE ISSUING ENTITY OR THE SECURITIES ADMINISTRATOR, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE THE REGISTERED OWNER, CEDE & CO., HAS AN INTEREST HEREIN. THIS CERTIFICATE (AND INTERESTS THEREIN) ARE ALSO SUBJECT TO THE RESTRICTIONS SET FORTH IN THE POOLING AND SERVICING AGREEMENT REFERENCED BELOW. THE PRINCIPAL AMOUNT OUTSTANDING OF THIS CERTIFICATE WILL NOT EXCEED THE PRINCIPAL AMOUNT SHOWN ON THE FACE HEREOF. ACCORDINGLY, THE OUTSTANDING PRINCIPAL AMOUNT OF THIS CERTIFICATE AT ANY TIME MAY BE LESS THAN THE AMOUNT SHOWN ON THE FACE HEREOF.

Each offered certificate will bear a legend substantially to the following effect unless the issuing entity determines otherwise in compliance with applicable law:

THE HOLDER AND ANY TRANSFEREE OF THIS CERTIFICATE WILL BE DEEMED TO HAVE REPRESENTED BY VIRTUE OF ITS ACQUISITION OR HOLDING OF THIS CERTIFICATE (OR INTEREST THEREIN) THAT EITHER (A) SUCH HOLDER OR TRANSFEREE IS NOT AN EMPLOYEE BENEFIT PLAN OR OTHER PLAN OR ARRANGEMENT SUBJECT TO THE PROHIBITED TRANSACTION PROVISIONS OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"),

OR SECTION 4975 OF THE CODE OR A PERSON (INCLUDING AN INSURANCE COMPANY INVESTING ITS GENERAL ACCOUNT, AN INVESTMENT MANAGER, A NAMED FIDUCIARY OR A TRUSTEE OF ANY SUCH PLAN) WHO IS USING "PLAN ASSETS" OF ANY SUCH PLAN TO EFFECT SUCH ACQUISITION (EACH OF THE FOREGOING, A "PLAN INVESTOR"), OR (B) IF THE HOLDER OR TRANSFEREE IS A PLAN INVESTOR, AND CERTIFICATES OF THIS CLASS HAVE BEEN UNDERWRITTEN OR PLACED BY THE INITIAL PURCHASERS ON THE CLOSING DATE OR AS OF A LATER ACQUISITION DATE BY THE INITIAL PURCHASERS OR ANOTHER UNDERWRITER OR PLACEMENT AGENT THAT HAS OBTAINED AN INDIVIDUAL PROHIBITED TRANSACTION EXEMPTION UNDER OR SIMILAR TO U.S. DEPARTMENT OF LABOR PROHIBITED TRANSACTION EXEMPTION 2013-08, AS AMENDED (THE "UNDERWRITER EXEMPTION" AND SUCH SIMILAR EXEMPTION, A "SIMILAR UNDERWRITER EXEMPTION") EITHER (X) IF THIS OFFERED CERTIFICATE IS RATED, AT THE TIME OF ACQUISITION, NOT LOWER THAN "BBB-" (OR ITS EQUIVALENT) BY AT LEAST ONE NATIONALLY RECOGNIZED STATISTICAL RATINGS ORGANIZATION THAT MEETS THE REQUIREMENTS OF THE UNDERWRITER EXEMPTION OR A SIMILAR UNDERWRITER EXEMPTION (THE "ERISA MINIMUM RATING REQUIREMENT"), THE HOLDER AND TRANSFEREE OF THIS CERTIFICATE IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a)(1) OF REGULATION D UNDER THE SECURITIES ACT OR (Y) IF THIS OFFERED CERTIFICATE DOES NOT SATISFY THE ERISA MINIMUM RATING REQUIREMENT AT THE TIME OF ACQUISITION, THE HOLDER OR TRANSFEREE IS AN "INSURANCE COMPANY GENERAL ACCOUNT" (AS DEFINED IN SECTION V(e) OF U.S. DEPARTMENT OF LABOR PROHIBITED TRANSACTION CLASS EXEMPTION ("PTCE") 95-60) AND THE CONDITIONS SET FORTH IN SECTIONS I AND III OF PTCE 95-60 HAVE BEEN SATISFIED WITH RESPECT TO THE ACQUISITION AND HOLDING OF THIS CERTIFICATE.

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THE OFFERED CERTIFICATES

The certificates consist of the classes of certificates listed in the tables below, together with the Class A-IO-S, Class R and Class LT-R Certificates. This offering memorandum supplement and the accompanying offering memorandum relate only to the offering of the classes of certificates listed in the table below and not any other certificates issued by the issuing entity.

Class	Initial Class Principal Amount or Initial Class Notional Amount[2]	Approximate Initial Certificate Interest Rate[3]	Certificate Interest Rate Formula	Class Type	Ratings (Fitch/KBRA)
A-1[1]	$282,700,000	5.00000%	(4)	Super Senior/Exchangeable	AAAsf/AAA(sf)
A-2[1]	$282,700,000	4.50000%	(4)	Super Senior/Exchangeable	AAAsf/AAA(sf)
A-3[1]	$282,700,000	4.00000%	(4)	Super Senior/Exchangeable	AAAsf/AAA(sf)
A-4[1]	$212,025,000	5.00000%	(4)	Super Senior/Sequential/Exchangeable	AAAsf/AAA(sf)
A-5[1]	$212,025,000	4.50000%	(4)	Super Senior/Sequential/Exchangeable	AAAsf/AAA(sf)
A-6[1]	$212,025,000	4.00000%	(4)	Super Senior/Sequential/Exchangeable	AAAsf/AAA(sf)
A-7[1]	$70,675,000	5.00000%	(4)	Super Senior/Sequential/Exchangeable	AAAsf/AAA(sf)
A-8[1]	$70,675,000	4.50000%	(4)	Super Senior/Sequential/Exchangeable	AAAsf/AAA(sf)
A-9[1]	$70,675,000	4.00000%	(4)	Super Senior/Sequential/Initial Exchangeable	AAAsf/AAA(sf)
A-10[1]	$169,620,000	5.00000%	(4)	Super Senior/Sequential/Exchangeable	AAAsf/AAA(sf)
A-11[1]	$169,620,000	4.50000%	(4)	Super Senior/Sequential/Exchangeable	AAAsf/AAA(sf)
A-12[1]	$169,620,000	4.00000%	(4)	Super Senior/Sequential/Initial Exchangeable	AAAsf/AAA(sf)
A-13[1]	$113,080,000	5.00000%	(4)	Super Senior/Sequential/Exchangeable	AAAsf/AAA(sf)
A-14[1]	$113,080,000	4.50000%	(4)	Super Senior/Sequential/Exchangeable	AAAsf/AAA(sf)
A-15[1]	$113,080,000	4.00000%	(4)	Super Senior/Sequential/Exchangeable	AAAsf/AAA(sf)
A-16[1]	$42,405,000	5.00000%	(4)	Super Senior/Sequential/Exchangeable	AAAsf/AAA(sf)
A-17[1]	$42,405,000	4.50000%	(4)	Super Senior/Sequential/Exchangeable	AAAsf/AAA(sf)
A-18[1]	$42,405,000	4.00000%	(4)	Super Senior/Sequential/Initial Exchangeable	AAAsf/AAA(sf)
A-19[1]	$31,604,000	5.00000%	(4)	Senior Support/Exchangeable	AAAsf/AAA(sf)
A-20[1]	$31,604,000	4.50000%	(4)	Senior Support/Exchangeable	AAAsf/AAA(sf)
A-21[1]	$31,604,000	4.00000%	(4)	Senior Support/Initial Exchangeable	AAAsf/AAA(sf)
A-22[1]	$314,304,000	5.00000%	(4)	Senior/Exchangeable	AAAsf/AAA(sf)
A-23[1]	$314,304,000	4.50000%	(4)	Senior/Exchangeable	AAAsf/AAA(sf)
A-24[1]	$314,304,000	4.00000%	(4)	Senior/Exchangeable	AAAsf/AAA(sf)
A-25[1]	$314,304,000	5.16276%	(4)	Senior/Exchangeable	AAAsf/AAA(sf)
A-IO1[1]	$314,304,000[5]	0.16276%	(6)	Notional/Senior/Initial Exchangeable	AAAsf/AAA(sf)
A-IO2[1]	$282,700,000[5]	1.00000%	(6)	Notional/Senior/Exchangeable	AAAsf/AAA(sf)
A-IO3[1]	$282,700,000[5]	0.50000%	(6)	Notional/Senior/Exchangeable	AAAsf/AAA(sf)
A-IO4[1]	$282,700,000[5]	0.50000%	(6)	Notional/Senior/Exchangeable	AAAsf/AAA(sf)
A-IO5[1]	$212,025,000[5]	1.00000%	(6)	Notional/Senior/Exchangeable	AAAsf/AAA(sf)
A-IO6[1]	$212,025,000[5]	0.50000%	(6)	Notional/Senior/Exchangeable	AAAsf/AAA(sf)
A-IO7[1]	$212,025,000[5]	0.50000%	(6)	Notional/Senior/Exchangeable	AAAsf/AAA(sf)
A-IO8[1]	$70,675,000[5]	1.00000%	(6)	Notional/Senior/Exchangeable	AAAsf/AAA(sf)
A-IO9[1]	$70,675,000[5]	0.50000%	(6)	Notional/Senior/Initial Exchangeable	AAAsf/AAA(sf)
A-IO10[1]	$70,675,000[5]	0.50000%	(6)	Notional/Senior/Initial Exchangeable	AAAsf/AAA(sf)
A-IO11[1]	$169,620,000[5]	1.00000%	(6)	Notional/Senior/Exchangeable	AAAsf/AAA(sf)
A-IO12[1]	$169,620,000[5]	0.50000%	(6)	Notional/Senior/Initial Exchangeable	AAAsf/AAA(sf)
A-IO13[1]	$169,620,000[5]	0.50000%	(6)	Notional/Senior/Initial Exchangeable	AAAsf/AAA(sf)
A-IO14[1]	$113,080,000[5]	1.00000%	(6)	Notional/Senior/Exchangeable	AAAsf/AAA(sf)
A-IO15[1]	$113,080,000[5]	0.50000%	(6)	Notional/Senior/Exchangeable	AAAsf/AAA(sf)
A-IO16[1]	$113,080,000[5]	0.50000%	(6)	Notional/Senior/Exchangeable	AAAsf/AAA(sf)
A-IO17[1]	$42,405,000[5]	1.00000%	(6)	Notional/Senior/Exchangeable	AAAsf/AAA(sf)
A-IO18[1]	$42,405,000[5]	0.50000%	(6)	Notional/Senior/Initial Exchangeable	AAAsf/AAA(sf)
A-IO19[1]	$42,405,000[5]	0.50000%	(6)	Notional/Senior/Initial Exchangeable	AAAsf/AAA(sf)
A-IO20[1]	$31,604,000[5]	1.00000%	(6)	Notional/Senior/Exchangeable	AAAsf/AAA(sf)
A-IO21[1]	$31,604,000[5]	0.50000%	(6)	Notional/Senior/Initial Exchangeable	AAAsf/AAA(sf)
A-IO22[1]	$31,604,000[5]	0.50000%	(6)	Notional/Senior/Initial Exchangeable	AAAsf/AAA(sf)
A-IO23[1]	$314,304,000[5]	1.00000%	(6)	Notional/Senior/Exchangeable	AAAsf/AAA(sf)
A-IO24[1]	$314,304,000[5]	0.50000%	(6)	Notional/Senior/Exchangeable	AAAsf/AAA(sf)
A-IO25[1]	$314,304,000[5]	0.50000%	(6)	Notional/Senior/Exchangeable	AAAsf/AAA(sf)
A-IO26[1]	$314,304,000[5]	0.66276%	(6)	Notional/Senior/Exchangeable	AAAsf/AAA(sf)

Class	Initial Class Principal Amount or Initial Class Notional Amount[(2)]	Approximate Initial Certificate Interest Rate[(3)]	Certificate Interest Rate Formula	Class Type	Ratings (Fitch/KBRA)
B-1	$6,818,000	5.16276%	(7)	Subordinate	AA-sf/AA-(sf)
B-2	$3,825,000	5.16276%	(7)	Subordinate	A-sf/A-(sf)
B-3	$2,827,000	5.16276%	(7)	Subordinate	BBB-sf/BBB(sf)
B-4	$1,995,000	5.16276%	(7)	Subordinate	BBsf/BB+(sf)
B-5	$2,827,979	5.16276%	(7)	Subordinate	NR/NR

(1) All or a portion of the Initial Exchangeable Certificates can be exchanged for the Exchangeable Certificates and *vice versa*. Only the combinations described in the table below under "*Permitted Exchanges*" are permitted. On the closing date the aggregate class principal amount of the senior certificates will equal approximately $314,304,000. All exchanges are subject to certain requirements of the Securities Administrator as described herein.

(2) These principal and notional amounts are approximate and are subject to an increase or decrease of up to 5%, as described in this offering memorandum supplement. With respect to the Initial Exchangeable Certificates and the Exchangeable Certificates, the initial class principal amount or initial class notional amount represents the maximum class principal amount or class notional amount for each such class of certificates.

(3) Reflects the certificate interest rate as of the closing date based on the mortgage loans described in this offering memorandum supplement.

(4) The certificate interest rate on the Class A-1, Class A-4, Class A-7, Class A-10, Class A-13, Class A-16, Class A-19 and Class A-22 Certificates and any distribution date will be an annual rate equal to the lesser of (i) 5.00000% and (ii) Net WAC for such distribution date. The certificate interest rate on the Class A-2, Class A-5, Class A-8, Class A-11, Class A-14, Class A-17, Class A-20 and Class A-23 Certificates and any distribution date will be an annual rate equal to the lesser of (i) 4.50000% and (ii) Net WAC for such distribution date. The certificate interest rate on the Class A-3, Class A-6, Class A-9, Class A-12, Class A-15, Class A-18, Class A-21 and Class A-24 Certificates and any distribution date will be an annual rate equal to the lesser of (i) 4.00000% and (ii) Net WAC for such distribution date. The certificate interest rate on the Class A-25 Certificates and any distribution date will be an annual rate equal to Net WAC for such distribution date.

(5) The Class A-IO1, Class A-IO2, Class A-IO3, Class A-IO4, Class A-IO5, Class A-IO6, Class A-IO7, Class A-IO8, Class A-IO9, Class A-IO10, Class A-IO11, Class A-IO12, Class A-IO13, Class A-IO14, Class A-IO15, Class A-IO16, Class A-IO17, Class A-IO18, Class A-IO19, Class A-IO20, Class A-IO21, Class A-IO22, Class A-IO23, Class A-IO24, Class A-IO25 and Class A-IO26 Certificates are interest-only certificates and will not be entitled to distributions of principal. As described in this offering memorandum supplement, the Class A-IO1, Class A-IO23, Class A-IO24, Class A-IO25 and Class A-IO26 Certificates will accrue interest on a notional amount equal to the allocable portion of the aggregate class principal amount of the Class A-9, Class A-12, Class A-18 and Class A-21 Certificates, as adjusted with respect to any exchanges made for exchangeable certificates. The Class A-IO2, Class A-IO3 and Class A-IO4 Certificates will accrue interest on a notional amount equal to the allocable portion of the aggregate class principal amount of the Class A-9, Class A-12 and Class A-18 Certificates, as adjusted with respect to any exchanges made for exchangeable certificates. The Class A-IO5, Class A-IO6 and Class A-IO7 Certificates will accrue interest on a notional amount equal to the allocable portion of the aggregate class principal amount of the Class A-12 and Class A-18 Certificates, as adjusted with respect to any exchanges made for exchangeable certificates. The Class A-IO8, Class A-IO9 and Class A-IO10 Certificates will accrue interest on a notional amount equal to the allocable portion of the class principal amount of the Class A-9 Certificates, as adjusted with respect to any exchanges made for exchangeable certificates. The Class A-IO11, Class A-IO12 and Class A-IO13 Certificates will accrue interest on a notional amount equal to the allocable portion of the class principal amount of the Class A-12 Certificates, as adjusted with respect to any exchanges made for exchangeable certificates. The Class A-IO14, Class A-IO15 and Class A-IO16 Certificates will accrue interest on a notional amount equal to the allocable portion of the aggregate class principal amount of the Class A-9 and Class A-18 Certificates, as adjusted with respect to any exchanges made for exchangeable certificates. The Class A-IO17, Class A-IO18 and Class A-IO19 Certificates will accrue interest on a notional amount equal to the allocable portion of the class principal amount of the Class A-18 Certificates, as adjusted with respect to any exchanges made for exchangeable certificates. The Class A-IO20, Class A-IO21 and Class A-IO22

Certificates will accrue interest on a notional amount equal to the allocable portion of the class principal amount of the Class A-21 Certificates, as adjusted with respect to any exchanges made for exchangeable certificates.

(6) The certificate interest rate on the Class A-IO1 Certificates and any distribution date will be an annual rate equal to the excess, if any, of (i) Net WAC for such distribution date over (ii) 5.00000%. The certificate interest rate on the Class A-IO2, Class A-IO5, Class A-IO8, Class A-IO11, Class A-IO14, Class A-IO17, Class A-IO20 and Class A-IO23 Certificates and any distribution date will be an annual rate equal to the excess, if any, of (i) the lesser of Net WAC for such distribution date and 5.00000% over (ii) the lesser of Net WAC for such distribution date and 4.00000%. The certificate interest rate on the Class A-IO3, Class A-IO6, Class A-IO9, Class A-IO12, Class A-IO15, Class A-IO18, Class A-IO21 and Class A-IO24 Certificates and any distribution date will be an annual rate equal to the excess, if any, of (i) the lesser of Net WAC for such distribution date and 5.00000% over (ii) the lesser of Net WAC for such distribution date and 4.50000%. The certificate interest rate on the Class A-IO4, Class A-IO7, Class A-IO10, Class A-IO13, Class A-IO16, Class A-IO19, Class A-IO22 and Class A-IO25 Certificates and any distribution date will be an annual rate equal to the excess, if any, of (i) the lesser of Net WAC for such distribution date and 4.50000% over (ii) the lesser of Net WAC for such distribution date and 4.00000%. The certificate interest rate on the Class A-IO26 Certificates and any distribution date will be an annual rate equal to the excess, if any, of (i) Net WAC for such distribution date over (ii) 4.50000%.

(7) The certificate interest rate on the Class B-1, Class B-2, Class B-3, Class B-4 and Class B-5 Certificates and any distribution date will be an annual rate equal to Net WAC for such distribution date. Net WAC is an annual rate, expressed as a percentage, equal to the weighted average of the net mortgage rates of the mortgage loans as of the first day of the related due period (excluding any mortgage loans which prepaid in full during a prior prepayment period), weighted on the basis of the stated principal balances, or, in the case of any stop advance mortgage loan, the assumed stated principal balance thereof, as of the first day of the related due period (excluding any mortgage loans which prepaid in full during a prior prepayment period), *minus* (a) a fraction, the numerator of which equals the amount of any fees, charges and other costs, including indemnification amounts and costs of arbitration (other than the master servicing fee, custodian fee, trustee fee, distributed ledger agent fee and the securities administrator fee), paid or reimbursed to the master servicer, the securities administrator and the trustee from the trust fund under the pooling and servicing agreement, the custodian from the trust fund in accordance with the custodial agreement and the distributed ledger agent from the trust fund in accordance with the distributed ledger agent agreement during the prior calendar month, that are subject to an aggregate maximum amount of $300,000 annually, and further subject to (i) an annual cap of $125,000 with respect to aggregate amounts reimbursable to the trustee and (ii) an annual cap of $10,000 with respect to aggregate amounts reimbursable to the distributed ledger agent, and the denominator of which equals the aggregate stated principal balance of the mortgage loans or, in the case of any stop advance mortgage loan, the assumed stated principal balance thereof, as of the first day of the related due period (excluding any mortgage loans which prepaid in full during a prior prepayment period), *multiplied* by (b) twelve.

The offered certificates will also have the following characteristics:

Class	Record Date	Delay/ Accrual Period[(2)]	Interest Accrual Convention	Final Scheduled Distribution Date[(3)]	Expected Final Distribution Date[(4)]	Minimum Denomination	Incremental Denomination	Rule 144A CUSIP Number	Regulation S CUSIP Number
A-1	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BAA9	U8169BAA0
A-2	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BAB7	U8169BAB8
A-3	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BAC5	U8169BAC6
A-4	(1)	24 Day	30/360	January 2053	February 2030	$100,000	$1	81749BAD3	U8169BAD4
A-5	(1)	24 Day	30/360	January 2053	February 2030	$100,000	$1	81749BAE1	U8169BAE2
A-6	(1)	24 Day	30/360	January 2053	February 2030	$100,000	$1	81749BAF8	U8169BAF9
A-7	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BAG6	U8169BAG7
A-8	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BAH4	U8169BAH5
A-9	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BAJ0	U8169BAJ1
A-10	(1)	24 Day	30/360	January 2053	October 2027	$100,000	$1	81749BAK7	U8169BAK8
A-11	(1)	24 Day	30/360	January 2053	October 2027	$100,000	$1	81749BAL5	U8169BAL6
A-12	(1)	24 Day	30/360	January 2053	October 2027	$100,000	$1	81749BAM3	U8169BAM4
A-13	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BAN1	U8169BAN2
A-14	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BAP6	U8169BAP7
A-15	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BAQ4	U8169BAQ5
A-16	(1)	24 Day	30/360	January 2053	February 2030	$100,000	$1	81749BAR2	U8169BAR3
A-17	(1)	24 Day	30/360	January 2053	February 2030	$100,000	$1	81749BAS0	U8169BAS1
A-18	(1)	24 Day	30/360	January 2053	February 2030	$100,000	$1	81749BAT8	U8169BAT9
A-19	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BAU5	U8169BAU6
A-20	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BAV3	U8169BAV4
A-21	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BAW1	U8169BAW2
A-22	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BAX9	U8169BAX0
A-23	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BAY7	U8169BAY8
A-24	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BAZ4	U8169BAZ5
A-25	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BBA8	U8169BBA9
A-IO1	(1)	24 Day	30/360	January 2053	August 2045	$1,000,000	$1	81749BBB6	U8169BBB7
A-IO2	(1)	24 Day	30/360	January 2053	August 2045	$1,000,000	$1	81749BBC4	U8169BBC5
A-IO3	(1)	24 Day	30/360	January 2053	August 2045	$1,000,000	$1	81749BBD2	U8169BBD3
A-IO4	(1)	24 Day	30/360	January 2053	August 2045	$1,000,000	$1	81749BBE0	U8169BBE1
A-IO5	(1)	24 Day	30/360	January 2053	February 2030	$1,000,000	$1	81749BBF7	U8169BBF8
A-IO6	(1)	24 Day	30/360	January 2053	February 2030	$1,000,000	$1	81749BBG5	U8169BBG6
A-IO7	(1)	24 Day	30/360	January 2053	February 2030	$1,000,000	$1	81749BBH3	U8169BBH4
A-IO8	(1)	24 Day	30/360	January 2053	August 2045	$1,000,000	$1	81749BBJ9	U8169BBJ0
A-IO9	(1)	24 Day	30/360	January 2053	August 2045	$1,000,000	$1	81749BBK6	U8169BBK7
A-IO10	(1)	24 Day	30/360	January 2053	August 2045	$1,000,000	$1	81749BBL4	U8169BBL5
A-IO11	(1)	24 Day	30/360	January 2053	October 2027	$1,000,000	$1	81749BBM2	U8169BBM3
A-IO12	(1)	24 Day	30/360	January 2053	October 2027	$1,000,000	$1	81749BBN0	U8169BBN1
A-IO13	(1)	24 Day	30/360	January 2053	October 2027	$1,000,000	$1	81749BBP5	U8169BBP6
A-IO14	(1)	24 Day	30/360	January 2053	August 2045	$1,000,000	$1	81749BBQ3	U8169BBQ4
A-IO15	(1)	24 Day	30/360	January 2053	August 2045	$1,000,000	$1	81749BBR1	U8169BBR2
A-IO16	(1)	24 Day	30/360	January 2053	August 2045	$1,000,000	$1	81749BBS9	U8169BBS0
A-IO17	(1)	24 Day	30/360	January 2053	February 2030	$1,000,000	$1	81749BBT7	U8169BBT8
A-IO18	(1)	24 Day	30/360	January 2053	February 2030	$1,000,000	$1	81749BBU4	U8169BBU5
A-IO19	(1)	24 Day	30/360	January 2053	February 2030	$1,000,000	$1	81749BBV2	U8169BBV3
A-IO20	(1)	24 Day	30/360	January 2053	August 2045	$1,000,000	$1	81749BBW0	U8169BBW1
A-IO21	(1)	24 Day	30/360	January 2053	August 2045	$1,000,000	$1	81749BBX8	U8169BBX9
A-IO22	(1)	24 Day	30/360	January 2053	August 2045	$1,000,000	$1	81749BBY6	U8169BBY7
A-IO23	(1)	24 Day	30/360	January 2053	August 2045	$1,000,000	$1	81749BBZ3	U8169BBZ4
A-IO24	(1)	24 Day	30/360	January 2053	August 2045	$1,000,000	$1	81749BCA7	U8169BCA8
A-IO25	(1)	24 Day	30/360	January 2053	August 2045	$1,000,000	$1	81749BCB5	U8169BCB6
A-IO26	(1)	24 Day	30/360	January 2053	August 2045	$1,000,000	$1	81749BCC3	U8169BCC4
B-1	(1)	24 Day	30/360	January 2053	February 2038	$100,000	$1	81749BCD1	U8169BCD2
B-2	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BCE9	U8169BCE0
B-3	(1)	24 Day	30/360	January 2053	August 2045	$100,000	$1	81749BCF6	U8169BCF7
B-4	(1)	24 Day	30/360	January 2053	March 2046	$100,000	$1	81749BCG4	U8169BCG5
B-5	(1)	24 Day	30/360	January 2053	November 2052	$100,000	$1	81749BCH2	U8169BCH3

(1) For the first distribution date, the closing date. For any other distribution date, the close of business on the last business day of the calendar month preceding the month of the related distribution date.

(2) For any distribution date, the interest accrual period will be the calendar month immediately preceding that distribution date.

(3) Determined by adding one month to the month of scheduled maturity of the latest maturing mortgage loan.

(4) The expected final distribution date is the distribution date on which the class principal amount (or class notional amount) for such class will be reduced to zero, based upon a constant prepayment rate of 15% per annum and the modeling assumptions used in this offering memorandum supplement for CPR, as described under "*Yield, Prepayment and Weighted Average Life—Weighted Average Life*." The actual final distribution date for each class of offered certificates may be earlier or later, and could be substantially earlier or later, than the applicable expected final distribution date listed above.

PERMITTED EXCHANGES

Combination	Initial Exchangeable	Initial Class Principal Amount or Initial Class Notional Amount(1)	144A CUSIP	Exchangeable	Initial Class Principal Amount or Initial Class Notional Amount(1)	144A CUSIP
1	A-9	$70,675,000	81749BAJ0	A-1	$282,700,000	81749BAA9
	A-12	$169,620,000	81749BAM3			
	A-18	$42,405,000	81749BAT8			
	A-IO9	$70,675,000(2)	81749BBK6			
	A-IO10	$70,675,000(2)	81749BBL4			
	A-IO12	$169,620,000(2)	81749BBN0			
	A-IO13	$169,620,000(2)	81749BBP5			
	A-IO18	$42,405,000(2)	81749BBU4			
	A-IO19	$42,405,000(2)	81749BBV2			
2	A-9	$70,675,000	81749BAJ0	A-2	$282,700,000	81749BAB7
	A-12	$169,620,000	81749BAM3			
	A-18	$42,405,000	81749BAT8			
	A-IO10	$70,675,000(2)	81749BBL4			
	A-IO13	$169,620,000(2)	81749BBP5			
	A-IO19	$42,405,000(2)	81749BBV2			
3	A-9	$70,675,000	81749BAJ0	A-3	$282,700,000	81749BAC5
	A-12	$169,620,000	81749BAM3			
	A-18	$42,405,000	81749BAT8			
4	A-12	$169,620,000	81749BAM3	A-4	$212,025,000	81749BAD3
	A-18	$42,405,000	81749BAT8			
	A-IO12	$169,620,000(2)	81749BBN0			
	A-IO13	$169,620,000(2)	81749BBP5			
	A-IO18	$42,405,000(2)	81749BBU4			
	A-IO19	$42,405,000(2)	81749BBV2			
5	A-12	$169,620,000	81749BAM3	A-5	$212,025,000	81749BAE1
	A-18	$42,405,000	81749BAT8			
	A-IO13	$169,620,000(2)	81749BBP5			
	A-IO19	$42,405,000(2)	81749BBV2			
6	A-12	$169,620,000	81749BAM3	A-6	$212,025,000	81749BAF8
	A-18	$42,405,000	81749BAT8			
7	A-9	$70,675,000	81749BAJ0	A-13	$113,080,000	81749BAN1
	A-18	$42,405,000	81749BAT8			
	A-IO9	$70,675,000(2)	81749BBK6			
	A-IO10	$70,675,000(2)	81749BBL4			
	A-IO18	$42,405,000(2)	81749BBU4			
	A-IO19	$42,405,000(2)	81749BBV2			
8	A-9	$70,675,000	81749BAJ0	A-14	$113,080,000	81749BAP6
	A-18	$42,405,000	81749BAT8			
	A-IO10	$70,675,000(2)	81749BBL4			
	A-IO19	$42,405,000(2)	81749BBV2			

Combination	Initial Exchangeable	Initial Class Principal Amount or Initial Class Notional Amount(1)	144A CUSIP	Exchangeable	Initial Class Principal Amount or Initial Class Notional Amount(1)	144A CUSIP
9	A-21	$31,604,000	81749BAW1	A-19	$31,604,000	81749BAU5
	A-IO21	$31,604,000(2)	81749BBX8			
	A-IO22	$31,604,000(2)	81749BBY6			
10	A-21	$31,604,000	81749BAW1	A-20	$31,604,000	81749BAV3
	A-IO22	$31,604,000(2)	81749BBY6			
11	A-9	$70,675,000	81749BAJ0	A-22	$314,304,000	81749BAX9
	A-12	$169,620,000	81749BAM3			
	A-18	$42,405,000	81749BAT8			
	A-21	$31,604,000	81749BAW1			
	A-IO9	$70,675,000(2)	81749BBK6			
	A-IO10	$70,675,000(2)	81749BBL4			
	A-IO12	$169,620,000(2)	81749BBN0			
	A-IO13	$169,620,000(2)	81749BBP5			
	A-IO18	$42,405,000(2)	81749BBU4			
	A-IO19	$42,405,000(2)	81749BBV2			
	A-IO21	$31,604,000(2)	81749BBX8			
	A-IO22	$31,604,000(2)	81749BBY6			
12	A-9	$70,675,000	81749BAJ0	A-23	$314,304,000	81749BAY7
	A-12	$169,620,000	81749BAM3			
	A-18	$42,405,000	81749BAT8			
	A-21	$31,604,000	81749BAW1			
	A-IO10	$70,675,000(2)	81749BBK6			
	A-IO13	$169,620,000(2)	81749BBP5			
	A-IO19	$42,405,000(2)	81749BBV2			
	A-IO22	$31,604,000(2)	81749BBY6			
13	A-9	$70,675,000	81749BAJ0	A-24	$314,304,000	81749BAZ4
	A-12	$169,620,000	81749BAM3			
	A-18	$42,405,000	81749BAT8			
	A-21	$31,604,000	81749BAW1			
14	A-9	$70,675,000	81749BAJ0	A-25	$314,304,000	81749BBA8
	A-12	$169,620,000	81749BAM3			
	A-18	$42,405,000	81749BAT8			
	A-21	$31,604,000	81749BAW1			
	A-IO1	$314,304,000(2)	81749BBB6			
	A-IO9	$70,675,000(2)	81749BBK6			
	A-IO10	$70,675,000(2)	81749BBL4			
	A-IO12	$169,620,000(2)	81749BBN0			
	A-IO13	$169,620,000(2)	81749BBP5			
	A-IO18	$42,405,000(2)	81749BBU4			
	A-IO19	$42,405,000(2)	81749BBV2			
	A-IO21	$31,604,000(2)	81749BBX8			
	A-IO22	$31,604,000(2)	81749BBY6			

Combination	Initial Exchangeable	Initial Class Principal Amount or Initial Class Notional Amount[1]	144A CUSIP	Exchangeable	Initial Class Principal Amount or Initial Class Notional Amount[1]	144A CUSIP
15	A-IO9	$70,675,000[2]	81749BBK6	A-IO2	$282,700,000[2]	81749BBC4
	A-IO10	$70,675,000[2]	81749BBL4			
	A-IO12	$169,620,000[2]	81749BBN0			
	A-IO13	$169,620,000[2]	81749BBP5			
	A-IO18	$42,405,000[2]	81749BAT8			
	A-IO19	$42,405,000[2]	81749BBV2			
16	A-IO9	$70,675,000[2]	81749BBK6	A-IO3	$282,700,000[2]	81749BBD2
	A-IO12	$169,620,000[2]	81749BBN0			
	A-IO18	$42,405,000[2]	81749BBU4			
17	A-IO10	$70,675,000[2]	81749BBL4	A-IO4	$282,700,000[2]	81749BBE0
	A-IO13	$169,620,000[2]	81749BBP5			
	A-IO19	$42,405,000[2]	81749BBV2			
18	A-IO12	$169,620,000[2]	81749BBN0	A-IO5	$212,025,000[2]	81749BBF7
	A-IO13	$169,620,000[2]	81749BBP5			
	A-IO18	$42,405,000[2]	81749BBU4			
	A-IO19	$42,405,000[2]	81749BBV2			
19	A-9	$70,675,000	81749BAJ0	A-15	$113,080,000	81749BAQ4
	A-18	$42,405,000	81749BAT8			
20	A-18	$42,405,000	81749BAT8	A-16	$42,405,000	81749BAR2
	A-IO18	$42,405,000[2]	81749BBU4			
	A-IO19	$42,405,000[2]	81749BBV2			
21	A-18	$42,405,000	81749BAT8	A-17	$42,405,000	81749BAS0
	A-IO19	$42,405,000[2]	81749BBV2			
22	A-9	$70,675,000	81749BAJ0	A-7	$70,675,000	81749BAG6
	A-IO9	$70,675,000[2]	81749BBK6			
	A-IO10	$70,675,000[2]	81749BBL4			
23	A-9	$70,675,000	81749BAJ0	A-8	$70,675,000	81749BAH4
	A-IO10	$70,675,000[2]	81749BBL4			
24	A-IO9	$70,675,000[2]	81749BBK6	A-IO8	$70,675,000[2]	81749BBJ9
	A-IO10	$70,675,000[2]	81749BBL4			
25	A-IO12	$169,620,000[2]	81749BBN0	A-IO6	$212,025,000[2]	81749BBG5
	A-IO18	$42,405,000[2]	81749BBU4			
26	A-IO13	$169,620,000[2]	81749BBP5	A-IO7	$212,025,000[2]	81749BBH3
	A-IO19	$42,405,000[2]	81749BBV2			
27	A-IO12	$169,620,000[2]	81749BBN0	A-IO11	$169,620,000[2]	81749BBM2
	A-IO13	$169,620,000[2]	81749BBP5			
28	A-12	$169,620,000	81749BAM3	A-10	$169,620,000	81749BAK7
	A-IO12	$169,620,000[2]	81749BBN0			
	A-IO13	$169,620,000[2]	81749BBP5			
29	A-12	$169,620,000	81749BAM3	A-11	$169,620,000	81749BAL5
	A-IO13	$169,620,000[2]	81749BBP5			

Combination	Initial Exchangeable	Initial Class Principal Amount or Initial Class Notional Amount[1]	144A CUSIP	Exchangeable	Initial Class Principal Amount or Initial Class Notional Amount[1]	144A CUSIP
30	A-IO9	$70,675,000[2]	81749BBK6	A-IO14	$113,080,000[2]	81749BBQ3
	A-IO10	$70,675,000[2]	81749BBL4			
	A-IO18	$42,405,000[2]	81749BBU4			
	A-IO19	$42,405,000[2]	81749BBV2			
31	A-IO9	$70,675,000[2]	81749BBK6	A-IO15	$113,080,000[2]	81749BBR1
	A-IO18	$42,405,000[2]	81749BBU4			
32	A-IO10	$70,675,000[2]	81749BBL4	A-IO16	$113,080,000[2]	81749BBS9
	A-IO19	$42,405,000[2]	81749BBV2			
33	A-IO18	$42,405,000[2]	81749BBU4	A-IO17	$42,405,000[2]	81749BBT7
	A-IO19	$42,405,000[2]	81749BBV2			
34	A-IO21	$31,604,000[2]	81749BBX8	A-IO20	$31,604,000[2]	81749BBW0
	A-IO22	$31,604,000[2]	81749BBY6			
35	A-IO9	$70,675,000[2]	81749BBK6	A-IO23	$314,304,000[2]	81749BBZ3
	A-IO10	$70,675,000[2]	81749BBL4			
	A-IO12	$169,620,000[2]	81749BBN0			
	A-IO13	$169,620,000[2]	81749BBP5			
	A-IO18	$42,405,000[2]	81749BBU4			
	A-IO19	$42,405,000[2]	81749BBV2			
	A-IO21	$31,604,000[2]	81749BBX8			
	A-IO22	$31,604,000[2]	81749BBY6			
36	A-IO10	$70,675,000[2]	81749BBL4	A-IO25	$314,304,000[2]	81749BCB5
	A-IO13	$169,620,000[2]	81749BBP5			
	A-IO19	$42,405,000[2]	81749BBV2			
	A-IO22	$31,604,000[2]	81749BBY6			
37	A-IO9	$70,675,000[2]	81749BBK6	A-IO24	$314,304,000[2]	81749BCA7
	A-IO12	$169,620,000[2]	81749BBN0			
	A-IO18	$42,405,000[2]	81749BBU4			
	A-IO21	$31,604,000[2]	81749BBX8			
38	A-IO1	$314,304,000[2]	81749BBB6	A-IO26	$314,304,000[2]	81749BCC3
	A-IO9	$70,675,000[2]	81749BBK6			
	A-IO12	$169,620,000[2]	81749BBN0			
	A-IO18	$42,405,000[2]	81749BBU4			
	A-IO21	$31,604,000[2]	81749BBX8			

(1) Initial Exchangeable Certificates and Exchangeable Certificates in any combination shown above may be exchanged only in the proportion that the maximum initial class principal amounts (or initial class notional amounts) of such certificates bear to one another as shown above.

(2) Notional amount. The Class A-IO1, Class A-IO2, Class A-IO3, Class A-IO4, Class A-IO5, Class A-IO6, Class A-IO7, Class A-IO8, Class A-IO9, Class A-IO10, Class A-IO11, Class A-IO12, Class A-IO13, Class A-IO14, Class A-IO15, Class A-IO16, Class A-IO17, Class A-IO18, Class A-IO19, Class A-IO20, Class A-IO21, Class A-IO22, Class A-IO23, Class A-IO24, Class A-IO25 and Class A-IO26 Certificates are interest-only certificates and will not be entitled to distributions of principal. The Class A-IO1, Class A-IO23, Class A-IO24, Class A-IO25 and Class A-IO26 Certificates will accrue interest on a notional amount equal to the allocable portion of the aggregate class principal amount of the Class A-9, Class A-12, Class A-18 and Class A-21 Certificates, as adjusted

with respect to any exchanges made for exchangeable certificates. The Class A-IO2, Class A-IO3 and Class A-IO4 Certificates will accrue interest on a notional amount equal to the allocable portion of the aggregate class principal amount of the Class A-9, Class A-12 and Class A-18 Certificates, as adjusted with respect to any exchanges made for exchangeable certificates. The Class A-IO5, Class A-IO6 and Class A-IO7 Certificates will accrue interest on a notional amount equal to the allocable portion of the aggregate class principal amount of the Class A-12 and Class A-18 Certificates, as adjusted with respect to any exchanges made for exchangeable certificates. The Class A-IO8, Class A-IO9 and Class A-IO10 Certificates will accrue interest on a notional amount equal to the allocable portion of the class principal amount of the Class A-9 Certificates, as adjusted with respect to any exchanges made for exchangeable certificates. The Class A-IO11, Class A-IO12 and Class A-IO13 Certificates will accrue interest on a notional amount equal to the allocable portion of the class principal amount of the Class A-12 Certificates, as adjusted with respect to any exchanges made for exchangeable certificates. The Class A-IO14, Class A-IO15 and Class A-IO16 Certificates will accrue interest on a notional amount equal to the allocable portion of the aggregate class principal amount of the Class A-9 and Class A-18 Certificates, as adjusted with respect to any exchanges made for exchangeable certificates. The Class A-IO17, Class A-IO18 and Class A-IO19 Certificates will accrue interest on a notional amount equal to the allocable portion of the class principal amount of the Class A-18 Certificates, as adjusted with respect to any exchanges made for exchangeable certificates. The Class A-IO20, Class A-IO21 and Class A-IO22 Certificates will accrue interest on a notional amount equal to the allocable portion of the class principal amount of the Class A-21 Certificates, as adjusted with respect to any exchanges made for exchangeable certificates.

SUMMARY OF TERMS

- This summary highlights selected information from this offering memorandum supplement and does not contain all of the information that you need to consider in making your investment decision. To understand all of the terms of the offering of the certificates, you should carefully read this entire offering memorandum supplement and the accompanying offering memorandum.

- While the summary contains an overview of certain calculations, cash flow priorities and other information to aid your understanding, you should read carefully the full description of these calculations, cash flow priorities and other information in this offering memorandum supplement and the accompanying offering memorandum before making any investment decision.

- Whenever we refer to a percentage of some or all of the mortgage loans in the trust fund, that percentage has been calculated on the basis of the aggregate stated principal balance of those mortgage loans as of the cut-off date unless we specify otherwise. We explain in this offering memorandum supplement how the stated principal balance of a mortgage loan is determined. Whenever we refer in this Summary of Terms or in the Risk Factors section to the aggregate stated principal balance of any mortgage loans, we mean the total of their stated principal balances determined by that method, unless we specify otherwise.

Sponsor

RWT Holdings, Inc., a Delaware corporation and indirect wholly-owned subsidiary of Redwood Trust, Inc.

Seller and Servicing Administrator

Redwood Residential Acquisition Corporation, a Delaware corporation and indirect wholly-owned subsidiary of Redwood Trust, Inc., will acquire the mortgage loans directly or indirectly from each originator. On the closing date, Redwood Residential Acquisition Corporation, as seller, will sell all of its interest in the mortgage loans to the depositor. Redwood Residential Acquisition Corporation will also act as the servicing administrator with respect to the mortgage loans.

Beginning in April 2018, for mortgage loans secured by real property in the State of New York, Redwood Residential Acquisition Corporation began assigning the rights to such mortgage loans (other than the servicing rights related thereto and the rights as "Purchaser" under the purchase agreement with the related originator, as described below) to RRAC-NY Holdings, Inc., a Delaware corporation, an affiliate of Redwood Residential Acquisition Corporation. The servicing rights with respect to any mortgage loans secured by properties in the State of New York and the rights as "Purchaser" under the purchase agreement with the related originator, including all rights with respect to the representations and warranties related to such mortgage loans made by the related originator, were retained by Redwood Residential Acquisition Corporation and not assigned to RRAC-NY Holdings, Inc. All references to "seller" in this offering memorandum supplement with respect to the sale of the mortgage loans to the depositor will be deemed to refer to Redwood Residential Acquisition Corporation or RRAC-NY Holdings, Inc., as applicable, and all references to "seller" in this offering memorandum supplement with respect to representations and warranties, including any enforcement rights or any cure, repurchase or substitution obligations with respect thereto, will be deemed to refer only to Redwood Residential Acquisition Corporation. For additional information regarding Redwood Residential Acquisition Corporation and RRAC-NY Holdings, Inc., see "*Acquisition of Mortgage Loans by the Seller*" in this offering memorandum supplement, and for additional information with respect to the obligations of Redwood Residential Acquisition Corporation under the mortgage loan purchase agreement for representations and warranties, see "*The Agreements—Representations and Warranties*" in this offering memorandum supplement.

Depositor

Sequoia Residential Funding, Inc., a Delaware special purpose corporation and indirect wholly-owned subsidiary of Redwood Trust, Inc. On the closing date, Sequoia Residential Funding, Inc. will sell all of its interest in the mortgage loans to the trustee for the benefit of the certificateholders. The depositor's address is One Belvedere Place, Suite 330, Mill Valley, California 94941, and its telephone number is (415) 389-7373.

Issuing Entity

Sequoia Mortgage Trust 2023-1, a common law trust formed under the laws of the State of New York.

Trustee

Wilmington Trust, National Association will act as trustee of the issuing entity under the pooling and servicing agreement.

Master Servicer

Nationstar Mortgage LLC will act as master servicer for the mortgage loans pursuant to the pooling and servicing agreement.

Securities Administrator

Citibank, N.A., a national banking association and wholly owned subsidiary of Citigroup Inc., a Delaware corporation, will act as securities administrator for the certificates pursuant to the pooling and servicing agreement.

As securities administrator, Citibank, N.A. will perform certain administrative duties with respect to the certificates, on behalf of the trustee, including acting as authentication agent, calculation agent, paying agent, certificate registrar and the party responsible for preparing distribution statements and tax information for certificateholders and preparing tax filings for the issuing entity.

Pursuant to the pooling and servicing agreement, if the servicing administrator and the master servicer fail in their obligations to fund any required monthly advance (to the extent obligated to do so as described in this offering memorandum supplement), the securities administrator will be obligated to do so (so long as such advance is deemed by the securities administrator to be recoverable in the manner described in the pooling and servicing agreement (which determination may be based conclusively on the determination of the servicing administrator or the master servicer, as applicable)), as and to the extent described in this offering memorandum supplement. The securities administrator, however, will not be obligated to fund any prepayment interest shortfalls.

Servicer

Select Portfolio Servicing, Inc. ("SPS" or the "servicer") will initially service the mortgage loans. Servicing may subsequently be transferred to servicers other than the initial servicer, in accordance with the pooling and servicing agreement and the servicing agreement, as described in this offering memorandum supplement. The initial servicer and any successor servicers under the servicing agreement will be referred to as the "servicer" in this offering memorandum supplement. Under some circumstances, a successor servicer may also perform the duties of the servicing administrator described herein, and there would be no servicing administrator with respect to those mortgage loans.

The servicer will service the mortgage loans, directly or through subservicers, pursuant to the existing servicing agreement between the servicer and the seller. The rights of the seller under the servicing agreement with respect to the mortgage loans will be assigned to the depositor, and the depositor, in turn, will assign such rights to the trustee for the benefit of the certificateholders, in each case pursuant to an assignment, assumption and recognition agreement.

We refer you to "The Agreements—Mortgage Loan Servicing" in this offering memorandum supplement for more information.

Originators

Approximately 10.60% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by CrossCountry Mortgage, Inc. ("CrossCountry"), approximately 7.32% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by PrimeLending, a PlainsCapital Company ("PrimeLending"), approximately 6.98% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by Fairway Independent Mortgage Corporation ("Fairway"), approximately 6.09% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by Caliber Home Loans, Inc. ("Caliber"), approximately 5.72% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by Homepoint Financial Corporation ("Homepoint"), approximately 5.09% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by Finance of America Mortgage LLC ("Finance of America"), and in each case, all of such mortgage loans were acquired, directly or indirectly, by the seller. The remainder, approximately 58.19% of the mortgage loans by aggregate stated principal balance as of the cut-off date, were originated by various mortgage lending institutions and were also acquired by the seller (or were acquired from such mortgage lending institutions by other aggregators and in turn, sold to the seller), with each such mortgage lending institution generally having originated fewer than 5% of the mortgage loans by aggregate stated principal balance as of the cut-off date. CrossCountry, PrimeLending, Fairway, Caliber, Homepoint and Finance of America, and the various other mortgage lending institutions and aggregators from which the seller acquired the mortgage loans either originate mortgage loans or themselves acquire mortgage loans from third party originators or mortgage brokers and, in both of the foregoing cases, make loan level representations and warranties with respect thereto are referred to in this offering memorandum supplement generally as the "originators."

Each mortgage loan was generally underwritten and evaluated prior to acquisition by the seller in accordance with (i) RRAC's current eligibility criteria in effect as of the date of this offering memorandum supplement, as described under "*Acquisition of Mortgage Loans by the Seller—Current RRAC Criteria*" herein (the "Current RRAC Criteria"), or with previous versions that are substantially similar to the Current RRAC Criteria and that are or were, in each case, in effect at the date of acquisition of such mortgage loans by RRAC (the "Prior Criteria"), in either case, for RRAC's two (2) traditional super prime jumbo programs (Select and Select AUS), the related expanded credit origination program (Select 90), and/or RRAC's additional expanded credit origination program (Choice) or (ii) the underwriting guidelines of the Federal National Mortgage Association ("Fannie Mae") and the Federal Home Loan Mortgage Corporation ("Freddie Mac"), including any additional restrictions added by RRAC in excess of the guidelines of Fannie Mae and/or Freddie Mac (as applicable), in effect as of the date of this offering memorandum supplement, as described under "*Acquisition of Mortgage Loans by the Seller—Agency Criteria*" herein (the "Current Agency Criteria") or with previous versions that are substantially similar to the Current Agency Criteria and that are or were, in each case, in effect at the date of acquisition of such mortgage loans by RRAC (the "Prior Agency Criteria" and, together with the Current Agency Criteria, the "Agency Criteria"). Approximately 85.42% of the mortgage loans by aggregate stated principal balance as of the cut-off date acquired by the seller were generally underwritten in accordance with the criteria described herein for RRAC's two traditional super prime jumbo programs (Select and Select AUS), as well as the related expanded credit origination program (Select 90), and approximately 14.31% of the mortgage loans by aggregate stated principal balance as of the cut-off date acquired by the seller were generally underwritten in accordance with the criteria described herein for RRAC's additional expanded credit origination program (Choice). Approximately 0.27% of the mortgage loans by aggregate stated principal balance as of the cut-off date acquired by the seller were generally underwritten in accordance with the Agency Criteria. References used herein to the "Applicable RRAC Criteria" mean, with respect to any mortgage loan, RRAC's eligibility criteria in effect at the date of acquisition of such mortgage loan, whether that criteria was the Current RRAC Criteria, the Prior Criteria, the Current Agency Criteria or the Prior Agency Criteria, in each case, as applicable to such mortgage loan. In addition, the transaction may include mortgage loans which may have been underwritten to, and evaluated by the applicable third-party reviewer against, the guidelines of the related originators, each of which generally are substantially similar to the Applicable RRAC Criteria.

We refer you to "The Originators" and "Acquisition of Mortgage Loans by the Seller" in this offering memorandum supplement for more information.

Custodian

Computershare Trust Company, N.A. will maintain custody of the mortgage loan documents relating to the mortgage loans on behalf of the issuing entity.

Distributed Ledger Agent

Liquid Mortgage, Inc., a Delaware corporation in which Redwood Trust, Inc. owns a minority interest, will serve as the distributed ledger agent (the "distributed ledger agent") pursuant to the distributed ledger agent agreement. The distributed ledger agent will maintain a digital asset platform at **https://www.liquidmortgage.io/deals/** through which end users can view updated information on each business day relating to payments received on the mortgage loans, which are mirrored through digital asset accounts on a blockchain.

Cut-off Date

January 1, 2023, the "cut-off date," is the date after which the issuing entity will be entitled to receive all collections on and proceeds of the mortgage loans.

The statistical information set forth in this offering memorandum supplement regarding the mortgage loans is based on the stated principal balance of the mortgage loans as of the cut-off date. The statistical information does not take into account any prepayments in full or in part that may have occurred between the cut-off date and the date of this offering memorandum supplement.

Closing Date

The closing date will be on or about January 27, 2023.

The Certificates

The classes of Sequoia Mortgage Trust Mortgage Pass-Through Certificates, Series 2023-1, issued with the initial approximate characteristics set forth under "*The Offered Certificates*" in the table beginning on page S-1 of this offering memorandum supplement, together with the Class A-IO-S, Class R and Class LT-R Certificates.

The offered certificates will be issued in book-entry form and in the minimum denominations (or multiples thereof) set forth in the table on page S-4 of this offering memorandum supplement.

The initial exchangeable certificates (and in certain cases, previously exchanged exchangeable certificates) are exchangeable for exchangeable certificates and *vice versa*, as set forth in the table beginning on page S-6 of this offering memorandum supplement and subject to the conditions and procedures described herein. See "*Description of the Certificates—Exchangeable Certificates*" herein.

The certificates will represent beneficial ownership interests in a pool of fixed rate mortgage loans, all of which have original terms to maturity of 25 or 30 years.

All of the mortgage loans are secured by first liens on single family residential properties, planned unit developments and condominiums.

Each class of certificates will have different characteristics, some of which are reflected in the following general designations.

Senior Certificates: Class A-1, Class A-2, Class A-3, Class A-4, Class A-5, Class A-6, Class A-7, Class A-8, Class A-9, Class A-10, Class A-11, Class A-12, Class A-13, Class A-14, Class A-15, Class A-16, Class A-17, Class A-18, Class A-19, Class A-20, Class A-21, Class A-22, Class A-23, Class A-24, Class A-25, Class A-IO1, Class A-IO2, Class A-IO3, Class A-IO4, Class A-IO5, Class A-IO6, Class A-IO7, Class A-IO8, Class A-IO9, Class A-IO10, Class A-IO11, Class A-IO12, Class A-IO13, Class A-IO14, Class A-IO15, Class A-IO16, Class A-IO17, Class A-IO18, Class A-IO19, Class A-IO20, Class A-IO21, Class A-IO22, Class A-IO23, Class A-IO24, Class A-IO25 and Class A-IO26 Certificates.

Super Senior Certificates: Class A-1, Class A-2, Class A-3, Class A-4, Class A-5, Class A-6, Class A-7, Class A-8, Class A-9, Class A-10, Class A-11, Class A-12, Class A-13, Class A-14, Class A-15, Class A-16, Class A-17 and Class A-18 Certificates.

Senior Support Certificates: Class A-19, Class A-20 and Class A-21 Certificates.

Interest-only Certificates: Class A-IO1, Class A-IO2, Class A-IO3, Class A-IO4, Class A-IO5, Class A-IO6, Class A-IO7, Class A-IO8, Class A-IO9, Class A-IO10, Class A-IO11, Class A-IO12, Class A-IO13, Class A-IO14, Class A-IO15, Class A-IO16, Class A-IO17, Class A-IO18, Class A-IO19, Class A-IO20, Class A-IO21, Class A-IO22, Class A-IO23, Class A-IO24, Class A-IO25 and Class A-IO26 Certificates.

Initial Exchangeable Certificates: Class A-9, Class A-12, Class A-18, Class A-21, Class A-IO1, Class A-IO9, Class A-IO10, Class A-IO12, Class A-IO13, Class A-IO18, Class A-IO19, Class A-IO21 and Class A-IO22 Certificates.

Exchangeable Certificates: Class A-1, Class A-2, Class A-3, Class A-4, Class A-5, Class A-6, Class A-7, Class A-8, Class A-10, Class A-11, Class A-13, Class A-14, Class A-15, Class A-16, Class A-17, Class A-19, Class A-20, Class A-22, Class A-23, Class A-24, Class A-25, Class A-IO2, Class A-IO3, Class A-IO4, Class A-IO5, Class A-IO6, Class A-IO7, Class A-IO8, Class A-IO11, Class A-IO14, Class A-IO15, Class A-IO16, Class A-IO17, Class A-IO20, Class A-IO23, Class A-IO24, Class A-IO25 and Class A-IO26 Certificates.

Subordinate Certificates: Class B-1, Class B-2, Class B-3, Class B-4 and Class B-5 Certificates.

Strip Certificates: Class A-IO-S Certificates.

Residual Certificates: Class R and Class LT-R Certificates.

The Class A-IO-S, Class R and Class LT-R Certificates are not offered by this offering memorandum supplement. The offered certificates (other than the Interest-only Certificates) will have an approximate aggregate initial class principal amount of $332,596,979 as of the closing date. Any difference between the aggregate class principal amount of the offered certificates on the date they are issued and the approximate aggregate class principal amount of the offered certificates as reflected in this offering memorandum supplement will not exceed 5%. Notwithstanding any variance between the aggregate stated principal balance of the mortgage loans and the aggregate class principal amount of the certificates reflected in this offering memorandum supplement, on the closing date, the initial aggregate class principal amount of the certificates will equal the aggregate stated principal balance of the mortgage loans as of the cut-off date. The Class A-IO-S Certificates will have an initial class notional amount equal to approximately $332,596,979 which is based on the aggregate stated principal balance of the mortgage loans as of the cut-off date. The Class R and Class LT-R Certificates have no principal amount.

Principal of and interest on the certificates will be payable on the 25th day of each month. However, if the 25th day is not a business day, payments will be made on the next business day after the 25th day of that month. The first Distribution Date will be February 27, 2023. Distributions on each distribution date will be made to the certificateholders of record as of the related record date, except that the final distribution on the certificates will be made only upon presentment and surrender of the certificates at the corporate trust office of the securities administrator.

The rights of holders of the Class B-1, Class B-2, Class B-3, Class B-4 and Class B-5 Certificates to receive payments of principal and interest will be subordinate to the rights of the holders of certificates having a higher priority of distribution, as described under "*Credit Enhancement*" below.

U.S. Credit Risk Retention

The sponsor will be relying on the exemption from the risk retention requirement that is available for securitizations of residential mortgage-backed securities if, among other conditions, all of the assets that collateralize the securities are "qualified residential mortgages," as defined in the credit risk retention rule published in the Federal Register (79 Fed. Reg. 77601) on December 24, 2014 ("Qualified Residential Mortgages"), and promulgated by, among other federal agencies, the SEC under 17 C.F.R. Sections 246.1-246.22, to implement Section 941(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "U.S. Risk Retention Rules"). See "*Risk Factors—Risks Relating to U.S. Risk Retention Rules; Qualified Residential Mortgages*" and "*Representations and Warranties"* in this offering memorandum supplement.

For a discussion of the requirements of the U.S. Risk Retention Rules and this exemption, we refer you to "U.S. Credit Risk Retention."

EU Risk Retention Requirement and UK Risk Retention Requirement

None of the issuing entity, the sponsor, the seller, the initial purchasers, the depositor, their respective affiliates nor any other party to the transactions described in this offering memorandum supplement, as an originator, sponsor, original lender or otherwise, is required or intends to retain a material net economic interest with respect to this transaction or to provide any additional information that would satisfy the EU Risk Retention Requirement or the UK Risk Retention Requirement or to take any other action which may be required by EU Institutional Investors or UK Institutional Investors for the purposes of their compliance with the EU Due Diligence Requirements or the UK Due Diligence Requirements, and no such person assumes any liability whatsoever in connection with any investor's non-compliance with the EU Due Diligence Requirements or the UK Due Diligence Requirements.

For more information regarding the EU Securitization Regulation, the UK Securitization Regulation, the EU Due Diligence Requirements and UK Due Diligence Requirements, see "*Risk Factors—Financial Regulatory Reforms and Additional Proposed Regulations Could Have a Significant Impact on the Sponsor, the Depositor, the Servicing Administrator, the Master Servicer, the Servicer or Any Successor Servicers or on the Performance, Liquidity and Market Value of the Certificates—EU Securitization Regulation and UK Securitization Regulation* " in this offering memorandum supplement.

Distributions of Interest

On each distribution date, to the extent of the available distribution amount, each class of certificates (other than the Strip Certificates and the Residual Certificates) will be entitled, subject to the limitations described herein, to receive accrued and unpaid interest determined on the basis of the outstanding class principal amount (or class notional amount, in the case of the Interest-only Certificates) of such class immediately prior to such distribution date, the applicable certificate interest rate and the related accrual period.

Interest will accrue on each class of offered certificates as described above in the table beginning on page S-1 of this offering memorandum supplement under the heading "*The Offered Certificates.*"

Interest payments will be allocated among certificateholders of a class of certificates on a *pro rata* basis based on their respective certificate principal amounts or certificate notional amounts.

We refer you to "Description of the Certificates—Distributions of Interest" in this offering memorandum supplement for more information.

Distributions of Principal

The amount of principal distributable on each class of certificates (other than the Interest-only Certificates, the Strip Certificates and the Residual Certificates) will be determined by (1) funds received on the mortgage loans that are available to make payments of principal on certain classes of the certificates, (2) distribution rules that allocate portions of principal payments received on the mortgage loans among different classes of certificates and (3) monthly advances, if any, made by the servicing administrator, the master servicer or the securities administrator or funded by a reduction in the servicing rights strip otherwise distributable to the Class A-IO-S Certificates, in each case, as applicable and as described in this offering memorandum supplement. Funds received on the mortgage loans may consist of monthly scheduled payments as well as unscheduled payments resulting from prepayments by borrowers, liquidation of defaulted mortgage loans or purchases of mortgage loans under the circumstances described in this offering memorandum supplement.

The Senior Certificates (other than the Interest-only Certificates) will receive principal distributions from the senior principal distribution amount for the related distribution date. The Class B-1, Class B-2, Class B-3, Class B-4 and Class B-5 Certificates generally will receive their share of scheduled principal collections, sequentially, as part of the subordinate principal distribution amount for the related distribution date. However, with respect to unscheduled principal collections, except under the limited circumstances described in this offering memorandum supplement, the Class B-1, Class B-2, Class B-3, Class B-4 and Class B-5 Certificates will receive unscheduled principal collections on the mortgage loans no earlier than the distribution date in February 2028. On and after that distribution date, *provided* that certain tests are met, the subordinate classes will receive a defined percentage of the unscheduled principal collections as part of their allocated share of the subordinate principal distribution amount for the related distribution date.

The manner of allocating payments of principal on the mortgage loans to the certificates will differ, as described in this offering memorandum supplement, depending upon when a distribution date occurs, whether the delinquency and loss performance of the mortgage loans is worse than certain levels specified in the pooling and servicing agreement and, with respect to the Subordinate Certificates, depending upon the subordination available to the Senior Certificates and each class of Subordinate Certificates from classes with payment priorities subordinate to that class and whether certain conditions have been satisfied.

We refer you to "Description of the Certificates—Distributions of Principal" in this offering memorandum supplement for more information.

Priority of Distributions

On each distribution date, as more fully described under "*Description of the Certificates—Priority of Distributions and Allocation of Shortfalls*" in this offering memorandum supplement, the available distribution amount in respect of the mortgage loans will generally be distributed in the following order of priority, subject to the provisions regarding exchangeable certificates described below:

- *first*, to the Class A-9, Class A-12, Class A-18, Class A-21, Class A-IO1, Class A-IO9, Class A-IO10, Class A-IO12, Class A-IO13, Class A-IO18, Class A-IO19, Class A-IO21 and Class A-IO22 Certificates, *pro rata* based on interest payable on each such class, such class's interest distribution amount and any accrued but unpaid interest shortfalls for such distribution date;

- *second*, to the Class A-9, Class A-12, Class A-18 and Class A-21 Certificates, the senior principal distribution amount for such distribution date, *pro rata* based on: (x) in the case of (a) below, the aggregate class principal amount of the Class A-9, Class A-12 and Class A-18 Certificates and (y) in the case of (b) below, the class principal amount of the Class A-21 Certificates concurrently, as follows:

  (a) to the Class A-12, Class A-18 and Class A-9 Certificates, sequentially, in that order until the class principal amount of each such class is reduced to zero; *provided, however*, that on or after the credit support depletion date, such portion of the senior principal distribution amount for such distribution date will be allocated *pro rata*, based on the respective class principal amounts, to the Class A-9, Class A-12 and Class A-18 Certificates until the class principal amount of each such class is reduced to zero; and

  (b) to the Class A-21 Certificates, until the class principal amount of the Class A-21 Certificates has been reduced to zero; and

- *third*, sequentially, to the Class B-1, Class B-2, Class B-3, Class B-4 and Class B-5 Certificates, in that order, such class's interest distribution amount and any accrued but unpaid interest shortfalls for such distribution date, and then the applicable amount of principal for such distribution date, with both interest and the applicable amount of principal being paid to one class before any distributions are made to the next class.

In addition, on each distribution date, the securities administrator will distribute the Net Servicing Rights Strip Distribution Amount, if any, to the Class A-IO-S Certificates.

In the event that Initial Exchangeable Certificates (or in certain cases, previously exchanged Exchangeable Certificates) have been exchanged for the related Exchangeable Certificates in one of the exchange combinations described under "*Permitted Exchanges*" herein, the Exchangeable Certificates received in such an exchange will be entitled to a proportionate share of the interest and/or principal distributions, as applicable, otherwise allocable to the classes of Initial Exchangeable Certificates (or in certain cases, previously exchanged Exchangeable Certificates) so exchanged.

We refer you to "Description of the Certificates — Priority of Distributions and Allocation of Shortfalls" in this offering memorandum supplement for more information.

Limited Recourse

The only source of cash available to make interest and principal payments on the certificates will be the assets of the issuing entity. The issuing entity will have no source of cash other than collections and recoveries on the mortgage loans through insurance or otherwise and monthly advances made by the servicing administrator, the master servicer and the securities administrator or funded by a reduction in the servicing rights strip otherwise distributable to the Class A-IO-S Certificates, which are reimbursable to the servicing administrator, the master servicer, the securities administrator and the Class A-IO-S Certificates as discussed in this offering memorandum supplement. No other entity will be required or expected to make any payments on the certificates.

Credit Enhancement

The payment structure of the certificates includes limited payment subordination and loss allocation features, and shifting interest in prepayments, to enhance the likelihood that holders of more senior classes of certificates will receive regular distributions of interest and principal.

Subordination. The Class B-5 Certificates are more likely to experience losses than the Class B-1, Class B-2, Class B-3 and Class B-4 Certificates and the Senior Certificates; the Class B-4 Certificates are more likely to experience losses than the Class B-1, Class B-2 and Class B-3 Certificates and the Senior Certificates; the Class B-3 Certificates are more likely to experience losses than the Class B-1 and Class B-2 Certificates and the Senior Certificates; the Class B-2 Certificates are more likely to experience losses than the Class B-1 Certificates and the Senior Certificates; and the Class B-1 Certificates are more likely to experience losses than the Senior Certificates.

We refer you to "Risk Factors—Potential Inadequacy of Credit Enhancement" and "Description of the Certificates—Subordination of Payments to the Subordinate Certificates" in this offering memorandum supplement.

Shortfall and Loss Allocation. Further, net interest shortfalls resulting from net prepayment interest shortfalls or reductions in the amount of monthly interest payments on mortgage loans due to application of the Relief Act or similar legislation or regulations will be allocated to reduce current interest on each class of certificates *sequentially*, *first*, to the Class A-IO1 Certificates and each class of Subordinate Certificates, *pro rata*, based on the amount of current interest accrued on each such class of certificates for such distribution date, until the amount of such current interest is reduced to zero; and *second*, to all classes of Senior Certificates (other than the Class A-IO1 Certificates), *pro rata*, based on the amount of current interest accrued on each such class of certificates for such distribution date, until the amount of such current interest is reduced to zero. Accordingly, the Subordinate Certificates (and Class A-IO1 Certificates) will bear a greater risk of the allocation of such shortfalls on the mortgage loans than the Senior Certificates (other than the Class A-IO1 Certificates).

In addition, all realized losses and certificate writedown amounts that would otherwise be allocated to the Super Senior Certificates will first be allocated to the related Senior Support Certificates, until the class principal amount of such Senior Support Certificates has been reduced to zero, and then to the classes of Super Senior Certificates, on a *pro rata* basis in accordance with their respective class principal amounts, until the class principal amounts of the classes of Super Senior Certificates have been reduced to zero. Accordingly, the Senior Support Certificates will bear a greater risk of loss on the mortgage loans than the related Super Senior Certificates.

As described in this offering memorandum supplement, amounts representing losses on the mortgage loans will be applied to reduce the class principal amount of the class of Subordinate Certificates that is still outstanding and has the lowest priority of distribution of principal, until the class principal amount of that class has been reduced to zero. If the subordination provided by the Subordinate Certificates is insufficient to absorb losses, then losses realized in respect of the mortgage loans will be allocated in reduction of the respective class principal amounts of the classes of the Senior Certificates as described in the preceding paragraph.

We refer you to "Risk Factors—Potential Inadequacy of Credit Enhancement" and "Description of the Certificates—Allocation of Net Interest Shortfalls and Realized Losses" in this offering memorandum supplement.

Shifting Interest in Prepayments. Additional credit enhancement is provided by the allocation, subject to certain exceptions, of all principal prepayments and Liquidation Proceeds on the mortgage loans to Senior Certificates entitled to payments of principal for the first five (5) years after the closing date and the disproportionately greater allocation of prepayments to such Senior Certificates over the following four (4) years. This disproportionate allocation of prepayments and Liquidation Proceeds will accelerate the amortization of those Senior Certificates relative to the amortization of the Subordinate Certificates. As a result, the credit support percentage for the Senior Certificates entitled to payments of principal may be increased during the first nine (9) years.

See "Description of the Certificates—Distributions of Principal" in this offering memorandum supplement.

Final Scheduled Distribution Date

The final scheduled distribution date for the certificates is the distribution date in January 2053, which is the distribution date in the month following the latest maturity date of any of the mortgage loans as of the cut-off date. The actual final distribution date for any class may be earlier or later, and could be substantially earlier or later, than the final scheduled distribution date. The servicer will not be permitted to modify mortgage loans to extend the maturity date beyond the final scheduled distribution date, which for REMIC purposes will also be designated as the latest possible maturity date, and the servicing administrator will not be permitted to consent to the modification of a mortgage loan pursuant to the servicing agreement to extend the maturity date beyond the latest possible maturity date of any mortgage loan as of the cut-off date, except in each case as otherwise required by applicable law or a court order.

Fees and Expenses

Before distributions are made on the certificates, the servicer will be paid from interest collections on the mortgage loans, prior to deposit into the custodial account, a monthly fee, calculated as provided in the servicing agreement, equal to 0.10000% per annum of the stated principal balance of each mortgage loan as of the first day of the related due period for such distribution date; *provided* that, (1) in the case of a stop advance mortgage loan, such fee will accrue on the assumed stated principal balance thereof; and (2) such fee will be allocated among the servicer, the servicing administrator and the Class A-IO-S Certificates. The servicer will also be entitled to receive, to the extent provided in the servicing agreement, additional compensation in the form of any interest or other income earned on funds it has deposited in the custodial account pending remittance to the securities administrator, as well as late charges and certain fees paid by borrowers and, in certain cases, REO management fees and incentive fees as described in this offering memorandum supplement. If the servicer is removed or terminated, the master servicer will have the right to increase the servicing fee rate if it determines that an increase is necessary and appropriate in order to engage a successor servicer. Any increase in the servicing fee rate to engage a successor servicer will reduce the Net Mortgage Rate for purposes of calculating Net WAC.

Before distributions are made on the certificates, the securities administrator will be paid from interest collections on the mortgage loans a monthly fee for each mortgage loan calculated as one-twelfth of the product of (a) the securities administrator fee rate and (b) the aggregate stated principal balance of the mortgage loans, where the securities administrator fee rate will be a per annum rate equal to the greater of (i) 0.01760% and (ii) the product of (x) a fraction, expressed as a percentage, the numerator of which is $1,500 and the denominator of which is the aggregate stated principal balance of the mortgage loans as of the first day of the related due period for such distribution date and (y) 12, *provided* that, in the case of any stop advance mortgage loan, such fee will accrue on the assumed stated principal balance thereof, as of the first day of the related due period for such distribution date. In addition, the securities administrator will retain any interest earned and investment income on funds in the distribution account.

Before distributions are made on the certificates, the master servicer will be paid from interest collections on the mortgage loans, prior to deposit into the distribution account, a monthly fee for each mortgage loan calculated as one-twelfth of the product of (a) the master servicing fee rate and (b) the aggregate stated principal balance of the mortgage loans, where the master servicing fee rate will be a per annum rate equal to the greater of (i) 0.01200% and (ii) the product of (x) a fraction, expressed as a percentage, the numerator of which is $1,500 and the denominator of which is the aggregate stated principal balance of the mortgage loans as of the first day of the related due period for such distribution date and (y) 12, *provided* that, in the case of any stop advance mortgage loan, such fee will accrue on the assumed stated principal balance thereof, as of the first day of the related due period for such distribution date. In addition, the master servicer will retain any interest earned and investment income on funds in the master servicer collection account.

Before distributions are made on the certificates, the custodian, as compensation for its services, will be paid from interest collections on the mortgage loans a monthly fee for each mortgage loan calculated as 0.00250% per annum on the aggregate stated principal balance of the mortgage loans as of the first day of the related due period for such distribution date, *provided* that, in the case of any stop advance mortgage loan, such fee will accrue on the assumed stated principal balance thereof, as of the first day of the related due period for such distribution date.

Before distributions are made on the certificates, the trustee, as compensation for its services, will be paid from interest collections on the mortgage loans a monthly fee for each mortgage loan calculated as one-twelfth of the product of (a) the trustee fee rate and (b) the aggregate stated principal balance of the mortgage loans, where the trustee fee rate will be a per annum rate equal to the greater of (i) 0.00160% and (ii) a fraction, expressed as a percentage, the numerator of which is $2,500 and the denominator of which is the aggregate stated principal balance of the mortgage loans as of the first day of the related due period for such distribution date, *provided* that, in the case of any stop advance mortgage loan, such fee will accrue on the assumed stated principal balance thereof, as of the first day of the related due period for such distribution date. The depositor will also pay the trustee an initial acceptance fee of $3,000 from its own funds.

Before distributions are made on the certificates, the distributed ledger agent, as compensation for its services, will be paid from interest collections on the mortgage loans a monthly fee for each mortgage loan calculated as 0.01000% per annum on the aggregate stated principal balance of the mortgage loans as of the first day of the related due period for such distribution date, *provided* that, in the case of any stop advance mortgage loan, such fee will accrue on the assumed stated principal balance thereof, as of the first day of the related due period for such distribution date.

Expenses and indemnity amounts of the trustee, the master servicer, the securities administrator, the distributed ledger agent and the custodian that are permitted to be reimbursed under the pooling and servicing agreement, the custodial agreement and the distributed ledger agent agreement will be paid by the issuing entity prior to any distributions to certificateholders, subject to an aggregate annual cap of $300,000 and further subject to (i) an annual cap of $125,000 with respect to aggregate amounts reimbursable to the trustee and (ii) an annual cap of $10,000 with respect to aggregate amounts reimbursable to the distributed ledger agent. Amounts payable to the trustee include fees for investigating and enforcing breaches of mortgage loan representations and/or warranties under certain circumstances. In addition, under the servicing agreement, certain expenses and indemnity rights of the servicer and the servicing administrator will be paid prior to distributions to certificateholders.

See "*Fees and Expenses of the Issuing Entity*" and "*The Agreements—Representations and Warranties*" in this offering memorandum supplement.

The Mortgage Loans

General. On the closing date, the assets of the issuing entity will consist of approximately 355 fixed rate mortgage loans, all of which have original terms to maturity of 25 or 30 years, with an aggregate stated principal balance as of the cut-off date of approximately $332,596,979. The mortgage loans will be secured by mortgages, deeds of trust or other security instruments, all of which are referred to in this offering memorandum supplement as mortgages. Certain of the mortgage loans acquired by the seller were generally underwritten and evaluated prior to acquisition in accordance with the Current RRAC Criteria or the Prior Criteria, in either case, for RRAC's two (2) traditional super prime jumbo programs (Select and Select AUS), as well as the related expanded credit origination program (Select 90), and RRAC's additional expanded credit origination program (Choice), in each case as further described under "*Acquisition of Mortgage Loans by the Seller—RRAC Criteria*." Additionally, certain of the mortgage loans acquired by the seller were generally underwritten and evaluated prior to acquisition in accordance with the Agency Criteria, as further described under "*Acquisition of Mortgage Loans by the Seller—Agency Criteria*." However, none of the mortgage loans will be insured or guaranteed by any government agency. Mortgage loans may also have been underwritten to, and evaluated by the applicable third-party reviewer against, the guidelines of the related originators, each of which generally are substantially similar to the Applicable RRAC Criteria. The percentage of such mortgage loans by aggregate stated principal balance as of the cut-off date, if any, is not expected to be material.

All of the mortgage loans are fixed rate mortgage loans and none of the mortgage loans is an interest-only mortgage loan. In addition, as of the cut-off date, no borrower under any mortgage loan has entered into a COVID-19 Outbreak-related forbearance plan with the servicer. In the event a borrower requests or enters into a COVID-19 Outbreak-related forbearance plan after the cut-off date but prior to the closing date, the seller will remove such mortgage loan from the mortgage pool and remit the related closing date substitution amount. No assurance is given as to whether, and to what extent, any borrowers might inquire about or request any type of forbearance after the closing date in response to the COVID-19 Outbreak or otherwise.

See "*Acquisition of Mortgage Loans by the Seller*" in this offering memorandum supplement for additional descriptions and details of the acquisition and the eligibility criteria maintained by RRAC for use in the process of acquiring third-party originated loans.

The depositor expects that the mortgage loans will have the following approximate characteristics as of the cut-off date:

Mortgage Pool Summary[(1)]

	Approximate Range or Total	**Weighted Average**	**Total Percentage (by Stated Principal Balance)**[(2)]
Number of Mortgage Loans	355	--	--
Aggregate Stated Principal Balance	$332,596,979.33	--	--
Stated Principal Balances	$98,011.52 to $1,993,555.50	$936,892.90*	--
Originator			
CrossCountry	$35,269,376.93		10.60%
PrimeLending	$24,353,705.25		7.32%
Fairway	$23,223,640.58		6.98%
Caliber	$20,258,179.93		6.09%
Homepoint	$19,029,250.27		5.72%
Finance of America	$16,936,932.94	--	5.09%
Others	$193,525,893.43	--	58.19%
Servicer			
Select Portfolio Servicing, Inc.	$332,596,979.33	--	100.00%
Mortgage Rates	2.875% to 8.000%	5.306%	--
Original Terms to Maturity (in months)	300 to 360	360	--
Remaining Terms to Maturity (in months)	298 to 359	354	--
Original Loan-to-Value Ratios	20.35% to 90.00%	72.31%	--
Number of Interest-Only Mortgage Loans	0	--	--
Geographic Concentration by State in excess of 5.00% of the Aggregate Stated Principal Balance			
California	$84,625,876.95	--	25.44%
Texas	$37,930,683.18	--	11.40%
Washington	$35,696,521.30	--	10.73%
Florida	$35,198,788.28	--	10.58%
Colorado	$31,153,776.66	--	9.37%
FICO Scores at Origination	663 to 820	765	--
Number of Mortgage Loans with Prepayment Charges at Origination	0	--	--
Product Type			
25 Year Fixed Rate	$1,107,084.76	--	0.33%
30 Year Fixed Rate	$331,489,894.57	--	99.67%
Occupancy Type			
Owner-Occupied	$289,532,371.92	--	87.05%
Second Home	$43,064,607.41	--	12.95%
Loan Purpose			
Purchase	$259,527,635.28	--	78.03%
Cash-Out Refinance	$49,857,032.82	--	14.99%
Rate/Term Refinance	$23,212,311.23	--	6.98%
Property Type			
Single Family Detached	$172,911,533.96	--	51.99%
Planned Unit Development	$136,820,563.11	--	41.14%
Condominium	$21,084,588.95	--	6.34%
Single Family Attached	$1,780,293.31	--	0.54%

	Approximate Range or Total	Weighted Average	Total Percentage (by Stated Principal Balance)[(2)]
Documentation Type			
Full Documentation[(3)]	$287,038,400.76	--	86.30%
Full Documentation/AUS[(4)]	$45,558,578.57	--	13.70%
Range of Debt-to-Income Ratios (%)			
0.01 to 5.00	$1,476,784.28	--	0.44%
5.01 to 10.00	$2,112,604.36	--	0.64%
15.01 to 20.00	$4,189,334.59	--	1.26%
20.01 to 25.00	$30,223,883.97	--	9.09%
25.01 to 30.00	$30,977,261.10	--	9.31%
30.01 to 35.00	$45,294,845.60	--	13.62%
35.01 to 40.00	$79,897,872.84	--	24.02%
40.01 to 45.00	$85,032,662.02	--	25.57%
45.01 to 50.00	$53,391,730.57	--	16.05%
Mortgage Loans with Second Liens at Origination			
No Known Subordinate Financing	$326,089,712.74	--	98.04%
Known Subordinate Financing	$6,507,266.59	--	1.96%

* Represents average.

(1) See *"Description of the Mortgage Pool—General"* in this offering memorandum supplement.
(2) Percentages may not add up to 100.00% due to rounding.
(3) As defined by the Sponsor's underwriting guidelines for the mortgage loans.
(4) These mortgage loans were underwritten pursuant to an AUS. The information regarding level of loan documentation may be available as part of the related underwriting files but obtaining such information would require a manual review of each of the related underwriting files. As a result, such information is not being provided in connection with this offering. Potential investors in the offered certificates should take into account the absence of such information in making a decision to purchase any class of offered certificates and should not purchase such offered certificates if this information, or any other information that is not provided in this offering memorandum supplement, is material to such decision.

Mortgage Loan Representations and Warranties

Each originator of the mortgage loans has made certain representations and warranties concerning the mortgage loans. RRAC's and RRAC-NY's rights to these representations and warranties will be assigned to the depositor, and the depositor's rights to these representations and warranties will be assigned to the trustee for the benefit of certificateholders pursuant to the assignment, assumption and recognition agreement or the omnibus assignment of representations and warranties agreement.

Following any originator's discovery or receipt of notice of a breach of any representation or warranty assigned to the trustee that materially and adversely affects the value of a mortgage loan or the interests of the certificateholders, in a mortgage loan, the originator will be required to (1) cure that breach, (2) repurchase the affected mortgage loan from the issuing entity, (3) in some circumstances, substitute another mortgage loan or (4) in some circumstances, make an indemnification payment in the amount of the reduction in value resulting from such breach. Each determination that there has been such a breach of a representation or warranty and each remedy for such a breach is required to be conducted on a mortgage loan-by-mortgage loan basis.

Under the mortgage loan purchase and sale agreement (the "mortgage loan purchase agreement"), RRAC will be obligated as described herein to cure the breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to any mortgage loan as to which there has been an uncured breach of representations and/or warranties made by any originator and assigned to the trustee that materially and adversely affects the value of such mortgage loan or the interests of the certificateholders in such mortgage loan, but generally only if such originator is unable to cure such breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to such mortgage loan pursuant to the terms of the applicable purchase agreement because it is subject to a bankruptcy or insolvency proceeding or no longer in existence. With respect to any mortgage for which the related originator is known by the sponsor to be no longer in existence, the right to enforce any representations and/or warranties will be directly against RRAC.

Under the mortgage loan purchase agreement, RRAC will also agree to cure a breach or repurchase from the trust fund or, in limited circumstances, substitute for, any mortgage loan as to which a representation and warranty made by the originator and assigned to the trustee was true and correct as of the date made by the originator but not true and correct as of the closing date, or if RRAC itself made a representation and warranty as to which there has been a breach, in any such case, if such breach materially and adversely affects the value of the mortgage loan or the interests of the certificateholders in that mortgage loan.

In order to substitute a new mortgage loan for a mortgage loan that has been removed from the trust fund because of a breach of a representation or warranty, (a) the substitution must take place within two (2) years from the date the seller acquired the deleted mortgage loan from the related originator and (b) the new mortgage loan must be materially similar to the deleted mortgage loan.

In some circumstances, an arbitration proceeding may be conducted to resolve a dispute arising out of an allegation of a breach of a representation or warranty concerning a mortgage loan. See "*The Agreements—Representations and Warranties*" in this offering memorandum supplement.

Mortgage Loan Servicing

Nationstar Mortgage LLC is the master servicer under the pooling and servicing agreement. The master servicer will monitor the performance of the servicer and the servicing administrator under the servicing agreement.

In general, any advance of delinquent monthly payments of principal and interest due on the mortgage loans on the immediately preceding determination date, other than mortgage loans that are 120 days or more delinquent as of such date, will, *first,* be allocated in reduction of amounts otherwise distributable to the Class A-IO-S Certificates in respect of the servicing rights strip for such due period and *second*, be funded by the servicing administrator to the extent that such monthly advances exceed the servicing rights strip for the related due period (in each case, after any reduction of the servicing rights strip otherwise distributable to the Class A-IO-S Certificates to pay the aggregate prepayment interest shortfall, if any, for the related due period). In the event the servicer enters into a forbearance plan with a COVID-19 impacted borrower, it is anticipated that the holder of the Class A-IO-S Certificates (through a reduction of such holder's entitlement to the servicing rights strip) or the servicing administrator (to the extent that such monthly advances exceed the servicing rights strip for the related due period) generally will be required to fund monthly advances made by the servicer on such mortgage loan, notwithstanding the fact that the related payments of principal and interest may not be due by the borrower at such time as a result of the related forbearance program (unless, as further described herein, the party funding such monthly advance determines any such monthly advances would be nonrecoverable). The master servicer will be obligated to fund any required monthly advance if the servicing administrator fails in its obligation to do so, to the extent described in this offering memorandum supplement. The securities administrator will be obligated to fund any required monthly advance if the servicing administrator and the master servicer fail in their obligations to do so, to the extent described in this offering memorandum supplement. The master servicer, the servicing administrator, the securities administrator and the Class A-IO-S Certificate will be entitled to be reimbursed for any such monthly advances from future payments and collections (including insurance or liquidation proceeds) with respect to those mortgage loans. However, if the master servicer, the securities administrator or the servicing administrator fund monthly advances which are determined by such party to be nonrecoverable from future payments and collections on the related mortgage loan, such parties and, to the extent the servicing rights strip for any due period was reduced to fund such monthly advances, the Class A-IO-S Certificates, will be entitled to reimbursement for such monthly advances from other mortgage loans prior to any distributions to certificateholders.

The servicing administrator (to the extent such payments for the mortgage loans are not funded by a reduction of the servicing rights strip) will also make limited interest payments to compensate in part for any shortfall in interest payments on the mortgage loans which results from a borrower prepaying a mortgage loan in whole or in part. However, the amount of such payments will not exceed the aggregate of the servicing fee paid to the servicer, the servicing administrator fee actually received for the related due period and the servicing rights strip for the related due period. If the servicing administrator fails to make a required payment in respect of such prepayment interest shortfalls, the master servicer will be obligated to reduce its master servicing fee for the related period in an amount equal to the amount of the required payment not remitted by the servicing administrator, but not exceeding the master servicing fee; *provided* that in cases when the amount of such prepayment interest shortfall payments required to be made by the servicing administrator or through a reduction of the servicing rights strip is insufficient to cover the shortfall in interest payments on the certificates and the servicing administrator has made the required payments under the servicing agreement or the servicing rights strip has been reduced to zero, the master servicer will not be required to make any payments related to such prepayment interest shortfalls. Such master servicing fee may be insufficient to fund the entire shortfall.

RRAC, as servicing administrator, will retain the right to terminate the servicer under the servicing agreement, with or without cause, and appoint a successor servicer with the consent of the master servicer, such consent not to be unreasonably withheld.

We refer you to "The Agreements—Mortgage Loan Servicing" in this offering memorandum supplement for more detail.

Optional Termination

On any date on which the aggregate stated principal balance or, in the case of any stop advance mortgage loan, the unpaid principal balance, of the mortgage loans has declined to less than 10% of the initial aggregate stated principal balance of the mortgage loans as of the cut-off date, subject to satisfaction of the conditions described in the pooling and servicing agreement, the servicing administrator may instruct the master servicer to purchase all of the mortgage loans, any REO property and any other property from the trust fund, excluding any servicing rights held by the servicer or the servicing administrator, as applicable, and to sell such mortgage loans to the servicing administrator (or if so directed by the servicing administrator, to its designee) thereby causing an early retirement of the certificates. Under certain circumstances as described under *"Description of the Certificates—Optional Purchase of the Mortgage Loans"* in this offering memorandum supplement, the master servicer may effect such a purchase of the mortgage loans from the trust fund for its own account.

We refer you to "Description of the Certificates—Optional Purchase of the Mortgage Loans" in this offering memorandum supplement for more information.

Tax Status

The securities administrator, on behalf of the trustee, will elect to treat all or a portion of the trust fund as one or more "real estate mortgage investment conduits" or "REMICs" for U.S. federal income tax purposes. In addition, the arrangement pursuant to which the Initial Exchangeable Certificates and the Exchangeable Certificates are created and administered will be classified as a grantor trust for U.S. federal income tax purposes. Each of the offered certificates will represent beneficial ownership of one or more "regular interests" in a REMIC.

The Interest-only Certificates will, and certain of the other offered certificates may, be issued with original issue discount for U.S. federal income tax purposes. In addition, certain of the offered certificates may be issued at a premium for such purposes.

We refer you to "Material U.S. Federal Income Tax Consequences" in this offering memorandum supplement and in the accompanying offering memorandum for additional information concerning the application of U.S. federal income tax laws to the certificates.

ERISA Considerations

A fiduciary of any employee benefit plan subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (or "ERISA"), or Section 4975 of the Internal Revenue Code of 1986, as amended (or the "Code") (each, a "Plan"), should carefully review with its legal advisors whether the acquisition or holding of the offered certificates could give rise to a transaction prohibited or not otherwise permissible under applicable law. The acquisition and holding of the offered certificates are subject to the conditions described under *"ERISA Considerations" in this offering memorandum supplement and in the accompanying offering memorandum.*

Legal Investment

Under current law, the Senior Certificates and the Class B-1 Certificates will constitute "mortgage related securities" for purposes of the Secondary Mortgage Market Enhancement Act of 1984, or SMMEA, on the closing date because they are rated in one of the two highest rating categories by at least one nationally recognized statistical rating agency. However, to the extent that the SEC establishes alternative standards of creditworthiness to replace the credit rating requirement of SMMEA, it is possible that the Senior Certificates and the Class B-1 Certificates will not constitute "mortgage-related securities" for purposes of SMMEA from and after the effective date of the alternative standard, even if these classes retain the aforementioned ratings. See "*Risk Factors—Financial Regulatory Reforms and Additional Proposed Regulations Could Have a Significant Impact on the Sponsor, the Depositor, the Servicing Administrator, the Master Servicer, the Servicer or Any Successor Servicers or on the Performance, Liquidity and Market Value of the Certificates" for a discussion of pending changes to the definition of "mortgage related securities*."

There may be other restrictions on the ability of certain types of investors to purchase the certificates that prospective investors should also consider.

We refer you to "Legal Investment" in the offering memorandum for more information.

Certificate Ratings

It is a condition of issuance of the offered certificates that they receive at least the ratings (if any) set forth in the table under the heading "*The Offered Certificates*" beginning on page S-1 of this offering memorandum supplement by Fitch Ratings, Inc. ("Fitch") and Kroll Bond Rating Agency, LLC ("KBRA" and, together with Fitch, the "rating agencies"), as applicable. The ratings of the Senior Certificates by the rating agencies address the likelihood of the ultimate payment of principal and the timely payment of interest on such offered certificates, and the ratings of the Subordinate Certificates that are rated by the rating agencies address the likelihood of the ultimate payment of principal and interest on such offered certificates. The rating agencies' ratings do not address the frequency and timing of principal prepayments on the mortgage loans or the corresponding effect on the yield to certificateholders. The ratings of offered certificates should be evaluated independently from similar ratings on other types of securities. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the assigning rating organization. No rating to be assigned to the offered certificates has been or will be verified or analyzed by the sponsor, the seller, the servicing administrator, the depositor, the initial purchasers or any other party to the transactions described herein.

In light of the continuing impact of the COVID-19 Outbreak, it is possible that the rating agencies could revise their models and ratings methodology (including their ratings or outlooks with respect to the various transaction parties) and, following the closing date, downgrade, qualify or withdraw their ratings on certain classes of certificates that were not subject to such revised models or methodology as part of the initial ratings process.

We refer you to "Risk Factors—Potential Changes in Ratings Present Risks," "—Ratings of the Certificates May Not Accurately Reflect Risks Associated with Those Certificates," "—Additional Ratings of the Certificates or a Withdrawal of the Ratings May Adversely Affect Their Market Value and/or Limit Your Ability to Sell Your Certificates" and "Ratings" in this offering memorandum supplement for a more complete discussion of the certificate ratings.

Listing

The offered certificates are not listed on any exchange, and no party to the transaction intends (or is obligated) to list the offered certificates on any exchange or to quote them in the automated quotation system of any registered securities organization.

RISK FACTORS

The following information, which you should carefully consider, identifies certain significant sources of risk associated with an investment in the offered certificates. All statistical information referred to in this section is based on the mortgage pool as constituted as of the cut-off date. Such risks give rise to the potential for significant loss over the life of the offered certificates and could prevent you from fully recovering your initial investment in the offered certificates. There may be additional risks associated with an investment in the offered certificates which are not included below. Investors should fully review the risk factors contained herein and consult with their legal, tax, accounting and financial advisors prior to making an investment decision.

You should also review the risk factors described in the accompanying offering memorandum, which describe additional risks that apply to your investment in the offered certificates.

THE OFFERED CERTIFICATES ARE NOT SUITABLE INVESTMENTS FOR ALL INVESTORS. IN PARTICULAR, PROSPECTIVE INVESTORS SHOULD NOT PURCHASE THE OFFERED CERTIFICATES UNLESS THEY UNDERSTAND AND ARE ABLE TO BEAR THE PREPAYMENT, CREDIT, LIQUIDITY, MARKET AND OTHER RISKS ASSOCIATED WITH THE OFFERED CERTIFICATES. THE OFFERED CERTIFICATES ARE COMPLEX SECURITIES AND IT IS IMPORTANT THAT POTENTIAL INVESTORS POSSESS, EITHER ALONE OR TOGETHER WITH AN INVESTMENT ADVISOR, THE EXPERTISE NECESSARY TO EVALUATE THE INFORMATION CONTAINED IN THIS OFFERING MEMORANDUM SUPPLEMENT IN THE CONTEXT OF THE INVESTOR'S FINANCIAL SITUATION.

ALTHOUGH THE VARIOUS RISKS DISCUSSED IN THIS OFFERING MEMORANDUM SUPPLEMENT AND THE ACCOMPANYING OFFERING MEMORANDUM ARE GENERALLY DESCRIBED SEPARATELY, YOU SHOULD CONSIDER THE POTENTIAL EFFECTS OF THE INTERPLAY OF MULTIPLE RISK FACTORS BELOW AND THEREIN. WHERE MORE THAN ONE SIGNIFICANT RISK FACTOR IS PRESENT, THE RISK OF LOSS TO AN INVESTOR IN THE OFFERED CERTIFICATES MAY BE SIGNIFICANTLY INCREASED. INVESTORS SHOULD FULLY REVIEW THE RISK FACTORS CONTAINED HEREIN AND THEREIN AND CONSULT WITH THEIR LEGAL, TAX, ACCOUNTING AND FINANCIAL ADVISORS PRIOR TO MAKING AN INVESTMENT DECISION.

Risks Related to Exchangeable Certificates

The characteristics of the classes of exchangeable certificates will generally reflect the characteristics of the related initial exchangeable certificates (or exchangeable certificates that have been received in a prior exchange and are, in turn, being re-exchanged with initial exchangeable certificates for other exchangeable certificates) that such classes may be exchanged for and *vice versa*. The exchangeable certificates are not separate legal obligations of the issuing entity but are certificates issued by the issuing entity which represent exchange combinations (as described under "*Permitted Exchanges*" above) of classes of initial exchangeable certificates (or exchangeable certificates that have been received in a prior exchange) with the payment rights and obligations of the related initial exchangeable certificates (or in certain cases, previously exchanged exchangeable certificates).

Investors should also consider the following factors that will limit a certificateholder's ability to exchange initial exchangeable certificates (or certain exchangeable certificates) for related exchangeable certificates and *vice versa*:

- At the time of a proposed exchange, a holder must own the initial exchangeable certificates and/or exchangeable certificates of the related class or classes in the proportions necessary to make the desired exchange, and must pay the exchange fee charged by the securities administrator.

- A holder that does not own the initial exchangeable certificates and/or exchangeable certificates of the requisite class or classes in the requisite proportions may be unable to obtain the necessary certificates in order to effect the desired exchange.

- The holder of needed initial exchangeable certificates and/or exchangeable certificates may refuse to sell them at a reasonable price (or any price) or may be unable to sell them.

- Certain initial exchangeable certificates and/or exchangeable certificates may have been purchased or placed into other financial structures and thus may be unavailable for exchange.

- Only the exchange combinations described under "*Permitted Exchanges*" above are permitted.

The COVID-19 Outbreak Has and May Continue to Adversely Affect the Global Economy and May Adversely Affect the Performance of the Mortgage Loans and the Certificates

There has been a global outbreak of a novel coronavirus and a related respiratory disease ("COVID-19") that has spread throughout the world, including the United States, causing a global pandemic (the "COVID-19 Outbreak"). The COVID-19 Outbreak (and any future outbreaks of COVID-19) and resulting emergency measures described below and elsewhere herein has led (and may continue to lead) to significant disruptions in the global supply chain, global capital markets, the economy of the United States and the economies of other nations, as well as extreme volatility in the stock market.

One of the first federal responses to the COVID-19 Outbreak, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provided wide-reaching protections for homeowners experiencing financial difficulties due to the COVID-19 Outbreak. The provisions of the CARES Act included forbearance programs and policies for borrowers of federally backed mortgage loans regardless of delinquency status, to request and obtain loan forbearance for up to a six-month period, which could be extended for another six-month period if requested by the borrower. In addition to rights to request and receive forbearance, the CARES Act also provided for a suspension of furnishing negative consumer credit information during an accommodation, including a forbearance, deferral, modification or other assistance or relief related to COVID-19.

Many of the provisions of the CARES Act formed the basis for mortgage loan servicers' responses to the COVID-19 Outbreak for non-federally guaranteed mortgage loans. Subsequent to the passage of the CARES Act, additional laws were passed by Congress that provided similar relief to that included in the CARES Act. In addition, some states and local jurisdictions implemented requirements relating to payment forbearance and other relief, and moratoriums on foreclosures and evictions in efforts to lessen the impact that COVID-19 had on Americans' income and ability to pay their monthly mortgage and rent obligations (including in states where mortgaged properties are located). The Centers for Disease Control and Prevention (the "CDC") also implemented temporary moratoriums on residential evictions. The CDC, state and local requirements have prevented some mortgagors from evicting certain tenants who are not current on their monthly payments of rent and who qualify for relief under an eviction moratorium, which may present a greater risk that the mortgagor will stop making monthly mortgage loan payments. While these moratoria have generally expired, any future moratoria or bans could adversely impact the cashflow on the mortgage loans and therefore the performance of the certificates.

In response to the COVID-19 Outbreak, the Federal Reserve adopted an easing stance in monetary policy referred to as "quantitative easing." For example, buying mortgage-backed securities and interest rate cuts, which were intended to lower the cost of borrowing, resulted in higher investment activity which, in turn, stimulated the economy. Recently, the Federal Reserve announced that it was accelerating the unwinding of its purchases of mortgage-backed securities, rather than increasing or maintaining its holdings, and has begun a campaign of increases to the federal funds rate, which has caused, and may continue to cause, mortgage interest rates to increase. Due to increases in mortgage interest rates as a result of, among other things, Federal Reserve actions, the value of the mortgaged properties is likely to decrease and the availability of refinancing alternatives for mortgage loans has been reduced, which may in turn lead to delinquencies, defaults and increased losses on the mortgage loans.

On June 28, 2021, the Consumer Financial Protection Bureau (the "CFPB") issued a final rule (the "2021 Mortgage Servicing COVID-19 Rule") amending the Real Estate Settlement Procedures Act and Regulation X with the stated intent to seek to help prevent impending foreclosure actions as various emergency COVID-19-related foreclosure protections expired during 2021. The 2021 Mortgage Servicing COVID-19 Rule only applies to a mortgage loan secured by the borrower's principal residence, and as such, generally does not apply to investment properties or second homes. The 2021 Mortgage Servicing COVID-19 Rule became effective on August 31, 2021; provided, however, that prior to the effective date a servicer may have voluntarily taken certain actions as provided for in the 2021 Mortgage Servicing COVID-19 Rule prior to such effective date. Such pre-effective date actions can be used to establish compliance with the 2021 Mortgage Servicing COVID-19 Rule after the effective date. The 2021

Mortgage Servicing COVID-19 Rule includes temporary provisions that: (i) until December 31, 2021, required at least one special COVID-19 procedural safeguard had been met prior to starting foreclosure on a mortgage loan that was more than 120 days delinquent, with certain limited exceptions, (ii) provide servicers the ability to offer borrowers certain COVID-19-related streamlined loan modifications without a complete loss mitigation application, with certain limitations in place to protect borrowers who enter into a streamlined loan modification, (iii) amend the early intervention obligations to help ensure that servicers communicate timely and accurate information to certain delinquent borrowers regarding their loss mitigation options (this requirement only applied until October 1, 2022), and (iv) establish timing requirements for when servicers must renew reasonable diligence efforts to obtain complete loss mitigation applications from certain borrowers. The 2021 Mortgage Servicing COVID-19 Rule and the temporary restrictions on foreclosure and other requirements to provide additional information set forth in the 2021 Mortgage Servicing COVID-19 Rule could delay or adversely impact the servicer's ability to manage loss mitigation strategies and could therefore affect the cashflow on the mortgage loans and the performance of the certificates.

In addition to the measures taken by the U.S. federal government, many state and local governments have adopted a number of emergency measures and recommendations in response to the COVID-19 Outbreak, including imposing travel bans, "shelter in place" restrictions, curfews, cancelling events, banning large gatherings, closing non-essential businesses, and generally promoting social distancing (including in the workplace, which has resulted in a significant increase in employees working remotely). While some states may have begun a phased relaxation of these measures, substantial restrictions on economic activity remain in place or have been reimposed. Further, some states and local jurisdictions have also implemented requirements related to payment forbearance and other relief, and moratoriums on foreclosures and evictions in efforts to stem the impact that the COVID-19 Outbreak has had on Americans' income and ability to pay their monthly mortgage and rent obligations. Although it cannot be predicted, there may be additional policy action at the federal, state and local level in the future and such actions may result in further government actions or policy decisions that may adversely affect the market value of the offered certificates. Some states have also promulgated guidance to regulated servicers requiring them to formulate policies to assist mortgagors in need as a result of COVID-19.

Concern about the potential effects of the COVID-19 Outbreak and the effectiveness of measures being put in place by governmental bodies and reserve banks at various levels as well as by private enterprises (such as workplaces, trade groups, amateur and professional sports leagues and conferences, places of worship, schools, restaurants, gyms and other organizations) to contain or mitigate its spread has adversely affected economic conditions and capital markets globally, and has led to significant volatility in global financial markets. There can be no assurance that the containment measures or other measures implemented from time to time will be successful in limiting the spread of the virus and what effect those measures will have on the economy generally or on any particular mortgage loan. In certain U.S. cities and states, the COVID-19 Outbreak has, at times, resulted in a near total cessation of all non-essential economic activities, with some businesses temporarily suspending operations and laying-off employees, and many businesses including financial services companies permitting or requiring employees to work remotely. The disruption and volatility in the credit markets and the reduction of economic activity in severely affected sectors may continue for an extended period or indefinitely, and has led to a recession in the United States. While non-essential economic activity is to some extent returning or continuing in certain jurisdictions, the timing of a full return remains uncertain, and may vary substantially depending on the location and the type of activity.

Furthermore, as a result of the measures discussed above, many organizations (including banks, trustees, servicers, courts and federal and state agencies) have implemented policies permitting or in some cases requiring their employees to work at home. Such remote working policies are dependent upon a number of factors to be successful, including communications, internet connectivity and the proper functioning of information technology systems, all of which can vary from organization to organization. As a result, such remote working policies may lead to delays in otherwise routine functions that are not foreseeable at this time, including routine support functions on securitization transactions. In addition, to the extent that federal, state and local administrative offices and courts are operating with reduced staff, any foreclosures, recordings of assignments and similar activities may be delayed as such offices and courts address any backlogs of such actions that accumulated during the period they were closed. Furthermore, to the extent the related jurisdiction has implemented (or in the future implements) a moratorium on foreclosures, any processing of foreclosure actions would not commence until such moratorium has ended. As a result, there can be no assurance that such otherwise routine functions, including foreclosures, will be performed or processed on a regular or predictable timeframe. Furthermore, the COVID-19 Outbreak and resulting disruption to economic conditions may further result in borrowers under the mortgage loans losing their jobs or experiencing a reduction in wages or other financial hardship, which could result in an inability to make required mortgage loan payments and an increase in delinquencies with respect to the mortgage loans. The disruption in day-to-day business activities may also have an impact on the ability of parties to this transaction to perform their responsibilities. If any transaction party or other relevant party is unable to adequately perform its obligations due to a remote working environment, this may adversely impact the performance of the mortgage loans and the timing and amount of distributions on the offered certificates.

Many parts of the United States and other countries experienced another increase in the rate of COVID-19 infections that began early in the fall of 2021, which in some cases resulted in the implementation or reimplementation of lockdowns, curfews and other measures. For instance, due to the emergence of the Delta and Omicron variants, certain state and local governments reinstated various mitigation measures, some of which have begun to be lifted as cases have decreased. In the event of further COVID-19 outbreaks or the spread of more contagious and/or more deadly COVID-19 variants, it is unclear whether the same mitigation or containment measures taken by various governments (including at the federal, state and local level) or private enterprises described herein will be continued or reimplemented and the degree to which such measures will be applied, or if different measures will be implemented, and what impact such measures will have on the national or global economy. In addition, it is possible that, an increasing number of Americans who have emerged in varying degrees from lockdowns and other mitigation or containment measures related to the initial wave of COVID-19 may be less willing to return to such conditions, which could exacerbate the course of the pandemic.

There is little certainty as to when and to what extent the United States economy will recover from the disruption caused by the COVID-19 Outbreak. It is possible that the effects of the COVID-19 Outbreak will continue for an indefinite period of time, and additional outbreaks may occur at any time. Investors must consider and understand that the extent of the economic disruption and market volatility that has been, and may be, caused by the COVID-19 Outbreak could be as severe, or even more severe, than that of the 2008 financial crisis or other similar economic crises. The risk factor disclosure contained in this offering memorandum supplement related to the occurrence and consequences of the 2008 financial crisis and other similar economic crises, should be considered by investors also as potential consequences of the COVID-19 Outbreak, any of which could significantly and adversely affect payments on the mortgage loans and, consequently, the offered certificates.

The secondary market for mortgage-backed securities may experience extremely limited liquidity and such conditions could continue or worsen in the future. Last spring’s volatility in the mortgage-backed securities market as a result of the COVID-19 related-economic disruptions could similarly result in liquidity issues. Limited liquidity in the secondary market for mortgage-backed securities could adversely affect a certificateholder’s ability to sell their certificates or the price such certificateholder receives for such certificates and may continue to have a severe adverse effect on the market value of mortgage-backed securities such as the certificates, especially those that are more sensitive to prepayment or credit risk.

The long-term impacts of the social, economic and financial disruptions caused by the COVID-19 Outbreak are unknown. While vaccines (and additional booster shots) have been developed and disseminated throughout the United States, there can be no assurance that enough people will be immunized in any area in the United States to prevent flare-ups of COVID-19, especially as many areas relax COVID-19 mitigation efforts. Additionally, these vaccines (and additional booster shots) are less effective against variants of COVID-19 and certain regions are experiencing COVID-19 outbreaks and the continued spread of more contagious and/or more deadly COVID-19 variants. It is also unclear: (i) whether future economic shutdowns will be required in response to the development of a seasonal spread of COVID-19 or variants thereof, (ii) how many mortgagors have been and will continue to be adversely affected by the COVID-19 Outbreak and (iii) if related efforts by federal, state and local governments to slow the spread of COVID-19 will continue to be successful. Investors should expect that some mortgagors will not have the ability to make timely payments on their mortgage loans at some point as a result of the COVID-19 Outbreak, which, in turn, could result in delays in distributions on, or potential losses in respect of, the offered certificates.

To the extent that mortgagors of the mortgage loans become unemployed or have their wages reduced as a result of actions taken by their employers in response to the continued economic impact of COVID-19, delinquencies on the mortgage loans could increase which, in turn, could result in delays in distributions on, or potential losses in respect of, the certificates.

In addition, in connection with all the circumstances described above, you should be aware in particular that:

- such circumstances may result in substantial delinquencies and defaults on the mortgage loans and adversely affect the amount and timing of liquidation proceeds realized in the event of foreclosures and liquidations;

- such circumstances may adversely affect the performance of the transaction parties;

- such circumstances may result in a downgrade, withdrawal or qualification of the credit ratings assigned to the rated certificates by the hired NRSROs;

- defaults on the mortgage loans may occur in large concentrations over a period of time and may occur in specific geographic concentrations, which might result in rapid declines in the value of your certificates;

- the values of the related mortgaged properties may have declined since the mortgage loans were originated and may decline following the issuance of the certificates; such declines may be substantial and occur in a relatively short period following the issuance of the certificates; and such declines may occur for reasons largely unrelated to the circumstances of the particular mortgaged property;

- if you desire to sell your certificates, you may be unable to do so or you may be able to do so only at a substantial discount from the price you paid, and this may occur within a relatively short period following the issuance of the certificates and for reasons unrelated to the then-current performance of the certificates or the mortgage loans;

- if you desire to obtain financing for your certificates, you may be unable to do so or you may be able to do so only at higher interest rates and/or at a greater discount to market value, and this may occur within a relatively short period following the issuance of the certificates and for reasons unrelated to the then-current performance of the certificates or the mortgage loans;

- such circumstances may result in increased or decreased prepayment activity with respect to the mortgage loans, which may affect the performance and market value of the certificates;

- such circumstances may result in substantial delinquencies on the mortgage loans, which may become the subject of forbearance or other modifications, including reductions in the principal balance of the mortgage loans;

- if the mortgage loans default, then the yield on your investment may be substantially reduced notwithstanding that liquidation proceeds may be sufficient to result in the repayment of the principal of and accrued interest on the certificates;

- the time periods to resolve defaulted mortgage loans may be long, and those periods may be further extended because of mortgagor bankruptcies, related litigation, closures of courts due to the COVID-19 Outbreak and any federal and state legislative, regulatory and/or administrative actions or investigations; and

- with respect to any mortgaged property that is subject to or governed by a homeowners association ("HOA"), such circumstances may result in the related mortgagor being unable to pay its HOA or condominium association assessment fees (which, in general, have not been waived, deferred or forgiven due to the COVID-19 Outbreak), which could result in an HOA assessment "superlien" for such fees extinguishing the lien of the mortgage securing such mortgage loan, as described under "—*Homeowner Association Super Priority Liens, Special Assessment Liens and Energy Efficiency Liens May Take Priority Over the Mortgage Liens*" in this offering memorandum supplement. Any of the circumstances concerning COVID-19 described above or elsewhere in this offering memorandum supplement could have an adverse impact on (i) the ability of borrowers to make timely payments on their mortgage loans and (ii) the mortgage and financial markets in general, either of which in turn may also have an adverse impact on the performance, liquidity and market value of the certificates.

In light of the circumstances described above, the risks we describe elsewhere under "*Risk Factors*" in this offering memorandum supplement are heightened substantially, and you should review and carefully consider such risk factors in light of such circumstances.

Turbulence in the Financial Markets and Economy May Adversely Affect the Performance and Market Value of Your Certificates and These Conditions May Not Improve in the Near Future

Market and economic conditions during the past several years have caused significant disruptions in the credit markets. Continued concerns about the availability and cost of credit, the U.S. mortgage market, some real estate markets in the U.S., economic conditions in the U.S. and Europe and the systemic impact of inflation or deflation, energy costs, geopolitical issues (including the potential for increased tensions between the United States and Russia resulting from armed conflict involving Russia and Ukraine and related unrest), political gridlock on United States federal budget matters including full or partial government shutdowns, trade wars, the COVID-19 Outbreak (and any future outbreaks of coronavirus or similar diseases) and potential military actions or threats have contributed to increased market volatility and diminished expectations for the U.S. economy. Increased market uncertainty and instability in both U.S. and international capital and credit markets, combined with declines in business and consumer confidence and increased unemployment, have contributed to volatility in domestic and international markets, especially in light of the continuing impact of the COVID-19 Outbreak. In addition, certain economic conditions drove property values upwards throughout 2021 and the first half of 2022 on a global scale, including in the United States and in certain countries to levels above those reported prior to the 2007 to 2009 financial crisis. While the real estate market has begun showing signs of slowing and property values have begun to decline in certain areas, it is possible that current housing market conditions continue to represent an economic bubble.

After many years of historically low inflation, consumer prices in the United States are experiencing steep increases. The Consumer Price Index for All Urban Consumers ("CPI"), a widely followed inflation gauge published by the Bureau of Labor Statistics, increased 6.5% from December 2021 to December 2022. Although down from a recent high of 9.1% from June 2021 to June 2022, CPI remains among its highest rate in nearly forty (40) years. The general effects of inflation on the economy of the United States can be wide ranging, evidenced by rising wages and rising costs of consumer goods and necessities. If a mortgagor's income growth fails to keep pace with the rising costs of necessary goods, then such mortgagor may have less funds available to put towards their mortgage payments. The long-term effects of inflation on the general economy and on any individual mortgagor are unclear, and in certain cases, rising inflation may affect a mortgagor's ability to repay his/her related mortgage loan, thereby reducing the amount received by the holders of the offered certificates with respect to such mortgage loan.

The financial crisis that emerged in 2008 and ensuing events have resulted in a substantial level of uncertainty in the financial markets, particularly with respect to mortgage-related investments, in particular private label RMBS and other structured finance products. Although the U.S. economy has emerged from the recession borne by the 2008 financial crisis, the recovery may be fragile and unsustainable, especially in light of the continuing impact of the COVID-19 worldwide pandemic. The recovery faces new challenges and a pandemic-driven recession, such as the one that occurred at the start of the COVID-19 Outbreak, could occur again, could be deeper than the recession caused by the financial crisis and could result in a significant rise in delinquencies and defaults on mortgage loans as a result of factors such as persistent high unemployment rates, high levels of foreclosures (including following the cessation of any applicable moratoriums), and large inventories of unsold properties in certain geographic areas. Continued concerns about economic conditions in the United States and Europe generally have contributed to increased market volatility. In addition, the economic impact of the COVID-19 Outbreak may result in a decline in property values and rental rates.

Subsequent to the financial crisis, the Federal Reserve adopted an easing stance in monetary policy referred to as "quantitative easing." For example, buying mortgage-backed securities and interest rate cuts, which were intended to lower the cost of borrowing, resulted in higher investment activity, which, in turn, stimulated the economy. Recently, the Federal Reserve announced that it was accelerating the unwinding of its purchases of mortgage-backed securities, rather than increasing or maintaining its holdings, and has begun a campaign of increases to the federal funds rate, which has caused, and may continue to cause, mortgage interest rates to increase. Due to increases in mortgage interest rates as a result of, among other things, Federal Reserve actions, the value of the mortgaged properties is likely to decrease and the availability of refinancing alternatives for mortgage loans has been reduced, which may in turn lead to delinquencies, defaults and increased losses on the mortgage loans.

In response to the economic situation facing countries included in the European Economic and Monetary Union (the "Eurozone"), and based on factors including tightening credit conditions, higher risk premiums on Eurozone sovereigns and disagreement among European policy makers as to how best to address the declining market confidence with respect to the Eurozone, ratings downgrades by various rating agencies on several countries included in the Eurozone and the European Financial Stability Facility have occurred or ratings outlooks have been placed on negative watch. It is not clear if and how these downgrades and negative changes in outlook will impact the market price or the marketability of the certificates, and no assurance can be given that these ratings actions or future ratings actions will not have an adverse effect on the value of the certificates.

The United Kingdom has withdrawn from the European Union (an event referred to as "Brexit"). There is uncertainty regarding the implications and implementation of the ongoing relationship between the United Kingdom and the European Union following Brexit. Brexit could adversely affect economic and market conditions in the United Kingdom, in the European Union and its member states and elsewhere, and could contribute to uncertainty and instability in global financial markets. In particular, Brexit could significantly impact volatility, liquidity and/or the market value of the certificates. An investment in the certificates should only be made by investors who understand such risks and are capable of bearing such risks.

As a result of these market conditions, the cost and availability of mortgage credit has been and may continue to be adversely affected by illiquid credit markets and wider credit spreads. Concern about the stability of the markets and the strength of counterparties has led many lenders and institutional investors to reduce, and in some cases cease, lending to borrowers. Continued turbulence in the U.S. and international markets and economies may negatively affect the U.S. housing market and the credit performance and market value of residential mortgage loans. Of particular concern is that a pandemic-driven recession, such as the one that occurred at the start of the COVID-19 Outbreak, could occur again, could be deeper than the recession caused by the financial crisis and could result in a significant rise in delinquencies and defaults on mortgage loans as a result of factors such as persistent high unemployment rates, high levels of foreclosures, and large inventories of unsold properties. Continued concerns about economic conditions in the United States and Europe generally have contributed to increased market volatility. In addition, the economic impact of the COVID-19 Outbreak may result in a decline in property values.

There is always uncertainty about the prospects for continued growth in the U.S. economy. A number of factors influence this uncertainty, including, but not limited to, rising government debt levels, prospective executive or Federal Reserve policy shifts, the withdrawal of government interventions into the financial markets, changing U.S. consumer spending patterns, and changing expectations for inflation and deflation (which factors are especially pronounced in light of the continuing impact of the COVID-19 Outbreak). Income growth and employment prospects affect borrowers' ability to repay mortgage loans, and there is risk that economic activity could be weaker than anticipated following the recession borne by the 2008 financial crisis and the recession that resulted from the impact of the COVID-19 Outbreak. See "*—The COVID-19 Outbreak Has and May Continue to Adversely Affect the Global Economy and May Adversely Affect the Performance of the Mortgage Loans and the Certificates.*"

In addition, while the United States has recently lifted certain tariffs imposed on imports from foreign countries, it is unknown to what extent any other tariffs will be lifted or if further tariffs will be imposed or increased. Such tariffs could have the effect of, among other things, raising prices to consumers and potentially eliciting reciprocal tariffs, which could slow the global economy. Furthermore, several state and local governments in the United States are experiencing, and may continue to experience, severe budgetary strain. One or more states or significant local governments could default on their debt or seek relief from their debt under the U.S. bankruptcy code or by agreement with their creditors. Any or all of the circumstances described above may lead to further volatility in or disruption of the credit markets at any time and adversely affect the market value of the certificates. Moreover, other types of events may affect financial markets, such as uncertainty over, and the outcome of, elections, war, revolt, insurrection, armed conflict, terrorism, political crisis, natural disasters and manmade disasters. We cannot predict such matters or their effect on the mortgage markets generally, or on the market value or performance of the mortgage loans or the certificates.

As of January 2023, the total amount of money that the U.S. government is authorized to borrow to meet its existing legal obligations, including social security and Medicare benefits, military salaries, interest on the national debt, tax refunds and other payments, is about $31.4 trillion. The debt limit does not authorize new spending commitments, but simply allows the U.S. government to finance existing legal obligations. Failing to increase the debt limit could have catastrophic economic consequences as it would cause the government to default on its legal obligations – an unprecedented event in American history. Such event could trigger a spike in interest rates, a steep drop in stock prices and other financial turmoil and could precipitate another financial crisis that would threaten the global economy. That limit is expected to allow the U.S. government to cover its obligations through mid-2023. Failure to further suspend or increase the debt limit in the future could have an adverse impact on the U.S. residential housing market and potentially adversely impact the market value of the offered certificates.

On February 24, 2022, Russian-led military forces attacked and invaded multiple regions of Ukraine. The country members of the North Atlantic Treaty Organization and other countries have provided and may in the future continue to provide weapons and other supplies to Ukraine, and the conflict may widen into other countries joining the conflict directly or indirectly. The United States, the European Union, the United Kingdom, Switzerland and other countries around the world have imposed severe and unprecedented sanctions, bans and other measures on Russia, Russian banks and other entities and individuals and on certain Russian commodities. Businesses are also cutting or limiting ties with Russian business entities. The conflict and resulting sanctions and other measures have led or may lead to further global supply issues, increased oil and gas prices and other inflationary pressures. The sanctions and other actions may have an adverse impact on the central banks and economies of other countries around the globe. The Russo-Ukrainian war has led to inflationary pressures and other supply-chain difficulties for global economies, and it is uncertain at this time what additional adverse effects on the economy the conflict may have and what effect, if any, these effects may have on global financial markets generally, and the market value and liquidity of the offered certificates.

Further, the economic environment and other factors (which may or may not affect real property values) may affect the mortgagors' timely payment of scheduled payments of principal of and interest on the mortgage loans and, accordingly, the actual rates of delinquencies, foreclosures and losses with respect to the mortgage loans. Excessive home building or historically high foreclosure and repossession rates resulting in an oversupply of housing in a particular area may increase the amount of losses incurred on defaulted mortgage loans. Falling property values, as a result of excessive home building or otherwise, combined with a downturn in the U.S. economy could trigger an increase in modifications with capitalized interest, resulting in higher loan-to-value ratios as well.

These factors and general market conditions could adversely affect the performance and market value of your certificates. There can be no assurance that governmental or other actions will improve these conditions in the near future.

Recent Trends in the Residential Mortgage Market May Adversely Affect the Performance and Market Value of Your Certificates

Beginning in 2006 and for several years thereafter, delinquencies, defaults and foreclosures on residential mortgage loans increased, and they may increase in the future (particularly in light of the COVID-19 Outbreak). These increases have not been limited to "subprime" mortgage loans, which are made to borrowers with impaired credit, but have also affected "Alt A" mortgage loans, which are made to borrowers often with limited documentation, and "prime" mortgage loans, which are made to borrowers with better credit who frequently provide full documentation. In addition to higher delinquency, default and foreclosure rates, loss severities on all types of residential mortgage loans have increased due to declines in residential real estate values, resulting in reduced home equity. Nationwide home price appreciation rates generally were negative beginning in late 2007 and although in many regions of the United States the current appreciation rates may no longer be negative, the trend may continue in certain regions of the country, and this trend may occur again at any time even in regions of the country where the trend has discontinued at this time. Higher loan-to-value ratios generally result in lower recoveries on foreclosure, and an increase in loss severities above those that would have been realized had property values remained the same or continued to appreciate.

In recent years, the use of down payment assistance programs by borrowers has been on the rise, suggesting that more borrowers are purchasing homes with less equity at closing. Delinquency and default rates for borrowers that utilize down payment assistance programs have historically been higher than such rates for borrowers who did not enroll in such programs.

Current market conditions may impair borrowers' ability to refinance or sell their residential properties, which may also contribute to higher delinquency and default rates. In response to delinquencies and losses with respect to mortgage loans, many mortgage loan originators have implemented more restrictive underwriting criteria for mortgage loans, which has resulted in reduced availability of refinancing alternatives for borrowers. The final rules relating to the ability-to-repay and qualified mortgage standards under the federal Truth-in-Lending Act ("TILA"), promulgated by the CFPB and effective with respect to applications for loans taken on or after January 10, 2014 (the "ATR Compliance Date"), has further limited the availability of refinancing alternatives, as described more fully under "*—Financial Regulatory Reforms and Additional Proposed Regulations Could Have a Significant Impact on the Sponsor, the Depositor, the Servicing Administrator, the Master Servicer, the Servicer or Any Successor Servicers or on the Performance, Liquidity and Market Value of the Certificates*" below. These risks would be exacerbated to the extent that prevailing mortgage interest rates increase from current levels. Further, certain economic conditions drove property values upwards throughout 2021 and the first half of 2022. Home price depreciation may leave borrowers with insufficient equity in their homes to enable them to refinance. Borrowers who intend to sell their homes on or before the maturity of their mortgage loans may find that they cannot sell their property for an amount equal to or greater than the unpaid principal balance of their mortgage loans. While some mortgage loan originators and servicers have created or otherwise are participating in modification programs in order to assist borrowers with refinancing or otherwise meeting their payment obligations, not all borrowers will qualify for or will take advantage of these opportunities.

In response to these circumstances, federal, state and local authorities have enacted and continue to propose new legislation, rules and regulations relating to the origination, servicing and treatment of mortgage loans in default or in bankruptcy. These initiatives could result in delayed or reduced collections from mortgagors, limitations on the foreclosure process and generally increased servicing costs. Certain of these initiatives could also permit the servicer to take actions, such as with respect to the modification of mortgage loans, which might adversely affect the certificates, without any remedy for or compensation to the holders of the certificates.

The conservatorships of Fannie Mae and Freddie Mac in September 2008 impacted both the real estate market and the value of real estate assets generally. While Fannie Mae and Freddie Mac currently act as the primary sources of liquidity in the residential mortgage markets, both by purchasing mortgage loans for their own portfolios and by guaranteeing mortgage-backed securities, their long-term role is uncertain as federal legislators have proposed reducing and eventually eliminating their role in the residential mortgage markets. On March 27, 2019, then-President Donald Trump signed a memorandum calling for an end of the conservatorship of Fannie Mae and Freddie Mac. The memorandum details programs and objectives that the government agencies are asked to analyze for reform. On September 5, 2019, in response to the then-President's memorandum, the Treasury Department and the Department of Housing and Urban Development released plans detailing how such agencies believe the housing finance system should be reformed. The plans consisted of a series of recommended legislative and administrative reforms to end the conservatorship of Fannie Mae and Freddie Mac, while still guaranteeing support for single- and multifamily lending and affordable housing initiatives. A reduction in the ability of mortgage loan originators to access Fannie Mae and Freddie Mac to sell their mortgage loans may adversely affect the financial condition of mortgage loan originators. In addition, any decline in the value of securities issued by Fannie Mae and Freddie Mac may affect the value of residential mortgage-backed securities in general. Comprehensive housing finance reform, including any changes related to Fannie Mae, Freddie Mac or the Federal Housing Administration, has not occurred to date, although there have been numerous proposals since the conservatorships of Fannie Mae and Freddie Mac. Any such comprehensive reform would require broader policy and legislative reforms beyond ending the conservatorships of Fannie Mae and Freddie Mac, and it is uncertain whether or not any reform will take place in the near future or what effect, if any, any such reform, if enacted, might have on the market for residential mortgage-backed securities ("RMBS") generally or the certificates specifically. As of the date hereof, it is unclear whether, and if so on what timeline, the current administration will address the conservatorships of the GSEs and any such comprehensive housing reform.

These adverse changes in market and credit conditions have had, and may continue to have, the effect of depressing the market values of residential mortgage-backed securities generally, and substantially reducing the liquidity of residential mortgage-backed securities generally. These developments may adversely affect the performance, marketability and overall market value of your certificates.

Financial Regulatory Reforms and Additional Proposed Regulations Could Have a Significant Impact on the Sponsor, the Depositor, the Servicing Administrator, the Master Servicer, the Servicer or Any Successor Servicers or on the Performance, Liquidity and Market Value of the Certificates

In response to the financial crisis, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which was enacted into law on July 21, 2010. The Dodd-Frank Act requires the creation of new federal regulatory agencies, and grants additional authorities and responsibilities to existing regulatory agencies to identify and address emerging systemic risks posed by the activities of financial services firms. The Dodd-Frank Act also provides for enhanced regulation of derivatives and mortgage-backed securities offerings, restrictions on executive compensation and enhanced oversight of credit rating agencies. Additionally, the Dodd-Frank Act established the CFPB within the Federal Reserve System, a new consumer protection regulator tasked with regulating consumer financial services and products. The Dodd-Frank Act also limits the ability of federal laws to preempt state and local consumer laws.

An October 2016 decision by the United States Court of Appeals for the District of Columbia Circuit in *PHH Corporation, et al. v. Consumer Financial Protection Bureau* ruled that the organizational structure of the CFPB violates the separation-of-powers provisions found in the U.S. Constitution. On February 16, 2017, the D.C. Circuit vacated this decision and granted the CFPB's request for an *en banc* rehearing of the case. On January 31, 2018, sitting *en banc*, the U.S. Court of Appeals for the D.C. Circuit rejected the constitutional challenge to the structure of the CFPB, reversing the earlier decision from October 2016. On June 21, 2018, in *Consumer Financial Protection Bureau et al. v. RD Legal Funding LLC et al.*, a judge in the U.S. District Court for the Southern District of New York found the CFPB to be unconstitutionally structured, directly contradicting the decision of the D.C. Circuit. In May 2019, the United States Court of Appeals for the Ninth Circuit held in *Consumer Financial Protection Bureau v. Seila Law LLC* that the organizational structure of the CFPB is constitutional. However, on June 29, 2020, the Supreme Court of the United States held on appeal that the structure of the CFPB violates the separation of powers provisions of the United States Constitution, and that, even though the CFPB may continue to operate, the Director of the CFPB must be removable by the President at will.

There also are legislative proposals in Congress which, among other proposed amendments to the Dodd-Frank Act, would significantly reform the CFPB's structure, authority and/or mandate. Recently, Congress passed legislation, which was signed into law on May 24, 2018, to repeal certain provisions of the Dodd-Frank Act. As a result of these judicial and legislative actions, there is, and will continue to be, uncertainty regarding the nature of the going-forward impact of the Dodd-Frank Act and the CFPB on the residential mortgage lending and mortgage-backed securities markets.

The impact of the Dodd-Frank Act will depend significantly upon the content and timing of implementation of the rules and regulations issued on its mandate. It is not yet clear how the Dodd-Frank Act and its associated rules and regulations will impact the mortgage-backed securities market and residential mortgage lending generally, and the issuing entity, the sponsor, the depositor, the master servicer, the servicer, the servicing administrator, the securities administrator, the initial purchasers and their respective businesses and assets specifically. No assurance can be given that the new regulations will not have an adverse impact on these entities or the value of the certificates.

The Dodd-Frank Act removes certain references to credit ratings in federal statutes. Among other things, effective on and after July 20, 2012, the Dodd-Frank Act removed the credit rating requirement in the term "mortgage related security" for purposes of SMMEA, and replaced it with a requirement to meet standards of creditworthiness as established by the Securities and Exchange Commission (the "SEC"). The SEC has not yet established alternative standards of creditworthiness for purposes of SMMEA, although it is seeking public comment on the issue and has issued a transitional interpretation stating that until such alternative standards of creditworthiness are defined, the credit rating requirement previously included in the statute is still applicable. If and when alternative standards of creditworthiness are established, it is possible that one or more classes of the certificates will not constitute "mortgage related securities" for purposes of SMMEA even if the certificates maintain the previously required ratings. This could have a negative impact on the liquidity and market value of your certificates.

The Dodd-Frank Act also prohibits lenders from originating residential mortgage loans unless the lender determines that the borrower has a reasonable ability to repay the loan using specified criteria. Failure to comply with the "ability to repay" ("ATR") criteria may result in the originator and its assignee(s) being exposed to, among other things, actual damages suffered by the mortgagor, litigation costs (which could exceed the principal amount of a mortgage loan), statutory damages of not more than $4,000 per mortgage loan and special statutory damages limited to three years of finance charges and fees, and a borrower's ability to bar or postpone foreclosure proceedings with respect to the related mortgaged property, as described below under "*—Risks Associated with Mortgage Loan Origination or Ownership; Qualified Mortgages*." Generally, under the Dodd-Frank Act, a lender and its assignees will not have liability under this prohibition with respect to mortgages underwritten in accordance with specific criteria that do not include certain loan features and contain limited points and fees known as "qualified mortgages." The CFPB issued final rules in January 2013 (the "ATR Rules"), which became effective for mortgage loans for which the application was taken on or after the ATR Compliance Date, specifying the characteristics of a "qualified mortgage" for this purpose ("Qualified Mortgages"). Subject to the discussions below regarding the adoption of the new Pricing-Based QM Rule, interest-only loans, certain "hybrid" mortgage loans and most balloon loans, as well as loans with a debt-to-income ratio ("DTI") exceeding 43% or loans where the borrower's DTI was calculated without strict compliance with Appendix Q of Regulation Z ("Appendix Q") or loans made for business purposes (*i.e.*, investment properties), in general were among the loan products that did not constitute Qualified Mortgages.

However, on December 10, 2020, the CFPB issued final rules to replace the current requirement that the consumer's DTI not exceed 43% ("DTI-Based QM Rule") with a limit based on the mortgage loan's pricing ("Pricing-Based QM Rule"), which became mandatory (and replaced the DTI-Based QM Rule) as of October 1, 2022. Under the new Pricing-Based QM Rule, a mortgage loan receives a conclusive presumption of compliance with the ATR Rules if the annual percentage rate does not exceed the average prime offer rate for a comparable transaction by 1.5 percentage points or more as of the date the interest rate is set. Further, a mortgage loan receives a rebuttable presumption of compliance with the ATR Rules if the annual percentage rate exceeds the average prime offer rate for a comparable transaction by 1.5 percentage points or more but by less than 2.25 percentage points. In addition, the CFPB issued a final rule creating a new category of Qualified Mortgages for first-lien, fixed-rate mortgage loans with no balloon payments that have "seasoned" for 36 months past origination and that meet certain other product restrictions ("Seasoned Qualified Mortgages"), which became effective on March 1, 2022. Under such rule (the "Seasoned QM Rule"), a mortgage loan can have no more than two delinquencies of 30 or more days and no delinquencies of 60 or more days at the end of the 36-month seasoning period. There can be no assurance as to what impact the Seasoned QM Rule or mandatory compliance with the Pricing-Based QM Rule will have on the mortgage loans subject to the ATR Rules or on the certificates.

As described below under "*—Risks Associated with Mortgage Loan Origination or Ownership; Qualified Mortgages*," the ATR Rules, among other things, require that originators follow certain procedures and obtain certain documents in order to make a reasonable good-faith determination of a borrower's ability to repay a mortgage loan. The ATR Rules may result in a reduction in the availability of these types of loans in the future and may adversely affect the ability of mortgagors to refinance mortgage loans included in the mortgage pool. No assurances are given as to the effect of the ATR Rules and the Qualified Mortgage rules on the value or marketability of your certificates. All of the mortgage loans as of the cut-off date are subject to the ATR Rules. See "*—Risks Relating to U.S. Risk Retention Rules; Qualified Residential Mortgages*" in this offering memorandum supplement.

Various state and local jurisdictions may adopt similar or more onerous provisions in the future. We are unable to predict how these laws and regulations relating to assignee liability may affect the market value of your certificates. In addition, the ATR Rules may adversely affect the market generally for mortgage-backed securities, thereby reducing the liquidity of your certificates.

The CFPB has also successfully asserted the power to investigate and bring enforcement actions directly against securitization vehicles. On December 13, 2021, in an action brought by the CFPB, the U.S. District Court for the District of Delaware denied a motion to dismiss filed by a securitization trust by holding that the trust is a "covered person" under the Dodd-Frank Act because it engages in the servicing of loans, even if through servicers and subservicers. *CFPB v. Nat'l Collegiate Master Student Loan Trust*, No. 1:17-cv-1323-SB (D. Del.). On February 11, 2022, the district court granted the defendant trusts' motion to certify that order for immediate appeal and stayed the case pending resolution of any appeal. While the district court did not decide whether the trust could be held liable for the conduct of the servicer at this stage of the case, the CFPB could make that argument if the case is allowed to proceed. Depending on the outcome of the appeal, the CFPB may rely on this decision as precedent in investigating and bringing enforcement actions against other trusts, including the issuing entity, in the future.

The issuing entity will be relying on an exclusion or exemption under the Investment Company Act of 1940 (the "Investment Company Act") contained in Section 3(c)(5)(C) of the Investment Company Act, although there may be additional exclusions or exemptions available to the issuing entity. The issuing entity has been structured so as not to constitute a "covered fund" for purposes of the regulations adopted to implement Section 619 of the Dodd-Frank Act (such statutory provision together with such implementing regulations, the "Volcker Rule"). The Volcker Rule, which in general prohibits "banking entities" (as defined therein) from (i) engaging in proprietary trading, (ii) acquiring or retaining an ownership interest in or sponsoring certain hedge funds, private equity funds (broadly defined to include any entity that would be an investment company under the Investment Company Act but for the exemptions provided in Section 3(c)(1) or 3(c)(7) thereof) and certain similar funds and (iii) entering into certain relationships with such funds. The final rules became effective on April 1, 2014, and conformance with the Volcker Rule and its implementing regulations was required by July 21, 2015. The general effects of the final rules implementing the Volcker Rule remain uncertain. Any prospective investor in the certificates, including a U.S. or foreign bank or an affiliate or subsidiary thereof, should consult its own legal advisors regarding such matters and other effects of the Volcker Rule and regulatory implementation.

On October 21, 2014, the Federal Deposit Insurance Corporation (the "FDIC"), the FHFA and the Office of the Comptroller of the Currency (the "OCC") adopted the U.S. Risk Retention Rules. The following day, the Board of Governors of the Federal Reserve, the SEC and HUD (together with the FDIC, FHFA, and OCC, the "Joint Regulators") adopted the U.S. Risk Retention Rules. As required by the Dodd-Frank Act, the U.S. Risk Retention Rules generally require "securitizers" to retain not less than 5% of the credit risk of the mortgage loans securitized and generally prohibit securitizers from directly or indirectly eliminating or reducing its credit exposure by hedging or otherwise transferring the credit risk that the securitizer is required to retain. Section 15G of the Securities Exchange Act of 1934, as amended (the "Exchange Act") provides that a securitizer will not be required to retain credit risk for mortgage loans that are "qualified residential mortgages" ("QRMs"), as that term is defined by the Joint Regulators. The U.S. Risk Retention Rules generally align the definition of a QRM with that of a "qualified mortgage" under section 129C of TILA and its implementing regulations, as adopted by the CFPB. The U.S. Risk Retention Rules became effective on December 24, 2015, for residential mortgage-backed securities. The sponsor will be relying on the exemption from the U.S. Risk Retention Rules that is available for securitizations of residential mortgage-backed securities if all of the assets that collateralize the securities are QRMs or servicing assets and certain other conditions are satisfied. Compliance with the exemption requires, among other things, that the sponsor repurchase a mortgage loan no later than ninety (90) days after a determination that such mortgage loan does not satisfy the requirements to be a QRM. See "*—Risks Relating to U.S. Risk Retention Rules; Qualified Residential Mortgages*" below. There may be uncertainty with respect to certain interpretive issues regarding the U.S. Risk Retention Rules. We cannot predict what effect these rules or any failure of the sponsor to comply with these rules in the future will have on the marketability or market value of the certificates.

Several provisions of the Dodd-Frank Act are required to be implemented through rulemaking by the applicable federal regulatory agencies, and some of this rulemaking has yet to occur. Therefore, the full impact of financial regulatory reform on the financial markets and its participants and on the asset-backed securities market in particular is not known and may not be known for some time. No assurance can be given that the Dodd-Frank Act and its implementing regulations, or the imposition of additional regulations, will not have a significant adverse impact on the value of your certificates, on the servicing of the mortgage loans or on the sponsor, the seller, the depositor, the servicing administrator, the issuing entity, the trustee, the servicer, the master servicer, the securities administrator, the distributed ledger agent or the custodian.

In 2004, the SEC adopted a comprehensive body of regulations relating to asset-backed securities that took effect in 2006 (such regulations sometimes referred to, collectively, as "Regulation AB"). On August 27, 2014, the SEC issued final rules that substantially revised Regulation AB and other rules regarding the offering process, disclosure and reporting for publicly-issued asset-backed securities. Among other things, the final rules require (i) enhanced disclosure of loan level information at the time of securitization and on an ongoing basis for residential mortgage-backed securities publicly offered after the applicable transition period and (ii) that the transaction agreements provide for review of the underlying assets by an independent credit risk manager if certain trigger events occur, as well as specified repurchase dispute resolution procedures, for residential mortgage-backed securities publicly offered after the applicable transition period under a shelf registration. Although the transaction described in this offering memorandum supplement is an unregistered, private transaction and, as such, is not presently subject to the requirements of these rules, we cannot predict what effect the rules will have on the liquidity and market value of mortgage-backed securities, such as the certificates, whether offered publicly or privately. In addition, we cannot predict whether the certificates, which may not be subject to all of the requirements included in these rules, may be less marketable than mortgage-backed securities that are offered in compliance with these rules.

Investors should note that certain elements proposed for inclusion in Regulation AB remain outstanding, including the proposal conditioning reliance by issuers of structured finance products (including residential mortgage-backed securities) on the Rule 144A and Rule 506 safe harbors on the inclusion of provisions in the transaction documents requiring an issuer to provide, and represent that it will provide, on request, the same initial and ongoing information (including asset-level information) as would be required if the offering were a registered offering. It is not clear when or whether any of the proposed revisions to Regulation AB that remain outstanding will be adopted or how those standards will be implemented, what effect those standards will have on securitization transactions and to what extent the seller, the depositor, the issuing entity, the trustee, the originators, the servicer, the servicing administrator, the master servicer, the initial purchasers or the securities administrator will be affected. No assurance can be given that the proposed standards, if implemented, will not apply to this transaction or have an adverse impact on the value or marketability of the certificates.

In addition, other regulatory agencies, including the FDIC, have proposed or adopted financial reform regulations. It is not clear whether or when any proposed regulations will be adopted, what the final form of any such regulations will be, how they will be implemented, or if the depositor, the servicer or any successor servicer will be affected. No assurance can be given that any proposed regulations will not have an adverse impact on the issuing entity, the sponsor, the depositor, the servicing administrator, the servicer or any successor servicer or on the value of the certificates.

Prospective investors should independently assess and determine whether they are directly or indirectly subject to market risk capital rules jointly promulgated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System and the FDIC that became effective on January 1, 2013. Any prospective investor that is subject to these rules should independently assess and determine its ability to comply with the regulatory capital treatment and reporting requirements that may be required with respect to the purchase of an offered certificate and what impact any such regulatory capital treatment and reporting requirements may have on the liquidity or market value of the offered certificates.

On February 9, 2012, the Department of Justice, the Department of Housing and Urban Development, and attorneys general representing 49 states and the District of Columbia reached a settlement agreement with five large mortgage servicers in connection with servicing and foreclosure issues. Consent judgments implementing the agreement were filed in the U.S. District Court in Washington, D.C. in March 2012. The settlement agreement provides for financial relief for homeowners, including mortgage loan principal reduction, refinancing and increased benefits and protections for servicemembers and veterans, and requires a comprehensive reform of mortgage servicing practices for the five servicers. While the servicer is not subject to the settlement agreement, it is possible that future actions against additional servicers will result in similar agreements with similar terms, or regulations or rules enacted by the CFPB or other governmental entities could require the servicer to implement these types of reforms with respect to the mortgage loans. For example, the CFPB released final rules relating to mortgage servicing, which became effective in January 2014, that prohibit a servicer from commencing a foreclosure until a mortgage loan is more than 120 days delinquent. The final rules also require servicers to provide certain notices and follow specific procedures relating to loss mitigation and foreclosure alternatives. In August 2016, the CFPB issued the final mortgage servicing rule under the Real Estate Settlement Procedures Act that, among other changes, revises and amends the CFPB's earlier proposed amendments regarding successors in interest, the definition of delinquency, force-placed insurance notices, early intervention, and loss mitigation requirements under Regulation X's servicing provisions, prompt crediting and periodic statement requirements under Regulation Z's servicing provisions and compliance regarding certain servicing requirements when a person is a potential or confirmed successor in interest, is a debtor in bankruptcy, or sends a cease communication request under the Fair Debt Collection Practices Act (the "FDCPA"). Because these servicing rules and recent amendments are new, it is unclear how the new rules will be interpreted by the CFPB and the courts, and the servicer may fail to comply even if acting in good faith due to a lack of clarity regarding the interpretation of such rules. It is possible that the servicer's failure to comply with the new servicing protocols could adversely affect the value of the mortgage loans. In addition, the State of California enacted the Homeowner's Bill of Rights in 2013, which requires similar changes in delinquent loan servicing and foreclosure procedures and creates a private right of action permitting borrowers to bring legal actions against lenders who violate the law. The servicer may also be subject to increased regulatory risk from the California Department of Financial Protection and Innovation ("DFI"), formerly the Department of Business Oversight, whose powers and regulatory oversight were greatly expanded pursuant to the California Consumer Financial Protection Act (the "CCFPA"). Any changes to the servicer's servicing procedures could cause delays in payments to or increase losses to the certificateholders.

The Servicer May Utilize Vendors and Service Providers, including Affiliates And Third Parties, and Their Failure To Perform To Contractual Agreements and the Servicer's Failure To Effectively Maintain A Vendor Oversight Program Could Adversely Affect The Servicing of The Mortgage Loans

The servicer contracts with vendors and service providers who perform services for it or to whom select functions are delegated. The servicer's arrangements with vendors and service providers may make its operations vulnerable if they fail to satisfy their obligations or if they were to stop providing services to the servicer either on a temporary or permanent basis. The servicer may be unable to replace these vendors and service providers in a timely and efficient manner, on similar terms, or at all.

In addition, these vendors and service providers may fail to operate in compliance with applicable laws, regulations, and rules. Failure of the servicer to effectively maintain a vendor oversight program may not adequately mitigate risks of noncompliance with applicable laws and may negatively impact its business. Despite the servicer's reasonable efforts to monitor its vendors and service providers, there is no guarantee that they will comply with their contractual obligations as agreed to. Due to changes in the regulatory environment and litigation trends, it is not certain that the servicer will not be held liable for errors and omissions by these vendors and service providers.

EU Securitization Regulation and UK Securitization Regulation

Investment restrictions (the "EU Due Diligence Requirements") under Article 5 of Regulation (EU) 2017/2402 (the "EU Securitization Regulation") apply to various types of European Union regulated investors including credit institutions and investment firms (and in each case certain consolidated affiliates thereof wherever located), certain institutions for occupational retirement, alternative investment fund managers who manage or market alternative investment funds in the EU, insurance and reinsurance undertakings, management companies of UCITS funds and internally managed UCITS ("EU Institutional Investors"). The EU Securitization Regulation has direct effect in member states of the European Union and is expected to be implemented by national legislation in other countries in the EEA.

Among other things, the EU Due Diligence Requirements restrict an EU Institutional Investor from investing in a securitization unless the EU Institutional Investor has verified that:

(a) the originator or original lender of the securitization (if established outside of the EU) grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness;

(b) the originator, sponsor or original lender of the securitization (if established outside of the EU) (i) retains on an ongoing basis a material net economic interest which, in any event, shall not be less than 5%, determined in accordance with Article 6 of the EU Securitization Regulation (the "EU Risk Retention Requirement"), and (ii) discloses the risk retention to EU Institutional Investors; and

(c) the originator, sponsor or securitization special purpose entity issuer (if established outside of the EU) has, where applicable, made available the information required by Article 7 of the EU Securitization Regulation in accordance with the frequency and modalities provided for in Article 7 of the EU Securitization Regulation.

Pursuant to the European Union (Withdrawal) Act 2018, the EU Securitization Regulation as applicable on December 31, 2020, was retained as part of the domestic law of the United Kingdom and was amended by the Securitisation (Amendment) (EU Exit) Regulations 2019 (as so amended, the "UK Securitization Regulation").

Investment restrictions (the "UK Due Diligence Requirements") under Article 5 of the UK Securitization Regulation apply to various types of United Kingdom regulated investors including credit institutions and investment firms (and in each case certain affiliates thereof wherever located), certain occupational pension schemes or the managers thereof, alternative investment fund managers who manage or market alternative investment funds in the United Kingdom, insurance and reinsurance undertakings, management companies of UCITS funds and certain UCITS ("UK Institutional Investors"). Among other things, the UK Due Diligence Requirements restrict a UK Institutional Investor from investing in a securitization unless the UK Institutional Investor has verified that:

(a) the originator or original lender of the securitization (if established outside of the United Kingdom) grants all the credits giving rise to the underlying exposures on the basis of sound and well-defined criteria and clearly established processes for approving, amending, renewing and financing those credits and has effective systems in place to apply those criteria and processes to ensure that credit-granting is based on a thorough assessment of the obligor's creditworthiness;

(b) the originator, sponsor or original lender of the securitization (if established outside of the United Kingdom) (i) retains on an ongoing basis a material net economic interest which, in any event, shall not be less than 5%, determined in accordance with Article 6 of the UK Securitization Regulation (the "UK Risk Retention Requirement"), and (ii) discloses the risk retention to UK Institutional Investors; and

(c) the originator, sponsor or securitization special purpose entity issuer (if established outside of the United Kingdom) has made available information which is substantially the same as the information required by Article 7 of the UK Securitization Regulation substantially in accordance with the frequency and modalities provided for in Article 7 of the UK Securitization Regulation.

None of the issuing entity, the sponsor, the seller, the initial purchasers, the depositor, their respective affiliates nor any other party to the transactions described in this offering memorandum supplement, as an originator, sponsor, original lender or otherwise, is required or intends to retain a material net economic interest with respect to this transaction or to provide any additional information that would satisfy the EU Risk Retention Requirement or the UK Risk Retention Requirement or to take any other action which may be required by EU Institutional Investors or UK Institutional Investors for the purposes of their compliance with the EU Due Diligence Requirements or the UK Due Diligence Requirements, and no such person assumes any liability whatsoever in connection with any investor's non-compliance with the EU Due Diligence Requirements or the UK Due Diligence Requirements.

Failure on the part of EU Institutional Investors to comply with the EU Due Diligence Requirements or UK Institutional Investors to comply with the UK Due Diligence Requirements may result in various regulatory sanctions or penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a punitive capital charge in respect of the investment in the securitization acquired by the relevant investor. Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear. Consequently, the certificates may not be a suitable investment for EU Institutional Investors or other entities subject to the EU Due Diligence Requirements or for UK Institutional Investors. This could have a negative impact on the liquidity and market value of your certificates.

All prospective investors in the certificates whose investment activities are subject to legal investment laws and regulations, regulatory capital requirements, or review by regulatory authorities should consult with their own legal, accounting and other advisors in determining whether, and to what extent, the certificates will constitute appropriate and legal investments for them or are subject to investment or other restrictions, unfavorable accounting treatment, capital charges, reserve requirements or other consequences.

Risks Associated with Mortgage Loan Origination or Ownership; Qualified Mortgages

TILA provides that subsequent purchasers of mortgage loans originated in violation of certain requirements specified in TILA may have liability for such violations. As described more fully above under "—*Financial Regulatory Reforms and Additional Proposed Regulations Could Have a Significant Impact on the Sponsor, the Depositor, the Servicing Administrator, the Master Servicer, the Servicer or Any Successor Servicers or on the Performance, Liquidity and Market Value of the Certificates*," the Dodd-Frank Act also prohibits lenders from originating residential mortgage loans unless the lender determines that the borrower has a reasonable ability to repay the loan. This requirement has been codified in the ATR Rules under TILA ("Regulation Z"). The ATR Rules, among other things, require that originators follow certain procedures and obtain certain documentation in order to make a reasonable, good-faith determination, at or prior to origination, that a borrower has an ability to repay the loan according to its terms as determined by the following eight (8) underwriting factors: (i) current or reasonably expected income or assets (other than the value of the property that secures the loan) upon which the mortgagor will rely to repay the loan, (ii) current employment status (if the originator relies on employment income when assessing the mortgagor's ability to repay), (iii) monthly mortgage payment for the loan, (iv) monthly payment on any simultaneous loans secured by the same property, (v) monthly payments for property taxes and required insurance, and certain other costs related to the property such as homeowners association fees or ground rent, (vi) debts, alimony, and child-support obligations, (vii) monthly debt-to-income ratio or residual income, calculated using the total of all of the mortgage and nonmortgage obligations listed above, as a ratio of gross monthly income and (viii) credit history. The ATR Rules were implemented by a final rulemaking issued by the CFPB that created new sections of Regulation Z, TILA's implementing regulation, and which became effective for mortgage loans for which the application was received by the lender on or after January 10, 2014.

The CFPB issued regulations, which became effective in January 2014, specifying the standards for a "qualified mortgage" that would have the benefit of a safe harbor from liability under the ATR Rules if certain requirements are satisfied, or a rebuttable presumption from such liability if only certain of these requirements are satisfied. On December 10, 2020, the CFPB issued new rules to replace the DTI-Based QM Rule with the Pricing-Based QM Rule and to add the Seasoned QM Rule, providing a presumption of compliance under the ATR Rules for mortgage loans satisfying the requirements of Seasoned Qualified Mortgages. See "—*Financial Regulatory Reforms and Additional Proposed Regulations Could Have a Significant Impact on the Sponsor, the Depositor, the Servicing Administrator, the Master Servicer, the Servicer or Any Successor Servicers or on the Performance, Liquidity and Market Value of the Certificates*" above. Such amendments are expected to take effect 60 days after publication in the *Federal Register*. However, there can be no assurance that such amendments will go into effect on such date.

Possible liabilities that could be required to be paid by an assignee of a mortgage loan include actual damages suffered by the borrower, litigation costs (which could exceed the principal amount of a mortgage loan), statutory damages and special statutory damages. A borrower may also assert a violation of the ATR Rules as a defense in a foreclosure action. Violations of the ATR Rules are enforceable by the CFPB through its administrative enforcement authority and by mortgagors through a private right of action against lenders and assignees or as a defense to foreclosure. Possible liabilities and recoverable damages that could be required to be paid by an assignee of a mortgage loan can include: (i) special statutory damages equal to the sum of all finance charges, points and fees paid by the mortgagor (capped at three (3) years of finance charges, points and fees) unless the lender demonstrates that the failure to comply was immaterial; (ii) actual damages; (iii) statutory damages in an individual action or class action, up to a certain threshold; and (iv) court costs and attorneys' fees. A mortgagor must, however, bring such an action within three (3) years of such alleged violation or such private right of action is extinguished. A mortgagor may also assert a violation of the ATR Rules as a defense in a foreclosure proceeding at any time following origination of the mortgage loan "as a matter of defense by recoupment or setoff." Such right cannot bar foreclosure, under TILA, but delays and additional costs may be incurred by the issuing entity in connection with challenging such claims, even if a mortgagor's claim is not successful, which may increase the severity of losses on any such mortgage loan. The special statutory damages available for a violation of the ATR Rules can be up to three (3) years of the sum of all finance charges, points and fees paid by the consumer. The likelihood of actual damages, which are uncapped, being awarded in a claim under the ATR Rules is still unclear. While actual damages have been historically difficult to prove under TILA, given that TILA is primarily a disclosure statute, the ATR Rules are more substantive in nature and may give rise to more frequent awards of actual damages. If a court of competent jurisdiction found a violation of the ATR Rules, the foreclosure would proceed but the amount of the debt could be reduced by the recoverable damages set forth above.

In connection with the establishment of the ATR Rules, the CFPB created enhanced legal protection for originators if they originated a loan to a more restrictive credit standard than just determining a borrower's ability to repay. The ATR Rules specify the characteristics of a Qualified Mortgage and two levels of presumption of compliance with the ATR Rules, a safe harbor presumption that provides lenders with a safe harbor from liability if certain requirements are satisfied ("Safe Harbor Qualified Mortgages") and a rebuttable presumption ("Rebuttable Presumption Qualified Mortgages") if certain requirements are satisfied but the annual percentage rate of the loan exceeds certain thresholds ("higher-priced covered transactions"), each as set forth in Section 1026.43(e)(1) of Regulation Z. Other than with respect to certain variances in the case of Agency Qualified Mortgages (as defined below), a Qualified Mortgage must meet each of the following criteria: (1) terms of the mortgage loan must not include any negative amortization, interest only payments or balloon payments other than in certain limited circumstances, (2) the loan term cannot exceed 30 years, (3) the lender must verify borrower income and (4) points and fees paid by the borrower cannot exceed 3% of the total loan amount in most cases. Certain types of mortgage loans, such as negative amortization loans, most balloon loans, loans with points and fees exceeding 3% of the original loan amount, interest-only payments or with terms exceeding 30 years, are among the loan products that do not qualify for the enhanced protections from legal liability associated with Safe Harbor Qualified Mortgages and Rebuttable Presumption Qualified Mortgages. In addition, the lender must calculate monthly payments based on the highest monthly payments required any time during the first five years of the loan and, unless originated in accordance with the new Pricing-

Based QM Rule, the total "back end" debt-to-income ratio cannot exceed 43%, and the verification of income and assets and determination of the debt-to-income ratio must be in accordance with Appendix Q. However, as further described under "*—Financial Regulatory Reforms and Additional Proposed Regulations Could Have a Significant Impact on the Sponsor, the Depositor, the Servicing Administrator, the Master Servicer, the Servicer or Any Successor Servicers or on the Performance, Liquidity and Market Value of the Certificates*" above, the CFPB recently issued final rules to replace the DTI-Based QM Rule with the Pricing-Based QM Rule and to create an alternative safe harbor presumption for certain mortgage loans satisfying the requirements of Seasoned Qualified Mortgages. The Pricing-Based QM Rule and the Seasoned QM Rule took effect 60 days after publication thereof in the Federal Register.

In addition, a mortgage loan will also be considered a Qualified Mortgage under Section 1026.43(e)(4) of Regulation Z and provide lenders with a safe harbor from liability or a rebuttable presumption if the requirements described in clauses (1), (2) and (4) of the prior paragraph are met and such mortgage loan had an original principal balance that conformed to the guidelines of Fannie Mae and Freddie Mac at the time of origination and were eligible to be purchased by Fannie Mae or Freddie Mac ("Agency Qualified Mortgages"). The CFPB's rules may result in a reduction in the availability of these types of mortgage loans and may adversely affect the ability of mortgagors to refinance such mortgage loans. No assurances are given as to the effect of the CFPB's rules on the value of the certificates.

With respect to each Safe Harbor Qualified Mortgage, the creditor or assignee will be deemed to have complied with the ATR Rules (*i.e.*, will be conclusively presumed to have made a good faith and reasonable determination of the consumer's ability to repay), although the mortgagor could still subsequently contend that the covered transaction did not actually meet the factual criteria of a "qualified mortgage." All of the mortgage loans as of the cut-off date are Safe Harbor Qualified Mortgages or Rebuttable Presumption Qualified Mortgages. In addition, the originators have represented generally that each mortgage loan satisfies the ATR Rules including, without limitation, the provisions of Regulation Z set forth in 12 C.F.R. § 1026.43(c) and generally that each mortgage loan both (A) satisfies the definition of a "qualified mortgage" under Section 1026.43(e)(2) of Regulation Z without reference to Section 1026.43(e)(4) of Regulation Z and (B) is not a "higher-priced covered transaction" as defined in Section 1026.43(b)(4) of Regulation Z. Originators and the assignees of such mortgage loans are intended to have the benefit of a "safe harbor" under Regulation Z, potentially limiting their liability under the ATR Rules. None of the mortgage loans as of the cut-off date is an Agency Qualified Mortgage under Section 1026.43(e)(4) of Regulation Z that provides lenders with a safe harbor from liability.

There are no mortgage loans where the related originators have represented that each such mortgage loan satisfies the definition of a "qualified mortgage" set forth in Regulation Z (other than as a result of the application of a provision relating to purchases, guarantees or insurance by government related entities) where the originator did not also provide the representation described in clause (B) above. Accordingly, none of the mortgage loans expected to be included in the trust fund will be Rebuttable Presumption Qualified Mortgages.

Importantly, there is little, if any, established case law as of yet with respect to both: (1) the substance of the ATR Rules, analyzing the consumer's ability to repay and the weight and mechanics given to the rebuttable presumption of compliance, as well as (2) the damages provisions and how they will be determined and allocated by a court. The lack of judicial precedent regarding the ATR Rules and potential claims increases the risk with respect to the certificates.

On June 22, 2020, the CFPB proposed to amend the qualified mortgage definition in the ATR Rules to move away from the existing DTI limit (and Appendix Q (including the documentation and income calculations requirements of Appendix Q)) and replace it with a pricing threshold. On December 10, 2020, the CFPB issued a final rule that replaces the DTI-Based QM Rule with the Pricing-Based QM Rule, which provides that a mortgage loan will have the benefit of a safe harbor from liability under the ATR Rules if certain requirements are satisfied and its annual percentage rate does not exceed the average prime offer rate for a comparable transaction by 1.5 percentage points or more as of the date the interest rate is set and will have the benefit of a rebuttable presumption from liability under the ATR Rules if certain requirements are satisfied and its annual percentage rate exceeds the average prime offer rate for a comparable transaction by 1.5 percentage points or more but by less than 2.25 percentage points. The CFPB also issued a final rule on December 10, 2020, that creates an alternative pathway to achieving qualified mortgage safe harbor status for first-lien, fixed-rate mortgage loans that have met certain performance requirements, are held in portfolio by the originating creditor or first purchaser for a 36-month period, comply with general restrictions on product features and points and fees, and meet certain underwriting requirements. See "*—Financial Regulatory*

Reforms and Additional Proposed Regulations Could Have a Significant Impact on the Sponsor, the Depositor, the Servicing Administrator, the Master Servicer, the Servicer or Any Successor Servicers or on the Performance, Liquidity and Market Value of the Certificates" above for further discussion regarding the Pricing-Based QM Rule and the Seasoned QM Rule.

In July 2019, the CFPB issued an Advance Notice of Proposed Rulemaking seeking information relating to the expiration of the temporary qualified mortgage provision applicable to certain mortgage loans eligible for purchase or guarantee by the GSEs under the ATR Rules. This provision, commonly referred to as the "GSE Patch," has been officially sunset as of October 1, 2022. There can be no assurance what impact the Pricing-Based QM Rule and the recent expiration of the GSE Patch will have on the mortgage loans subject to the ATR Rules or on the certificates.

Various state and local jurisdictions may adopt similar or more onerous provisions in the future. We are unable to predict how these laws and regulations relating to assignee liability may affect the market value of your certificates.

Violations of Various Federal, State and Local Laws May Result in Losses on the Mortgage Loans

Numerous federal, state and local consumer protection laws impose substantive requirements upon mortgage lenders and holders of mortgage loans in connection with the origination, servicing and enforcement of mortgage loans. Applicable state and local laws regulate, among other things, interest rates and other charges, closing practices, compensation and licensing of brokers, lenders, holders and individual loan originators; and may require certain disclosures. In addition, other state and local laws, public policy and general principles of equity relating to the protection of consumers, unfair, deceptive and abusive practices, and debt collection practices may be applied to the origination, ownership, servicing and collection of the mortgage loans.

The CFPB, state and federal banking regulatory agencies, state attorneys general offices, the Federal Trade Commission, the U.S. Department of Justice, HUD and state and local governmental authorities continue to monitor lending practices by some originators, including practices sometimes referred to as "predatory lending" practices as well as fair lending requirements. State, local and federal governmental agencies have imposed sanctions on originators for practices including, but not limited to, charging borrowers excessive fees, steering borrowers to loans with higher costs or more onerous terms, imposing higher interest rates than the borrower's credit risk warrants and failing to adequately disclose the material terms of loans to the borrowers.

Additional requirements may be imposed under federal, state or local laws on so-called "high-cost mortgages," which typically are defined as first lien loans secured by a consumer's dwelling that have an annual percentage rate of interest in excess of prescribed levels, generally 6.50% above the average prime offer rate. A mortgage loan is also considered a "high-cost mortgage" if the total lender/broker points and fees exceed 5% of the total loan amount or if the loan has a prepayment penalty term beyond 36 months from closing or the prepayment penalty exceeds 2% of the amount prepaid. These laws may limit certain loan terms, such as prepayment charges, balloon payments or late charges, or the ability of a creditor to refinance a loan unless it is in the borrower's interest, and may require counseling of borrowers before a loan is originated. In addition, certain of these laws may allow claims against loan brokers or originators, including claims based on fraud or misrepresentations, to be asserted against persons acquiring the loans, such as the issuing entity. None of the mortgage loans in the trust fund is a "high-cost mortgage."

Additional requirements may also be imposed under federal, state or local laws on so-called "higher-priced mortgage loans," which typically are defined as first lien loans secured by a consumer's dwelling that have an annual percentage rate of interest that exceeds prescribed levels, generally 1.50% (or 2.50% with respect to a jumbo loan) above the average prime offer rate. These laws may limit certain loan terms, such as prepayment charges and prepayment periods. In addition, these loans also require escrow accounts for taxes and insurance and in certain cases second appraisals. Moreover, certain of these laws may allow claims against loan brokers or originators, including claims based on fraud or misrepresentations, to be asserted against persons acquiring the loans, such as the issuing entity.

State and local governments may also require originators, servicers and holders of mortgage loans to obtain certain licenses and permits. The issuing entity has not obtained any licenses or permits in connection with holding the mortgage loans and no assurance can be given that a state or local government will not assert that the issuing entity must obtain a particular license or permit. No assurance can be given that the depositor and each other party involved in the origination, servicing and holding of the mortgage loans had obtained all appropriate licenses and permits at the appropriate time in connection with the mortgage loans.

Federal laws also apply to the origination, servicing, collection and enforcement of mortgage loans, including:

- TILA and Regulation Z promulgated under TILA, which (among other things) require certain disclosures to borrowers regarding the terms of loans – including disclosures provided in advance of loan origination and (in some cases) on periodic statements and in advance of rate adjustments, and disclosures or loan transfers – and provide consumers who pledged their principal dwelling as collateral in a non-purchase money transaction with a right of rescission that generally extends for three (3) days after proper disclosures are given, and otherwise regulate mortgage transactions, such as by restricting compensation paid to loan brokers and otherwise regulating broker practices, restricting advertising practices and requiring that certain terms be included in advertisements, prohibiting arbitration provisions, limiting prepayment fees in certain circumstances, mandating escrow accounts for certain loans, requiring prompt crediting of payments, prohibiting certain practices relating to appraisals and requiring lenders to consider the ability of the consumer to repay certain loans.

- RESPA and Regulation X promulgated under RESPA, which (among other things) prohibit the payment of referral fees for real estate settlement services (including mortgage lending and brokerage services) and regulate escrow accounts for taxes and insurance and billing inquiries made by borrowers.

- The CFPB's Know Before You Owe TILA – RESPA Integrated Disclosure, or "TRID," rule, which requires certain disclosures to the mortgagors regarding the terms of a residential mortgage loan (*see "—Risks Associated with the TRID Rule*" below).

- The Equal Credit Opportunity Act ("ECOA") and Regulation B promulgated under ECOA, which prohibit discrimination on the basis of age, race, color, sex, religion, marital status, national origin, receipt of public assistance or the exercise of any right under the Consumer Credit Protection Act, in the extension of credit.

- The Fair Credit Reporting Act, which regulates the use and reporting of information related to the mortgagor's credit experience.

- The Relief Act, which may require interest rate reductions, and temporary suspension of legal proceedings that may adversely affect the rights of servicemembers, during their military service.

- The Helping Families Save Their Homes Act of 2009 (the "Homes Act") amends TILA to require purchasers or assignees of mortgage loans secured by a borrower's principal dwelling to mail or deliver notice to borrowers of the sale or transfer of their mortgage loan no later than thirty (30) days after a sale or transfer. The agreements governing the sale and servicing of the mortgage loans require or will require that these notices be mailed or delivered reflecting the ownership of the mortgage loans and that the servicer delivers the required notices to borrowers. Failure to comply with these notice requirements may result in civil claims for compensatory and punitive damages against the issuing entity. Any judgment against, or settlement by, the issuing entity relating to violations of the Homes Act would reduce the funds otherwise available for distribution to investors, and could result in losses on your certificates.

- Federal law provides that property purchased or improved with assets derived from criminal activity or otherwise tainted, or used in the commission of certain offenses, can be seized and ordered forfeited to the United States of America. The offenses which can trigger such a seizure and forfeiture include, among others, violations of the Racketeer Influenced and Corrupt Organizations Act, the Bank Secrecy Act, the anti-money laundering laws and regulations, including the USA

Patriot Act of 2001 and the regulations issued thereunder, as well as the narcotic drug laws. In many instances, the United States may seize the property even before a conviction occurs.

- The Consumer Financial Protection Act, enacted as part of the Dodd-Frank Act, which (among other things) created the CFPB and gave it broad rulemaking, supervisory and enforcement jurisdiction over mortgage lenders and servicers, and proscribes any unfair, deceptive or abusive acts or practices in connection with any consumer financial product or service.

- Consent orders entered into with banking regulators relating to residential mortgage servicing, foreclosure and loss-mitigation activities and the supervisory guidance issued by the OCC to communicate the OCC's expectations for the oversight and management of mortgage foreclosure activities by national banks.

On January 17, 2013, the CFPB promulgated final rules implementing the Dodd-Frank Act's amendments to TILA and RESPA (the "Final Servicing Rules"), which became effective on January 10, 2014. The Final Servicing Rules are part of a broader effort to establish minimum national standards for mortgage servicing. Among other things, the Final Servicing Rules incorporate many of the provisions of a 2012 national mortgage settlement among federal regulators and state attorneys general for 49 states and the District of Columbia and the five largest mortgage servicers, target early intervention with borrowers following initial delinquency and impose detailed requirements applicable in each step of a servicer's loss mitigation process. In particular, the Final Servicing Rules restrict so-called "dual tracking," in which a servicer simultaneously evaluates a mortgagor for a loan modification or other loss mitigation alternatives at the same time that it prepares to foreclose on the mortgaged property. Specifically, the Final Servicing Rules prohibit a servicer from making the first notice or filing required to commence the foreclosure process until the mortgagor is more than 120 days delinquent. Even if a mortgagor is more than 120 days delinquent, if the mortgagor submits a complete application for a loss mitigation option before a servicer has made the first notice or filing required for a foreclosure process, the servicer may not start the foreclosure process unless (i) the servicer informs the mortgagor that the mortgagor is not eligible for any loss mitigation option (and any appeal in respect thereof has been exhausted), (ii) the mortgagor rejects all loss mitigation offers, or (iii) the mortgagor fails to comply with the terms of a loss mitigation option such as a trial modification. If a mortgagor submits a complete application for a loss mitigation option after the foreclosure process has commenced but more than 37 days before a foreclosure sale, the servicer may not move for a foreclosure judgment or order of sale, or conduct a foreclosure sale, until one of the same three conditions has been satisfied. In all of these situations, the servicer is responsible for promptly instructing foreclosure counsel retained by the servicer not to proceed with filing for foreclosure judgment or order of sale, or to conduct a foreclosure sale, as applicable. Any delays in foreclosure proceedings may be significant, and may also reduce the recovery value of foreclosed properties or increase the costs of foreclosure, resulting in increased loss severities.

On August 4, 2016, the CFPB finalized the amendments to certain of the Final Servicing Rules (the "2016 Mortgage Servicing Rules") which were originally proposed in December 2014. The final rule clarifies, revises, or amends provisions regarding force-placed insurance notices, policies and procedures, early intervention, and loss mitigation requirements under Regulation X promulgated under RESPA and prompt crediting and periodic statement requirements under the servicing provisions of Regulation Z promulgated under TILA. The 2016 Mortgage Servicing Rules also address proper compliance regarding certain servicing requirements when a person is a potential or confirmed successor in interest, is a debtor in bankruptcy, or sends a cease communication request under the FDCPA. The CFPB also concurrently issued an interpretive rule under the FDCPA relating to servicers' compliance with certain mortgage servicing rules. Portions of the 2016 Mortgage Servicing Rules were effective on August 4, 2017. In October 2017, the CFPB issued an interim final rule clarifying the application of the August 2016 changes regarding early intervention notices. In March 2018, the CFPB also issued a final rule to clarify transition requirements for periodic statements to borrowers in bankruptcy, which became effective on April 19, 2018. It is unclear what effect the Final Servicing Rules and the 2016 Mortgage Servicing Rules will have on the servicer's ability to service the mortgage loans. Additionally, the CFPB has the authority under the Dodd–Frank Act to impose additional requirements on servicers to address any perceived issues.

Further, as described in this offering memorandum supplement under "*—The COVID-19 Outbreak Has and May Continue to Adversely Affect the Global Economy and May Adversely Affect the Performance of the Mortgage Loans and the Certificates*", the CFPB issued the 2021 Mortgage Servicing COVID-19 Rule on June 28, 2021, which amends the existing mortgage servicing rule provisions under RESPA and Regulation X in order to provide additional borrower protections related to the COVID-19 pandemic as various emergency foreclosure protections expired during 2021. The final rule establishes temporarily procedural safeguards to help ensure that borrowers have a meaningful opportunity to be reviewed for loss mitigation before the servicer can make the first notice or filing required for foreclosure on certain mortgages due to delinquency. The temporary special COVID-19 procedural safeguards, which expired on January 1, 2022, are only applicable for mortgage loans that became more than 120 days delinquent on or after March 1, 2020 and the applicable statute of limitations related to the foreclosure action being taken expired on or after January 1, 2022.

The final rule permits mortgage servicers to offer certain streamlined loan modification options made available to borrowers experiencing a COVID-19-related hardship based on the evaluation of an incomplete application so long as the proposed modifications would: (i) be made available to a borrower experiencing a COVID-19-related hardship, as defined in the final rule, (ii) not extend the term of the loan past 480 months from the date the loan modification is effective, (iii) not result in an increase to the borrower's periodic principal and interest payment, (iv) not permit any deferred amounts to accrue interest if the loan modification permits the borrower to delay payments until the mortgage loan is refinanced, the mortgaged property is sold, the loan modification matures or for a mortgage loan insured by the FHA, the mortgage insurance terminates, (v) not charge a fee connected to the loan modification, (vi) waive any late fees, penalties, stop payment fees or similar charges incurred on or after March 1, 2020, and (vii) resolve the borrower's preexisting delinquency upon acceptance of the loan modification (and potential completion of a trial loan modification first, if required by the servicer). If the borrower accepts a loan modification as described above, the acceptance would terminate the servicer's obligation to exercise reasonable diligence to complete any loss mitigation application the borrower submitted prior to the borrower's acceptance of an offer made under the exception. It would also terminate the servicer's obligation to review such an application under the existing requirements. The obligation to exercise reasonable diligence to complete any loss mitigation application the borrower submitted prior to the borrower's acceptance of an offer made under the exception would restart if the borrower fails to perform under any required trial loan modification or if the borrower requests further assistance. Finally, the final rule also clarifies servicers' reasonable diligence obligations when the borrower is in a short-term payment forbearance program made available to a borrower experiencing a COVID-19-related hardship based on the evaluation of an incomplete application. No assurances can be made as to impact of these regulatory changes on the mortgage loans or the certificates.

In October 2020 and December 2020, the CFPB issued final rules governing the activities of third-party debt collectors, which went into effect on November 30, 2021. The rules were adopted pursuant to the CFPB's authority under the FDCPA and not its authority to prevent unfair, deceptive, or abusive acts or practices ("UDAAP") under the Dodd-Frank Act, which provides some assurance to creditors and other first-party collectors that they are not generally subject to the rule because the statutory scope of the FDCPA does not reach first-party creditors, instead applying only to entities collecting "debts owed or due … another." In addition to expressly stating that the rules do not apply to those parties, the CFPB removed the Dodd-Frank Act's UDAAP provision as one of the legal bases for the rulemaking. The CFPB also included a comment in the preamble to the rules stating that its rulemaking process did not consider whether and how any of the rule's provisions should be applied to creditors and other first-party collectors. Despite the CFPB's explicit assurance that the rules do not apply to creditors and other first-party collectors, however, the rules explicitly leave open the question of whether activities that would violate the rules, when undertaken by entities not subject to the FDCPA, may violate Dodd-Frank Act's UDAAP provision. The CFPB also declined to clarify whether any particular actions taken by a creditor or first-party debt collector would constitute a UDAAP. In certain places in the rules, the CFPB states that where it has identified conduct that violates the FDCPA, the CFPB does not take a position on whether such practices also would constitute a UDAAP under the Dodd-Frank Act. There are also state debt collection laws that may impliedly or explicitly incorporate the rules' provisions as to creditors, and states may choose to incorporate elements of the rules into state laws that apply to creditors. It is unclear what effect, if any, such changes included in the final debt collection rules, as well as any related actions by the CFPB or state regulators, would have on the mortgage loans or the servicer's practices, procedures and other servicing activities relating to the mortgage loans in ways that could reduce the associated recoveries.

The California Homeowner Bill of Rights, which became effective on January 1, 2013, requires servicers to halt the foreclosure process while any modification is being considered, requires servicers to provide a single point of contact, allows borrowers to seek injunctive relief for material violations of the California Homeowner Bill of Rights and provides penalties for recording and filing multiple unverified documents. While the California Homeowner Bill of Rights has not materially extended foreclosure times in California since it was enacted, there can be no assurance that it will not do so in the future. The CCFPA also expanded the scope of the powers of the DFI, including authorizing the DFI to bring enforcement actions for unlawful, unfair, deceptive, or abusive acts or practices by any person offering or providing consumer financial products or services in the State of California. In addition, the California Consumer Privacy Act ("CCPA"), portions of which became effective on January 1, 2020, and the remainder of which became effective on July 1, 2020, gives consumers more information and control over how their personal information is being collected and used. The CCPA applies to companies that come within the definition of a "business" as defined therein. In general, the CCPA requires that a business must notify consumers what personal information is being collected from a consumer, how that personal information is being collected and used, and whether and to whom it is being disclosed or sold. In order to comply with the CCPA, consumers must be presented with an easy, simple and straightforward process to opt-out of having their personal information sold to a third party. In addition, consumers may request that a business (as well as any third-party contractors with whom the business may have previously shared that consumer's personal information) delete their personal information, subject to certain exceptions, and businesses must inform consumers that they have this right. In addition, the CCPA provides consumers a private right of action if their personal information is subject to an unauthorized access and exfiltration, theft or disclosure as a result of the violation of the duty to implement and maintain reasonable security procedures and practices. There are a number of exemptions in the CCPA, including that it does not apply to personal information collected or disclosed pursuant to the federal Gramm-Leach-Bliley Act. It is uncertain what effect the CCPA and CCFPA, including the possibility of enforcement actions by the DFI, will have on companies subject to the CCPA or CCFPA that do business with individuals in the State of California in the future and are not covered by an exemption, and what other jurisdictions may implement in the future. Approximately 25.44% of the mortgage loans by aggregate stated principal balance as of the cut-off date are secured by mortgaged properties located in California.

Further, in 2012, the New York Department of Financial Services investigated the force-placed hazard insurance practices of numerous banks, servicers and insurers, held hearings on the matter and issued proposed new regulations that would dramatically alter force-placed hazard insurance practices in New York State. State regulators also have imposed costly settlement agreements and may suspend or threaten to suspend the license of the servicer in connection with investigations into its servicing practices.

Certain governmental entities have considered various programs to assist homeowners in certain jurisdictions who are obligated on residential mortgage loans with outstanding balances in excess of the market value of the mortgaged properties, including possible authorization to acquire any such mortgage loans by voluntary purchase or eminent domain and to modify those mortgage loans to allow homeowners to continue to own and occupy their homes. Except as noted in the following paragraph, there is little indication as to whether any particular governmental entity will take steps to acquire any mortgage loans under such programs, whether any mortgage loans sought to be purchased will be mortgage loans held in securitization trusts, what purchase price would be paid for any such mortgage loans, and whether any governmental entities may ultimately pass such legislation.

In particular, cities in California, Nevada, and New Jersey, among other states, have explored offering, or have offered, to acquire mortgage loans at city-determined fair market values or through eminent domain and to modify or refinance these mortgage loans to allow homeowners to continue to own and occupy their homes. These programs generally contemplate that any such refinancing will be accomplished using a federally guaranteed loan, such as a FHA insured loan, in an amount greater than the amount paid for the refinanced loan by the governmental entity, which can readily be resold, thus minimizing any cash outlay by the governmental entity. At this time, it is unclear what price would be paid for such mortgage loans, but such price would likely be less than the outstanding principal balance of a mortgage loan and may be significantly less. No assurance can be made as to whether any mortgage loans will be purchased under any such program, what purchase price would be paid for any such mortgage loans, and whether other governmental entities within or outside of California, Nevada, or New Jersey may pass similar legislation. Any such actions could have a material adverse effect on the market value of residential mortgage-backed securities such as the certificates. There is also no certainty as to whether any such action without the consent of the owner of the mortgage loan would face legal challenge, and, if so, what the outcome of any such challenge would be.

On June 2, 2015, Richmond, California, which was the political leader of the eminent domain programs described above, approved a social impact bond program that was promoted as an alternative to the use of eminent domain. In Newark, New Jersey, there has been discussion of implementing an eminent domain program. On July 30, 2015, several organizations sponsored a public meeting to discuss the use of eminent domain programs. Newark's Mayor spoke at the meeting and supported this use of eminent domain. At a town hall meeting in late January 2016, Newark officials reported they were engaging large banks about purchasing distressed mortgages and promised they would pursue taking them through eminent domain should those talks prove unsuccessful. However, in September 2016, Newark's city council enacted a neighborhood redevelopment plan that notably lacked any such plan to use eminent domain.

Recent federal appropriations bills included provisions that will discourage the use of eminent domain programs like the programs described above. Under these provisions, appropriated federal funds cannot be used to insure, securitize or guarantee any mortgage or mortgage-backed security that refinances a mortgage that has been subject to eminent domain condemnation or seizure. Laws that limit access to federally guaranteed loans will likely make it difficult for governmental entities to fund such eminent domain programs. While these developments may discourage governmental entities from using eminent domain programs, they do not prohibit such programs and there can be no assurance that governmental entities will not adopt such programs in the future.

If a governmental entity implements a program under which it has the power to acquire residential mortgage loans through the exercise of eminent domain, and the governmental entity proposes to acquire a mortgage loan out of the trust fund, the controlling holder will obtain or cause to be obtained or, if there is no longer a controlling holder, the trustee will cause the servicer to obtain, a valuation on the related property in the form of a broker's price opinion or another valuation method that it deems appropriate. The controlling holder, if any, may also engage a third party to review each such mortgage loan to determine whether the payment offered by such governmental entity is the fair market value of the mortgage loan, and it may engage legal counsel to assess the legality of the governmental entity's proposed action and whether there are bona fide legal grounds for contesting the acquisition. Based on the results of these determinations, the controlling holder may contest such an acquisition through appropriate legal proceedings. If certain conditions are satisfied, the certificateholders may direct the trustee to pursue such an action. These procedures may take substantial time, which could result in delays, increased costs and losses to certificateholders.

In addition to the foregoing recent developments, the existing "right of redemption" in certain states may limit the ability of the servicer to sell (or cause the sale of), or prevent the servicer from selling (or causing the sale of), an REO property at what would otherwise be an appropriate time for sale. In some states, after sale pursuant to a deed of trust or foreclosure of a mortgage, the mortgagor and foreclosed junior lienors are given a statutory period in which to redeem the property from the foreclosure sale. In other states, including California, this right of redemption applies only to sales following judicial foreclosure, and not to sales pursuant to a non-judicial power of sale. In most states where the right of redemption is available, statutory redemption may occur upon payment of the foreclosure purchase price, accrued interest and taxes. In other states, redemption may be authorized if the prior mortgagor pays only a portion of the sums due. The effect of a statutory right of redemption is to diminish the ability of the lender to sell the foreclosed property. The exercise of a right of redemption would defeat the title of any purchaser from the lender subsequent to foreclosure or sale under a deed of trust. Consequently, the practical effect of the right of redemption is to force the lender to retain the property and pay the expenses of ownership until the redemption period has run.

Violations or alleged violations of federal, state or local laws could result in a reduction in the amount available from the mortgage loans for distributions on the certificates. In the past few years, a number of legislative proposals have been introduced at the federal, state and local level that are designed to discourage certain lending practices, including those now deemed abusive or predatory. Some states have enacted, or may enact, laws or regulations that prohibit inclusion of some provisions in mortgage loans that have mortgage rates or origination costs (including in connection with a modification) in excess of prescribed levels, and require that mortgagors be given certain additional disclosures prior to the consummation of such mortgage loans. In some cases, state law imposes requirements and restrictions greater than those in HOEPA. Some of these state laws, such as those in Texas, are extremely rigorous and a violation could lead to statutory, punitive, consequential, and actual damages and/or administrative enforcement. A mortgage loan may also be rescinded or voided in certain instances. In addition, other state laws, public policy and general principles of equity relating to the protection of consumers, unfair and deceptive practices and debt collection practices may apply to the origination, modification, servicing and collection of mortgage loans. Lawsuits have been brought in various states making claims against assignees of high-cost loans for alleged violations of both federal and state law. Named defendants in these cases include numerous participants within the secondary mortgage market, including some securitization trusts.

Violations of applicable federal, state and local laws may limit the ability of the servicer to collect all or part of the principal of, or interest on, the mortgage loans, and could subject the issuing entity to damages and administrative enforcement (including disgorgement of prior interest and fees paid). In particular, the sponsor's, the servicing administrator's, the servicer's or the issuing entity's failure to comply with certain requirements of federal and state laws could subject the issuing entity (and other assignees of the mortgage loans) to monetary penalties, and result in obligors' rescinding the mortgage loans against either the issuing entity or subsequent holders of the mortgage loans.

In addition, mortgagors may assert violations of applicable federal, state and local laws and regulations as a defense to foreclosure which may limit the ability of the servicer to foreclose on the related mortgaged properties.

It is possible in the future that governmental authorities or attorneys general may take actions against the servicer that could prohibit it from pursuing foreclosure actions, provide new defenses to foreclosure or otherwise limit the ability of the servicer to take actions (such as pursuing foreclosure) that may be essential to preserve the value of a mortgage Loan. Any such limitations could adversely affect the issuing entity's ability to realize on the mortgage loans, which may result in losses on your certificates.

Depending on the particular alleged misconduct, it is possible that claims may be asserted against various participants in secondary market transactions, including assignees that hold the mortgage loans, such as the issuing entity. Losses on mortgage loans from the application or violation of any applicable federal, state and local laws will be borne by the holders of one or more classes of certificates. Additionally, the issuing entity may experience losses arising from lawsuits related to alleged violations of these laws, which will be borne by the holders of one or more classes of certificates.

Risks Associated with the TRID Rule

The CFPB has promulgated the TILA-RESPA Integrated Disclosure ("TRID") rule, which became effective for mortgage loans whose applications were received on or after October 3, 2015. The purpose of the TRID rule was to reconcile overlapping disclosure obligations under TILA and RESPA and to provide for integrated closing disclosure and loan estimate forms that would satisfy those requirements under both TILA and RESPA. TRID consolidated four existing disclosure forms that were previously required to be delivered to consumers in connection with a residential mortgage lending transaction under TILA and RESPA (the initial and final Truth-in-Lending Disclosure Statements, the Good Faith Estimate and the HUD-1 Settlement Statement) into two new forms, the Loan Estimate and the Closing Disclosure (the "Integrated Disclosure"). Market participants have raised concerns regarding the Integrated Disclosures primarily along three lines:

- *Assignee liability*. TILA provides for a private right of action for violations of its consumer lending disclosure provisions, including actual damages, statutory damages of up to $4,000 per violation, class action damages of up to $1 million or 1% of the creditor's net worth, whichever is less, as well as attorneys' fees, court and other enforcement costs. Related to TILA's private right of action is the possibility of assignee liability, at least in cases where an uncured violation is "apparent on the face" of the disclosure. Any such assignee liability under TILA may run to the issuing entity. RESPA, by contrast, does not provide for a private right of action for violations of its disclosure provisions, and thus issues of assignee liability do not arise under RESPA.

- Various provisions of the Integrated Disclosures are based on TILA requirements, while other provisions are either based on RESPA requirements or represent new requirements added by the CFPB that were not part of the prior disclosure forms. Consequently, a number of market participants have raised questions of whether a private right of action, and thus the potential for assignee liability, attaches to some, or potentially all, provisions of the Integrated Disclosures.

- *Technical or immaterial violations*. The Integrated Disclosures contain a number of provisions regarding the format of the required disclosures, violations of which would appear to be technical or arguably "immaterial" – for example, certain items are required to be presented in alphabetical order, and certain percentages are required to be presented to a specified number of decimal places. Market participants have questioned what the consequences of such violations are, or should be, and the extent to which they can be cured.

- *Ability to cure*. TILA Section 130(b), "Correction of errors," provides that a creditor or assignee "has no liability" under specified sections of TILA if, within sixty (60) days of discovery of the error and before the institution of an enforcement action or receipt of a written notice from the consumer, the creditor or assignee notifies the consumer of the error and makes whatever adjustments in the appropriate account are necessary to assure that the consumer has not overpaid the amount or rate that was disclosed. Market participants have questioned the scope of these statutory cure provisions of TILA with respect to the Integrated Disclosures.

On December 29, 2015, the Director of the CFPB released a letter that provides informal guidance with respect to some of the concerns raised (the "CFPB Director's Letter").

In the CFPB Director's Letter, the CFPB stated that, generally, TRID "did not change the prior, fundamental principles of liability under either TILA or RESPA," and, specifically, for mortgage loans that are not "high-cost mortgages" under the Home Ownership and Equity Protection Act of 1994 ("HOEPA"):

- there is no general TILA assignee liability unless the violation is apparent on the face of the disclosure documents;

- TILA limits statutory damages for mortgage disclosures, in both individual and class actions for failure to provide the disclosure;

- formatting errors and the like are unlikely to give rise to private liability unless the formatting interferes with the clean and conspicuous disclosures listed as giving rise to statutory and class action damages under TILA; and

- the non-TILA based disclosures contained in the Integrated Disclosures (*i.e.*, the RESPA-based disclosures and the CFPB's newly required disclosures) do not give rise to statutory and class action damages.

The conclusions from the sponsor's pre-offering review have followed, in part, the guidance set forth in the CFPB Director's Letter with respect to whether and how certain violations can be corrected as well as the consequences of certain TRID violations. The CFPB Director's Letter is not binding upon the CFPB, any other regulator or the courts and does not necessarily reflect how courts and regulators, including the CFPB, may view liability for TRID violations in the future. On July 7, 2017, the CFPB proposed amendments to the TRID rule and a final rule was issued on April 26, 2018. These changes were effective on June 1, 2018. The final rule eliminates the timing restrictions under the current rule providing flexibility to revise closing disclosures and add legitimate fees. Despite the final rule, interpretive uncertainties remain and no assurances can be given that the CFPB will clarify the ambiguities of the TRID rule.

Liability under TILA for violations of the TRID rule may include actual damages, statutory damages, attorney's fees and court costs. Further, for certain loans, the right of rescission may be extended to three years from consummation if there are errors in certain "material disclosures" such as the required disclosures of finance charges and payment schedule. Assignees of a mortgage loan may be liable for violating the TRID rule where the violation is apparent on the face of the disclosure and the assignment was voluntary. The originators of each mortgage loan have represented that the mortgage loan was originated in accordance with applicable law. All of the mortgage loans as of the cut-off date are subject to the TRID rule.

Risks Relating to U.S. Risk Retention Rules; Qualified Residential Mortgages

In October 2014, various federal regulatory agencies, including the SEC, adopted the U.S. Risk Retention Rules to implement Section 941 of the Dodd-Frank Act, which directed these agencies to adopt regulations to require any securitizer to retain an economic interest in a portion of the credit risk for any residential mortgage asset that the securitizer, through the issuance of an asset-backed security, transfers, sells, or conveys to a third party.

The U.S. Risk Retention Rules provide for a "QRM Exemption" from the risk retention requirements for a residential mortgage-backed securitization transaction in which all of the residential mortgages that collateralize the securitization are "qualified residential mortgages" that are "currently performing" as of the cut-off date, as these terms are defined in the U.S. Risk Retention Rules. In addition, this QRM Exemption requires: (i) the depositor to certify that it has evaluated the effectiveness of its internal supervisory controls with respect to the process for ensuring that all residential mortgages that collateralize the securitization are "qualified residential mortgages" and has concluded that its internal supervisory controls are effective and (ii) the sponsor to subsequently repurchase from the issuing entity any residential mortgage that, after the closing of the securitization transaction, is determined to have not satisfied all of the criteria to be a "qualified residential mortgage" (at a repurchase price at least equal to the remaining aggregate unpaid principal balance and accrued interest on such loan).

The sponsor and the depositor of the Sequoia Mortgage Trust 2023-1 securitization transaction are relying on this QRM Exemption from the risk retention requirements of the U.S. Risk Retention Rules for this securitization transaction, which results in certain risks to investors in the offered certificates, including those described below.

A "qualified residential mortgage" in the U.S. Risk Retention Rules is defined to be the same as a "qualified mortgage" as defined under the ATR Rules described in the risk factor above entitled "*—Risks Associated with Mortgage Loan Origination or Ownership; Qualified Mortgages.*" As a result, the depositor's process for ensuring that all mortgage loans that collateralize the securitization are "qualified residential mortgages" was a process of determining that all of the mortgage loans that collateralize the Sequoia Mortgage Trust 2023-1 securitization transaction meet the definition of a "qualified mortgage" as defined under the ATR Rules. The depositor's process may not have correctly identified residential mortgage loans that do not meet the definition of a "qualified mortgage" for a number of reasons. These reasons could include data entry or calculation errors arising during the review of the characteristics of the mortgage loans and errors in interpreting the "qualified mortgage" definition. Furthermore, the depositor's evaluation of the effectiveness of its internal supervisory controls with respect to the process for ensuring that all residential mortgages that collateralize the securitization are "qualified residential mortgages" may itself have not identified flaws in that process, which flaws could also have resulted in a failure to correctly identify residential mortgage loans that do not meet the definition of a "qualified mortgage" under the ATR Rules.

RRAC is required to repurchase any mortgage loan that does not satisfy the requirements of a "qualified residential mortgage" as of the closing date no later than ninety (90) days after such determination. Among other things, at the time such a repurchase is required, RRAC or the sponsor may not have the funds to repurchase the loan for the applicable repurchase price, which could adversely affect the market value of the certificates and/or adversely affect the liquidity of the certificates.

To the extent repurchases of one or more mortgage loans that collateralize the securitization that are not "qualified residential mortgages" are required and the sponsor does in fact repurchase those mortgage loans, the repurchases will have the same effect as principal prepayments, which may result in the yield on your certificates being lower than anticipated. See "*—Unpredictability and Effect of Prepayments*" below.

Homesharing Could Present Unique Risks with Respect to Mortgaged Properties

Mortgagors may rent out their mortgaged properties on a limited basis through homesharing platforms such as Airbnb, Inc. Although the related mortgage loans share some of the same risks as mortgage loans secured by investor properties, they present additional risks created by the unregulated nature of homesharing practices. For example, mortgagors who regularly rent out their properties risk having their primary homeowner's insurance policies invalidated if additional business or landlord coverage is not obtained. Although some homesharing services offer secondary coverage, homeowners must file a claim with their primary homeowner's insurance policy first. In addition, unregulated homesharing or subletting for a term of less than thirty (30) days is generally not permitted by most localities and could result in significant penalties for repeated violations. In some jurisdictions, an unpaid penalty may give rise to a special assessment lien on a property which could take priority over a first lien mortgage or, in extreme circumstances, result in foreclosure. None of the sponsor, the depositor, the initial purchasers or any other party has independently verified the occupancy status of any home, and any information provided in this offering memorandum supplement as to owner occupancy is based solely on the representation made by the related mortgagor in connection with the origination of the related mortgage loan.

Mortgagor Bankruptcy Considerations

A mortgagor may file for relief under the United States Bankruptcy Code at any time. Virtually all actions by creditors against a mortgagor, including foreclosure actions, are stayed upon the filing of a bankruptcy petition. Frequently, no payments of interest or principal are made on a mortgage loan during the mortgagor's bankruptcy case.

In addition, a bankruptcy court may, with respect to a mortgage loan that is not secured by a mortgagor's primary residence (i) reduce the trustee's security interest in the related mortgaged property to the current value of the property, leaving the trustee as an unsecured creditor for the remainder of the loan balance, and/or (ii) modify the payment terms of such mortgage loan. These and other aspects of bankruptcy proceedings could delay payments, reduce the yields or, under certain loss scenarios, cause principal and interest received on the mortgage loans to be insufficient to pay the certificates all principal and interest to which they are entitled. Additionally, it is possible that one or more of the mortgagors may previously have been subject to bankruptcy proceedings. A mortgagor who has previously filed for bankruptcy protection may be more likely to default or file for bankruptcy protection in the future.

It is possible that certain mortgage loans will become the subject of bankruptcy proceedings in the future, in which case the related mortgage loan may be discharged and the related mortgagor's personal liability under such mortgage loan extinguished, eliminating such mortgagor's obligation to make any payments with respect to the mortgage debt. However, if a bankruptcy discharge eliminates a mortgagor's personal liability for the mortgage debt, it will not remove the lien that was recorded against the property and encumbers the real estate. In cases where a mortgagor does not reaffirm its personal liability with respect to payment of the mortgage debt, the servicer may not force, coerce, or even request that such mortgagor continue to make payments or pursue a deficiency judgment against such mortgagor. The servicer, however, may still foreclose on the related mortgaged property once the automatic stay is lifted or once the bankruptcy is complete if the related mortgagor has defaulted on payments of principal and interest that had been payable in accordance with the terms of the related mortgage loan prior to its discharge, or fails to make required payments of property taxes or maintain valid insurance on the mortgaged property. The servicer's involvement and interaction with the mortgagor must be limited, as much as possible, to facilitate the intent of the mortgagor to continue to make voluntary payments on the related mortgage. The servicer must be careful not to state or imply that the related mortgagor is required to make payments or threaten such mortgagor with the consequences of failing to make payments. Evidence of coercion or harassment could subject the trust or the servicer to being found in violation of the discharge injunction. Payments by the related mortgagor made under duress can be viewed by a bankruptcy court as involuntary payments and may have to be returned by the trust. Similarly, attorneys' fees and punitive damages are possible depending on the severity of the servicer's actions. Any return of payments or damages paid by the servicer may reduce the amount available to be paid on the offered certificates.

Mortgage loans where the related mortgagor's personal liability with respect to the related mortgage loan was discharged in bankruptcy and a reaffirmation agreement or other contractual arrangement to reinstitute the debt has not been entered into by such mortgagor may present a greater risk of loss if such mortgagor experiences financial difficulties or the value of the related mortgaged property decreases because such mortgagor (i) may be more likely to default on such mortgage loan if they are not personally responsible for any deficiency or where there is little equity, no equity, or, in certain circumstances, negative equity in the residence and (ii) may not have an incentive to maintain and upkeep a property to the same degree if they are not personally liable for the debt. Failure of mortgagors who have not reinstituted their personal liability to continue to make voluntary payments will result in a reduction of amounts available to the trust in order to make payments on the offered certificates, which may negatively affect the yields on the certificates.

Potential Changes in Ratings Present Risks

Since mid-2007, the mortgage market has encountered difficulties which continue and which may adversely affect the performance or market value of your certificates. Residential mortgage-backed securities backed by mortgage loans originated in the mid-2000s have generally been the focus of attention due to a higher and earlier than expected rate of delinquencies, defaults and foreclosures. Many residential mortgage-backed securities, in particular those that were issued between 2005 and 2007, have been subject to rating agency downgrades. These downgrades have included downgrades of "AAA"-rated securities. There may be further downgrades of residential mortgage-backed securities in the future. In addition, the rating agencies rating the certificates may change their ratings criteria before or after issuance and any changes in ratings criteria may adversely affect the ratings assigned to the certificates. There can be no assurance that the assigning rating agencies will not downgrade the certificates or that any other rating agency will not assign ratings to the certificates that are lower than those assigned by any rating agencies requested to assign ratings to the certificates. The ratings may be reviewed, revised, suspended, downgraded, qualified or withdrawn entirely by the rating agencies at any time and for any reason, including changes to the applicable rating agency's ratings criteria.

None of the sponsor, the depositor, the servicing administrator, the trustee, the master servicer, the securities administrator, the initial purchasers or any other person will have any obligation to cause any rating of any of the offered certificates to be maintained. Changes affecting the mortgage loans, the parties to the pooling and servicing agreement or other persons may have an adverse effect on the ratings of the offered certificates, and thus their market value, liquidity and regulatory characteristics. Any such adverse changes do not by themselves constitute a default under the servicing agreement or the pooling and servicing agreement.

Furthermore, the SEC may determine that any one or more of the rating agencies engaged by the sponsor no longer qualifies as a nationally recognized statistical rating organization, or is no longer qualified to rate the certificates. Any such determination may adversely affect the liquidity, market value and regulatory characteristics of your certificates, and you may not be able to sell or obtain financing for your certificates, or you may be able to sell only at a substantial discount from the price you paid or obtain financing at interest rates in excess of current interest rates. No entity will be required to obtain a substitute rating from another rating agency.

Ratings of the Certificates May Not Accurately Reflect Risks Associated with Those Certificates

Security ratings are opinions and are not recommendations or suggestions to buy, sell or hold the rated classes of certificates. None of the seller, the depositor, the issuing entity, the initial purchasers, any originator, the servicer, the master servicer or the trustee has independently verified the ratings on any class of certificates or verified that any rating agency adhered to its ratings criteria in assigning a rating to any class of certificates. The ratings of the certificates depend primarily on the rating agencies' assessment of the mortgage loans that are assets of the issuing entity, the credit enhancement provided to the certificates by more subordinate certificates and the ability of the servicer to service the mortgage loans. Rating agencies rate debt securities based upon their opinion of the likelihood of the receipt of principal and interest distributions. Rating agencies do not consider the risks of fluctuations in market value or other factors that may influence the value of debt securities and, therefore, the assigned credit rating may not fully reflect the true risks of an investment in the certificates and should not be considered a reliable indicator of investment quality. Credit rating agencies may change their methods of evaluating credit risk and determining ratings on securities backed by mortgage loans. These changes may occur quickly and often, and credit rating agencies may not necessarily follow their published evaluation procedures when assigning ratings. Potential investors in the certificates should make their own evaluation of the creditworthiness of the mortgage loans and the applicable credit enhancement on the certificates, and potential investors should not rely on any ratings assigned by the rating agencies to any of the certificates.

The ratings of the certificates by a rating agency:

- only address the likelihood of receipt by holders of certificates of distributions in the amount of scheduled payments on the mortgage loans;
- do not take into consideration any of the tax aspects associated with the certificates;
- do not address the possibility that, as a result of principal prepayments, the yield on your certificates may be lower than anticipated; and
- do not comment as to the market price, marketability or suitability of the certificates for any particular investor (including any accounting and/or regulatory treatment).

The rating agencies rely on the accuracy and completeness of the data, reports and information provided to them in connection with the assignment of a credit rating, and the rating agencies have no duty to (and generally do not) verify or audit such data, reports and information. In addition, the rating agencies disclaim that they are "experts" for any purpose, including under any securities laws.

In light of the continuing impact of the COVID-19 Outbreak or for other reasons, it is possible that the rating agencies could revise their models and ratings methodology (including their ratings or outlooks with respect to the various transaction parties) and, following the closing date, downgrade, qualify or withdraw their ratings on certain classes of certificates that were not subject to such revised models or methodology as part of the initial ratings process.

Additional Ratings of the Certificates or a Withdrawal of the Ratings May Adversely Affect Their Market Value and/or Limit Your Ability to Sell Your Certificates

The sponsor has hired Fitch and KBRA (each a "hired NRSRO"), and will pay them fees to assign ratings on one or more classes of the offered certificates. Other than the hired NRSROs, no other nationally recognized statistical rating organization (each, a "non-hired NRSRO"), is currently hired by the sponsor to assign ratings on the certificates. However, under SEC rules, information provided to a hired NRSRO for the purpose of assigning or monitoring the ratings on the certificates is required to be made available to each non-hired NRSRO in order to make it possible for such non-hired NRSROs to assign unsolicited ratings on the certificates. An unsolicited rating could be assigned at any time, including prior to the closing date, and none of the depositor, the sponsor, the initial purchasers or any of their affiliates will have any obligation to inform you of any unsolicited ratings.

The sponsor is not obligated to maintain any particular rating with respect to any class of offered certificates. Changes affecting the mortgage loans, the mortgaged properties, the master servicer, the securities administrator, the servicer, the servicing administrator or any other transaction party or changes to ratings criteria employed by each hired NRSRO may have an adverse effect on the ratings of the offered certificates, and thus on the liquidity, market value and regulatory characteristics of the offered certificates. Any adverse change to the ratings of your offered certificates would likely have an adverse effect on the market value of your offered certificates.

In light of the continuing impact of the COVID-19 pandemic, it is possible that a rating agency could revise its models and ratings methodology (including its ratings or outlooks with respect to the various transaction parties) and, following the closing date, downgrade, qualify or withdraw its ratings on certain classes of certificates which were not subject to such models or methodology as part of the initial ratings process.

NRSROs, including each hired NRSRO, have different methodologies, criteria, models and requirements. If any non-hired NRSRO issues an unsolicited rating or other commentary on the certificates, there can be no assurance that such rating will not be lower, or such commentary will not imply a rating lower than the ratings provided by the hired NRSROs, which could adversely affect the market value of your certificates and/or limit your ability to sell your certificates. In addition, if the sponsor fails to make available to the non-hired NRSROs any information provided to the hired NRSROs for the purpose of assigning or monitoring the ratings on the certificates, the hired NRSROs could withdraw their ratings on the certificates, which could adversely affect the market value of your certificates and/or limit your ability to sell your certificates.

We refer you to "Ratings" in this offering memorandum supplement.

Appraisals May Not Accurately Reflect the Value or Condition of a Mortgaged Property

In general, appraisals represent the analysis and opinion of the person performing the appraisal at the time the appraisal is prepared and are not guarantees of, and may not be indicative of, present or future value. The appraisals obtained in connection with the origination of the mortgage loans sought to establish the amount a typically motivated buyer would pay a typically motivated seller at the time they were prepared. Such amount could be significantly higher than the amount obtained from the sale of a mortgaged property under a distressed or liquidation sale. We cannot assure you that another person would not have arrived at a different valuation, even if such person used the same general approach to and same method of valuing the property, or that different valuations would not have been reached by any originator based on its internal review of such appraisals. Investors are encouraged to make their own determination as to whether an appraisal is an accurate representation of the value of a mortgaged property.

In addition, property values may have declined since the time the appraisals were obtained, and therefore the appraisals may not be an accurate reflection of the current market value of the mortgaged properties. The mortgage loans were originated between approximately October 2021 and November 2022 and appraisals were prepared at the time of origination. The appraisals for the mortgage loans included in the mortgage pool have not been updated since the origination of the related mortgage loan and therefore may not accurately reflect changes to property values since the dates of such appraisals. Notwithstanding that the sponsor has not obtained updated appraisals for the mortgaged properties relating to any of the mortgage loans, as part of the pre-offering review the sponsor may utilize CDAs or other alternative valuation tools to validate the original appraisals and the appraisal review, as discussed under "*Pre-Offering Review of the Mortgage Loans—Appraisal Component of Sponsor's Pre-Offering Review*" in this offering memorandum supplement. However, as the mortgage loans become more seasoned, there is an increased risk (particularly in light of the impact of the COVID-19 Outbreak) that the current market value of such mortgaged properties could be lower, and in some cases significantly lower, than the values indicated in the appraisals obtained at the origination of the mortgage loans and included in the original loan-to-value ratios reflected in this offering memorandum supplement.

Performing valuation and risk analysis of high-cost properties (such as the mortgaged properties) can involve challenges that are not generally present with respect to properties whose values fall within the average price range of their respective markets. There may be fewer substitute properties available (from which to derive comparative values) in the high-cost market, unique buyer attitudes and preferences, and more difficult to quantify "appeal" issues, any of which can make valuations in the high-cost home segment less precise than for more average-priced housing. In addition, differences exist between valuations due to the subjective nature of valuations and appraisals, particularly between different appraisers performing valuations at different points in time.

Investors should note that the recession that resulted from the COVID-19 Outbreak in the United States could result in a devaluation of home prices, which in turn will have the effect of increasing loan-to-value ratios, and such home price devaluation could be significant. Investors are encouraged to make their own determination as to whether an appraisal is an accurate representation of the value of a mortgaged property.

Loan-to-Value Ratios May Be Calculated Based on Appraised Value, Which May Not Be an Accurate Reflection of Current Market Value; Borrowers May Have, or May in the Future Incur, Additional Indebtedness Secured by Mortgaged Properties or May Have Agreed, or May in the Future Agree, to Modify Their Mortgage Loans

As further described below under "*Description of the Mortgage Pool—General*," the loan-to-value ratios and original loan-to-value ratios that are disclosed in this offering memorandum supplement are determined, in the case of a purchase money loan, based on the lesser of the selling price of the mortgaged property and its appraised value at origination of such mortgage loan, or, in the case of a refinance loan, based on the appraised value of the mortgaged property at the time of origination of the refinanced mortgage loan. As described above, because appraisals are opinions of the related appraisers as of the date they were prepared and may not accurately reflect the value or condition of the mortgaged property and because property values may have declined since the time certain of the appraisals were obtained, the loan-to-value ratios and original loan-to-value ratios that are disclosed in this offering memorandum supplement may be lower, in some cases significantly lower, than the loan-to-value ratios that would be determined if current appraised values of the mortgaged properties were used to determine loan-to-value ratios. In addition, as the mortgage loans become more seasoned, the values of the related mortgaged properties are generally expected to change since the dates of the related appraisals used to determine the loan-to-value ratios at origination, and such changes may be substantial. Furthermore, no appraisals for the mortgage loans as of the cut-off date were prepared or obtained prior to the occurrence of the COVID-19 Outbreak. In addition, credit scores presently generated may not be indicative of a mortgagor's true creditworthiness as a result of legislation that prohibits the reporting of delinquencies to credit bureaus due to the COVID-19 Outbreak. None of the sponsor, the depositor, the seller, the initial purchasers or any other party to the transaction makes any representations or warranties as to any borrower's current credit score or the actual performance of any mortgage loan or that a particular credit score should be relied upon as a basis for an expectation that a mortgagor will repay its mortgage loan according to its terms. The recession that resulted from the COVID-19 Outbreak in the United States could result in a devaluation of home prices, which in turn will have the effect of increasing loan-to-value ratios, and such home price devaluation could be significant. Investors are encouraged to make their own determination as to the degree of reliance they place on the loan-to-value and original loan-to-value ratios that are disclosed in this offering memorandum supplement.

In addition, mortgage loan borrowers may have, or may in the future incur, additional indebtedness secured by mortgaged properties or may have agreed, or may in the future agree, to modify their mortgage loans, including agreeing to capitalize delinquent interest and other amounts owed under such mortgage loans. This additional indebtedness could increase the risk that the value of the mortgaged property is less than the total indebtedness secured by the mortgaged property and could increase the risk of default on the affected mortgage loan. See "*Risk Factors—Risks Related to Simultaneous Second Liens and Other Borrower Debt*" in the accompanying offering memorandum.

Governmental Actions May Affect Servicing of Mortgage Loans and May Limit the Servicer's Ability to Foreclose

The federal government, state and local governments, consumer advocacy groups and others continue to urge servicers to be aggressive in modifying mortgage loans to avoid foreclosure, and federal, state and local governmental authorities have enacted and continue to propose numerous laws, regulations and rules relating to mortgage loans generally, and foreclosure actions particularly. These efforts may be increased in response to the COVID-19 Outbreak. For example, the CFPB released final rules relating to mortgage servicing, which became effective in January 2014, that prohibit a servicer from commencing a foreclosure until a mortgage loan is more than 120 days delinquent. The final rules also require servicers to provide certain notices and follow specific procedures relating to loss mitigation and foreclosure alternatives.

Any of these laws, regulations and rules may provide new defenses to foreclosure, insulate the servicer from liability for modification of mortgage loans without regard to the terms of the pooling and servicing agreement or the servicing agreement or result in limitations on upward adjustment of mortgage interest rates, reduced payments by borrowers, permanent forgiveness of debt, increased prepayments due to the availability of government-sponsored refinancing initiatives and/or increased reimbursable servicing expenses, all of which are likely to result in delays and may result in reductions in the distributions to be made on the certificates.

In connection with the COVID-19 Outbreak, in March 2020, several states, including the States of California, New Jersey and New York, as well as Fannie Mae and Freddie Mac and the Department of Housing and Urban Development, temporarily suspended mortgage foreclosure efforts or judicial proceedings, in some cases, indefinitely. There can be no assurance that such orders or guidance will not be further extended or broadened or that any other federal, state or local government jurisdiction will not adopt similar measures during the marketing, pricing or closing, or after the closing date. Any such actions will delay or otherwise limit the exercise of foreclosure remedies, which may adversely affect recoveries on the mortgage loans and negatively impact the yield on the certificates. The effect will likely be more severe in states in which there is a significant concentration of mortgaged properties. See *"—The COVID-19 Outbreak Has and May Continue to Adversely Affect the Global Economy and May Adversely Affect the Performance of the Mortgage Loans and the Certificates."*

Courts and state and local governments and their elected or appointed officials also have taken steps to slow the foreclosure process. A number of these laws have been enacted, including in California. These laws, regulations and rules will result in delays in the foreclosure process, and may lead to reduced payments by borrowers or increased reimbursable servicing expenses.

Any delays in foreclosure proceedings may be significant, and may also reduce the recovery value of foreclosed properties or increase the costs of foreclosure, resulting in increased loss severities. Such delays may also affect the timing of distributions on the offered certificates, as the servicing administrator, the master servicer or the securities administrator, as applicable, may continue to make advances rather than realize a loss, *provided* that advances of principal or interest will not be made with respect to mortgage loans that are 120 days or more delinquent. The amount of servicing advances recoverable from any liquidation may increase as a result of the delay, resulting in a larger realized loss than would otherwise be the case. In addition, the costs of resolving these issues may be allocated to the issuing entity. As a result, the ratings of the offered certificates may be reduced due to such delays and losses.

Certificateholders will bear the risk that future regulatory and legal developments will result in losses on their certificates, to the extent not covered by the applicable credit enhancement. The effect on the certificates will likely be more severe if any of these future legal and regulatory developments occur in one or more states in which there is a significant concentration of mortgaged properties.

Underwriting Standards May Affect Risk of Loss on the Mortgage Loans

Approximately 0.27% of the mortgage loans by aggregate stated principal balance as of the cut-off date were underwritten in conformance with the Agency Criteria. The remaining loans were originated using underwriting standards that may, in certain instances, be less stringent than the underwriting standards applied by certain other first lien mortgage purchase programs, such as those of Fannie Mae and Freddie Mac.

Applying less stringent underwriting standards creates additional risks that losses on the mortgage loans may occur and will be allocated to certificateholders.

Mortgage loans originated under the originators' underwriting criteria and which illustrate this additional risk include the following:

- mortgage loans secured by properties acquired as second homes, which constitute approximately 12.95% of the mortgage loans by aggregate stated principal balance as of the cut-off date, may present a greater risk that the borrower will stop making monthly payments if the borrower's financial condition deteriorates, or for mortgagors in default who do not reside in the mortgaged property, that such mortgagors abandon the related mortgaged property, increasing the severity of the default. This risk may be especially pronounced for borrowers with mortgage loans on more than one property. Approximately 54.51% of the mortgage loans by aggregate stated principal balance as of the cut-off date are mortgage loans made to borrowers with mortgage loans on more than one property;

- mortgage loans made to borrowers who are self-employed, which constitute approximately 27.00% of the mortgage loans by aggregate stated principal balance as of the cut-off date, may present a greater risk that the borrower will default on the mortgage loan than mortgage loans made to salaried or commissioned borrowers because self-employed borrowers frequently have less predictable income, and self-employed borrowers who are small business owners may be personally liable for their business debt;

- mortgage loans with a stated principal balance equal to or greater than $1,000,000 and up to and including $1,993,555.50 which constitute approximately 44.20% of the mortgage loans by aggregate stated principal balance as of the cut-off date may present a greater risk than mortgage loans with a lower principal balance because defaults on a mortgage loan with a larger principal balance may result in greater losses allocated to the certificateholders; and

- mortgage loans with an original loan-to-value ratio of greater than 90% may present a greater risk than mortgage loans with a lower original loan-to-value ratio.

The risks relating to certain factors set forth above and elsewhere in this offering memorandum supplement may be more pronounced as a result of the impact of the COVID-19 Outbreak.

In addition, the amount of documentation required by the applicable underwriting guidelines to verify information provided by the borrower, such as income or assets, may vary. Differences in these documentation requirements may result in greater risks for some mortgage loans than those originated with more stringent documentation requirements. The applicable documentation requirements are summarized in "*Annex A—Certain Characteristics of the Mortgage Loans*" of this offering memorandum supplement.

In addition, approximately 24.40% of the mortgage loans by aggregate stated principal balance as of the cut-off date were not directly originated by an originator but were sourced by third-party brokers or originated through correspondent relationships. All of these mortgage loans were either funded directly by an originator, in the case of brokered loans, or were acquired by an originator soon after origination, in the case of correspondent loans. However, the loss and prepayment history of these mortgage loans may be different than those originated through retail channels. In particular, mortgage loans sourced through brokers or correspondent relationships may have prepayment speeds faster than would otherwise be the case if originated directly by an originator.

We refer you to "The Originators" and "Acquisition of Mortgage Loans by the Seller" in this offering memorandum supplement and to "Risk Factors—Aspects of the Mortgage Loan Origination Process May Result in Higher than Expected Delinquencies" and "Loan Program—Underwriting Standards" in the offering memorandum.

In Underwriting the Mortgage Loans, an Originator May Not Have Followed Its Underwriting Guidelines; Underwriting Guidelines May Not Identify or Appropriately Assess Repayment Risks

As described below under "*The Originators*" and "*Acquisition of Mortgage Loans by the Seller*," each originator will represent that each related mortgage loan has been underwritten in substantial conformance with such originator's underwriting guidelines it has established or pursuant to the investor-specific underwriting guidelines it has adopted then in effect at the time of origination without regard to underwriter discretion or, if not underwritten in conformance with such guidelines, has reasonable and documented compensating factors. These guidelines may not identify or appropriately assess the risk that the interest and principal payments due on a mortgage loan will be repaid when due, or at all, or whether the value of the mortgaged property will be sufficient to otherwise provide for recovery of such amounts. For all these reasons, mortgage loans underwritten in accordance with these standards may still incur losses.

To the extent exceptions are made to an originator's underwriting guidelines in originating a mortgage loan, those exceptions may increase the risk that principal and interest amounts may not be received or recovered and compensating factors, if any, or the criteria applied by RRAC or, if applicable, the related originator for making an exception or granting a waiver which may have been the premise for making an exception to the underwriting guidelines, may not in fact compensate for any additional risk. Furthermore, to the extent that the underwriting guidelines were not followed by an originator when originating the mortgage loans, there could also be an increased risk that principal and interest amounts may not be received or recovered.

In addition, certain mortgage loans may have been originated with the expectation and intention to be sold to a third-party investor, but for various reasons did not meet that investor's underwriting or purchase guidelines and were therefore not eligible for purchase by that investor. Such mortgage loans may be sold at a discount to other mortgage market participants due to real or perceived defects in the mortgage loans or the underwriting process. If such a mortgage loan met the Applicable RRAC Criteria, including Variance Criteria in the case of the Variance Originators as described under "*Acquisition of Mortgage Loans by the Seller—Current RRAC Criteria*" and "*—Variance Originators*" in this offering memorandum supplement, or an exception or waiver to the purchase guidelines was granted based on the existence of compensating and mitigating factors, the seller may have purchased such mortgage loan and, in turn, such mortgage loan may have been included among the mortgage loans in the trust fund. Further, certain mortgage loans acquired by the seller and subsequently sold by the seller to a third-party whole loan purchaser (in lieu of, for example, including such mortgage loans in a securitization transaction sponsored by the sponsor) may have been re-acquired from such third-party whole loan purchaser by the seller due to a real or perceived defect in the related originator's underwriting process, but such defect thereafter turned out not to be real, to have been cured or otherwise resolved. To the extent the Applicable RRAC Criteria are less restrictive than an originator's own criteria, or exceptions or waivers are made to the Applicable RRAC Criteria for any particular mortgage loan, there may be increased risk that principal and interest amounts in respect of such mortgage loan may not be received or recovered and compensating and mitigating factors, if any, may not in fact compensate or mitigate for any additional risk.

Certain mortgage loans include waivers from the applicable originator's underwriting guidelines or the Applicable RRAC Criteria, which the sponsor determined were immaterial or not applicable to the mortgage loans in the mortgage pool, and certain of the mortgage loans were originated by originators for which the seller has pre-approved variances as described under "*Acquisition of Mortgage Loans by the Seller—Current RRAC Criteria*" and "*—Variance Originators*" in this offering memorandum supplement. If any such mortgage loan was originated with one or more of such approved waivers or pre-approved variances, then a breach of the corresponding representation and warranty will be deemed not to have occurred with respect to such waiver or variance.

As described under "*Acquisition of Mortgage Loans by the Seller—Permitted Exceptions and Compensating Factors*" and "*Pre-Offering Review of the Mortgage Loans,*" approximately 11.27% of the mortgage loans by aggregate stated principal balance as of the cut-off date with an aggregate stated principal balance as of the cut-off date of approximately $37,494,916 were identified in the sponsor's pre-offering review as having been originated with exceptions to the applicable originator's underwriting guidelines or the Applicable RRAC Criteria that were material, but for which compensating factors were present and evaluated by the related originator at the origination of the mortgage loan and by the sponsor at the time of its purchase. If any such mortgage loan was originated with one or more exceptions, then a breach of the corresponding representation and warranty will similarly be deemed not to have occurred with respect to the related exception if such exception is described in the "*Exception Type*" column of the table in Annex A and includes compensating factors in the "*Compensating Factors*" column of the table in Annex A. Investors are encouraged to make their own assessment of the permitted exceptions and related compensating factors in "*Annex A—Exceptions to the Applicable RRAC Criteria*" to this offering memorandum supplement.

See "*Annex A—Exceptions to the Applicable RRAC Criteria*" and "*Description of the Mortgage Pool—Certain Characteristics of the Mortgage Loans*" for a discussion of the limitations on the use of credit or FICO scores.

Pre-Offering Review of the Mortgage Loans Underlying the Certificates May Not Reveal Aspects of the Mortgage Loans Which Could Lead to Losses

The sponsor has undertaken certain limited loan review procedures with respect to various aspects of certain mortgage loans underlying the certificates, including a review of the underwriting of certain of the mortgage loans conducted by certain originators and compliance in the origination of the mortgage loans with applicable law and regulations, and verification of certain aspects of the mortgage loans. In conducting these review procedures, the sponsor relied on information and resources available to it (which were limited and which, in most cases, were not independently verified) and on one or more third party agents. In particular, with respect to any of the mortgage loans originated to the underwriting guidelines of the related originator, the review procedures may have been performed against such originator's underwriting guidelines and not those of the sponsor, and the sponsor's decision to purchase such mortgage loans (if any) relies, in part, on the results of such review procedures. See *"—In Underwriting the Mortgage Loans, an Originator May Not Have Followed Its Underwriting Guidelines; Underwriting Guidelines May Not Identify or Appropriately Assess Repayment Risks"* above and *"Pre-Offering Review of the Mortgage Loans"* in this offering memorandum supplement for a discussion of the pre-offering review procedures conducted by the sponsor with respect to the mortgage loans. The sponsor attributes all findings and conclusions of these review procedures to itself. These review procedures were designed and effected to provide reasonable assurance that the disclosure regarding the pool assets in this offering memorandum supplement is accurate in all material respects. However, these procedures did not constitute a re-underwriting of the mortgage loans, and were not designed or intended to discover every possible discrepancy or defect in the mortgage loans reviewed.

In addition, the sponsor engaged a third party to conduct procedures designed by the sponsor to sample the sponsor's data regarding characteristics of the mortgage loans, which data were used to generate the numerical information about the mortgage pool included in this offering memorandum supplement. As further described under "*Pre-Offering Review of the Mortgage Loans*," the sponsor undertook some of these limited procedures with respect to a portion of the mortgage loans and did not undertake these loan review procedures for the remaining mortgage loans. Had such sample been expanded, it is possible that other material discrepancies or material defects regarding the mortgage loans may have been discovered. Investors are encouraged to make their own determination as the extent to which they place reliance on the limited loan review procedures described in this offering memorandum supplement.

Because the limited review procedures with respect to the mortgage loans were generally formulated with the purpose of providing reasonable assurance that the disclosure regarding the pool assets in this offering memorandum supplement is accurate in all material respects, they may not have uncovered relevant facts that could be determinative of how the reviewed mortgage loans will perform. As one example, the future appreciation or depreciation in value of the mortgaged property securing a mortgage loan is a factor that could affect the future performance of that mortgage loan; however, the above-described review procedures typically would not include a review of factors pertinent for the purpose of formulating a projection of such potential future appreciation or depreciation. Furthermore, to the extent that the limited review conducted by the sponsor did reveal factors that could affect how the mortgage loans will perform, the sponsor may have incorrectly assessed the potential severity of those factors and permitted the subject mortgage loans to be included in the mortgage pool. For example, in cases where a third party retained by the sponsor reviews an original appraisal and determines that it does not support the original appraised value, the third party review may have considered a Collateral Desktop Analysis, which is a valuation analysis performed by a licensed or certified appraiser who reviews the original appraisal to determine if the original value is supported. In considering the results of the third party's review, the sponsor may also consider the results of additional valuation analyses, such as a field review or a Fannie Mae Form 2055 exterior-only inspection residential appraisal report, and conclude on the basis of this additional analysis that the original appraised value is, in fact, supported and the mortgage loan should be included in the mortgage pool. In such a case (and in similar situations where the sponsor permits mortgage loans to be included in the mortgage pool despite underwriting guideline or compliance discrepancies identified in the credit and compliance component of the pre-offering review) if the sponsor has incorrectly assessed the potential severity of the factors revealed by the limited review, the risk of losses on the mortgage loans will be increased.

We refer you to "Pre-Offering Review of the Mortgage Loans" in this offering memorandum supplement.

Geographic Concentration of Mortgage Loans

Approximately 25.44%, 11.40%, 10.73%, 10.58% and 9.37% of the mortgage loans, in each case, by aggregate stated principal balance as of the cut-off date are secured by properties located in California, Texas, Washington, Florida and Colorado, respectively.

Adverse economic conditions and natural disasters in regions or states with a higher concentration of mortgage loans will have a disproportionate impact on the rate of delinquencies, defaults and losses on the mortgage loans than if fewer of the mortgage loans were concentrated in those regions or states.

As of January 13, 2023, approximately 12.82% of the mortgage loans by aggregate stated principal balance as of the cut-off date are secured by mortgaged properties located in areas that FEMA has designated for federal assistance on its publicly available website. See "*—Certain Mortgaged Properties May Have Suffered Damage from Recent Natural Disasters.*"

From time to time, areas of the United States may be affected by flooding, severe storms, hurricanes, mudslides, landslides, wildfires, earthquakes or other natural disasters or the effects of global climate change (which may include flooding, drought or severe weather) or pandemics (such as the COVID-19 Outbreak and future outbreaks of coronavirus or similar disease), which may adversely affect the ability of mortgagors to make mortgage payments, as well as the value of the related mortgaged properties. See *"—Certain Mortgaged Properties May Have Suffered Damage from Recent Natural Disasters"*. Under the applicable purchase agreement, each originator will represent and warrant that as of the date that the seller acquired a mortgage loan, each mortgaged property was free of material damage. Under the mortgage loan purchase agreement, RRAC will agree to cure a breach or repurchase from the trust fund or substitute for any mortgage loan as to which such representation and warranty made by the originator and assigned to the trustee was true and correct as of the date made by the originator but not true and correct as of the closing date, or if RRAC itself made such representation and warranty as to which there has been a breach, in any such case, if such breach materially and adversely affects the value of the mortgage loan or the interests of the certificateholders in that mortgage loan. In addition, under the mortgage loan purchase agreement, RRAC will be obligated as described herein to cure the breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to any mortgage loan originated by any originator generally if such originator is unable to cure such breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to such mortgage loan because it is subject to a bankruptcy or insolvency proceeding or no longer in existence. In the event of a breach of a representation and warranty that materially and adversely affects the interests of certificateholders, the originator or RRAC, as applicable, will be required to cure the breach, or repurchase the affected mortgage loan, substitute another mortgage loan, or, in certain circumstances, make an indemnification payment in the amount of the reduction in value resulting from such breach. If an originator or RRAC, as applicable, fails to cure the breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to the affected mortgage loan, no other party is obligated to do so. If any damage caused by flooding, storms, wildfires, mudslides, landslides or earthquakes (or other causes) occurs after the closing date, no entity will have any remedy obligation. In addition, the standard hazard policies covering the mortgaged properties generally do not cover damage caused by earthquakes, hurricanes, flooding, mudslides and landslides, and earthquake, hurricane, flood, mudslide or landslide insurance may not have been obtained with respect to such mortgaged properties. See "*Certain Mortgaged Properties May Have Suffered Damage from Recent Natural Disasters*." As a consequence, realized losses could result. For example, a severe earthquake in the San Francisco area could result in losses on the certificates, including the Senior Certificates. In addition, significant changes in regional climate conditions could have effects that are difficult to foresee. To the extent that a locality becomes more susceptible to extreme temperatures or weather events or otherwise becomes less desirable as a place to live, property values could be adversely affected and rates of default could increase.

In addition, mortgage loans located in the areas affected by natural disasters may be more likely to become delinquent, especially if the related mortgagors are unable to live in their mortgaged properties for an extended period of time. Furthermore, any deterioration in housing prices in the regions in which there is a significant concentration of mortgaged properties, as well as the other regions in which the mortgaged properties are located, and any deterioration of economic conditions in such regions which adversely affects the ability of mortgagors to make payments on the mortgage loans, may further increase the likelihood of delinquencies and losses on the mortgage loans. To the extent that delinquencies increase on mortgage loans secured by mortgaged properties located in the areas affected by natural disasters or to the extent that such mortgagors are unable to repair their mortgaged properties due to a deterioration of economic conditions, distributions on the certificates may be reduced or delayed.

The economies of states where mortgaged properties are concentrated may be adversely affected to a greater degree than the economies of other areas of the country by certain developments regarding the COVID-19 Outbreak or affecting industries concentrated in such states. In addition, the COVID-19 Outbreak may result in a rise in delinquencies and defaults and such rise could be accompanied by significant shortfalls in payments on the mortgage loans. Such delinquencies and losses, if they occur, may have an adverse effect on the yields to maturity of the certificates. Conversely, any increase in the market value of properties located in the regions in which the mortgaged properties are located may result in the availability of alternative sources of financing at lower interest rates, which could result in an increased rate of prepayment of the mortgage loans.

To the extent that the mortgage loans are concentrated in states that implemented moratoriums on foreclosures and evictions in efforts to stem the impact of the COVID-19 Outbreak, collections on such mortgage loans may be significantly reduced which will adversely impact the amount of funds available to make distributions on the certificates. Although most states have significantly reduced or lifted their eviction moratorium programs, it is possible that additional forbearance programs, foreclosure moratoriums or other programs or mandates will be imposed, strengthened or extended, including those that could impact the mortgage loans.

We refer you to "—The COVID-19 Outbreak Has and May Continue to Adversely Affect the Global Economy and May Adversely Affect the Performance of the Mortgage Loans and the Certificates" and "Yield, Prepayment and Weighted Average Life" in this offering memorandum supplement and "Risk Factors—Geographic Concentration of the Mortgage Loans" in the accompanying offering memorandum. For additional information regarding the geographic concentration of the mortgage loans to be included in the mortgage pool, see the applicable table(s) in "Annex A—Certain Characteristics of the Mortgage Loans" of this offering memorandum supplement.

Certain Mortgaged Properties May Have Suffered Damage from Recent Natural Disasters

As of January 13, 2023, approximately 12.82% of the mortgage loans by aggregate stated principal balance as of the cut-off date are secured by mortgaged properties located in areas that FEMA has designated for federal assistance on its publicly available website. RRAC engaged a third party to inspect certain of these properties and, with respect to certain other of these properties, RRAC performed an internal review of the location of the related property against the geographic area(s) that FEMA included in the related designation. As of January 13, 2023, all but two (2) of the third-party inspections so ordered and the internal review process have been completed in time for the printing of this offering memorandum supplement, and no visible damage was detected from these inspections and/or internal review process, as applicable. Some examples of natural disasters that could affect mortgaged properties are wildfires, which routinely affect various counties in both Northern and Southern California and other areas in the Pacific Northwest, and severe storms; recently, severe storms have struck the Western United States, in particular California, causing loss of life, flooding and property damage, and the full extent of the damage to these areas is unknown.

As described in this offering memorandum supplement, representations and warranties as to the mortgage loans will have been made to the effect that in general, the mortgage loans will be free of material damage as of the closing date. To the extent a mortgaged property has suffered damage due to a natural disaster or otherwise such that the value of the mortgaged property is materially adversely affected as of the closing date, the originator or RRAC, as applicable, will be required to cure the breach, or repurchase the affected mortgage loan, substitute another mortgage loan, or, in certain circumstances, make an indemnification payment in the amount of the reduction in value resulting from such breach, in each case as described above under "*—Geographic Concentration of Mortgage Loans*." If an originator or RRAC, as applicable, fails to cure the breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to the affected mortgage loan, no other party is obligated to do so. To the extent that any damage occurs after the closing date, no entity will have any remedy obligation to the issuing entity, and certificateholders will bear the risk of any losses to the extent the damage exceeds applicable insurance coverage or is uninsured.

The Return on Your Certificates Could Be Reduced by Shortfalls Due to the Servicemembers Civil Relief Act

The Servicemembers Civil Relief Act, or "Relief Act," provides relief to borrowers who enter active military service and to borrowers in reserve status who are called to active duty after the origination of their mortgage loan. The Relief Act provides generally that a borrower who is covered by the Relief Act may not be charged interest on a mortgage loan in excess of 6% per annum during the period of the borrower's active duty. Current or future military operations of the United States may result in an increase in the number of borrowers who may be in active military service, and the activation of additional U.S. military reservists or members of the National Guard, which may in turn significantly increase the proportion of mortgage loans whose mortgage rates are reduced by application of the Relief Act. It is possible that the number of reservists and members of the National Guard placed on active duty status in the near future may increase, particularly if National Guard members are required to enforce federal and state regulations related to the COVID-19 Outbreak or with respect to public protest and demonstration activity. In addition, mortgage loans in the mortgage pool that have not been identified as such may already be subject to the Relief Act. The amount of interest available for payment to certificateholders will be reduced by any reductions in the amount of interest collectible as a result of application of the Relief Act or similar state or local laws and neither the servicer nor any other party will be required to fund any interest shortfall caused by any of these reductions. Interest shortfalls on the mortgage loans due to the application of the Relief Act or similar legislation or regulations will be applied to reduce current interest on the Subordinate Certificates (and the Class A-IO1 Certificates) prior to the reduction of current interest on the Senior Certificates (other than the Class A-IO1 Certificates), *pro rata*, in accordance with the amount of interest due on each class on the applicable distribution date.

The Relief Act also limits the ability of the servicer to foreclose on a mortgage loan during the borrower's period of active duty and, in some cases, during an additional period thereafter. As a result, there may be delays in payment and increased losses on the mortgage loans. Those delays and increased losses will be borne primarily by the class of certificates with a class principal amount greater than zero with the lowest payment priority.

On February 9, 2012, the Department of Justice, the Department of Housing and Urban Development, and attorneys general representing 49 states and the District of Columbia reached a settlement agreement with five large mortgage servicers in connection with servicing and foreclosure issues. Consent judgments implementing the agreement were filed in the U.S. District Court in Washington, D.C. in March 2012. The settlement agreement provides additional relief to servicemembers and veterans, including requiring the five servicers to compensate servicemembers who were foreclosed on in violation of the Relief Act since 2006 or who were charged interest in excess of 6% per annum, and to implement procedures designed to prevent delinquencies and foreclosures. While the servicer is not subject to the settlement agreement, it is possible that the terms of the settlement agreement will become applicable to the mortgage loans in the future, through additional settlements or rules and regulations of general applicability, which could cause delays in payments to or increase losses to the certificateholders.

We cannot predict how many mortgage loans have been or may be affected by the application of the Relief Act or similar legislation or regulations.

We refer you to "Certain Legal Aspects of the Loans—Servicemembers Civil Relief Act" in the offering memorandum and "Risk Factors—Financial Regulatory Reforms and Additional Proposed Regulations Could Have a Significant Impact on the Sponsor, the Depositor, the Servicing Administrator, the Master Servicer, the Servicer or Any Successor Servicers or on the Performance, Liquidity and Market Value of the Certificates" above.

Potential Inadequacy of Credit Enhancement

The certificates are not insured by any financial guaranty insurance policy. The credit enhancement features of subordination and loss allocation, and shifting interest in prepayments, are intended to enhance the likelihood that holders of more senior classes of certificates will receive regular payments of interest and principal, but are limited in nature and may be insufficient to cover all losses on the mortgage loans. There is no other form of credit enhancement for the certificates.

Subordination and Allocation of Shortfalls and Losses. The amount of any principal loss experienced on a mortgage loan will be applied to reduce the class principal amount of the class of Subordinate Certificates with the highest numerical class designation, until the class principal amount of that class has been reduced to zero. If this loss allocation to the Subordinate Certificates is insufficient to absorb losses, then holders of more senior classes will incur losses and may never receive all of their principal payments. You should consider that:

- if you buy a Class B-4 Certificate and losses on the mortgage loans exceed the class principal amount of the Class B-5 Certificates, the certificate principal amount of your certificate will be reduced proportionately with the certificate principal amounts of the other Class B-4 Certificates by the amount of that excess;

- if you buy a Class B-3 Certificate and losses on the mortgage loans exceed the aggregate class principal amount of the Class B-4 and Class B-5 Certificates, the certificate principal amount of your certificate will be reduced proportionately with the certificate principal amounts of the other Class B-3 Certificates by the amount of that excess;

- if you buy a Class B-2 Certificate and losses on the mortgage loans exceed the aggregate class principal amount of the Class B-3, Class B-4 and Class B-5 Certificates, the certificate principal amount of your certificate will be reduced proportionately with the certificate principal amounts of the other Class B-2 Certificates by the amount of that excess;

- if you buy a Class B-1 Certificate and losses on the mortgage loans exceed the aggregate class principal amount of the Class B-2, Class B-3, Class B-4 and Class B-5 Certificates, the certificate principal amount of your certificate will be reduced proportionately with the certificate principal amounts of the other Class B-1 Certificates by the amount of that excess;

- after the aggregate class principal amount of the Subordinate Certificates has been reduced to zero, losses on the mortgage loans may reduce the class principal amounts of the Senior Certificates (or in the case of the Interest-only Certificates, the class notional amounts thereof);

- because all realized losses that would otherwise be allocated to a class of the Super Senior Certificates will first be allocated to the related Senior Support Certificates, until the class principal amount of such class of Senior Support Certificates has been reduced to zero, and then to the classes of related Super Senior Certificates, on a *pro rata* basis in accordance with their respective class principal amounts, until the aggregate class principal amounts of each such class of Super Senior Certificates have been reduced to zero, the Senior Support Certificates will bear a greater risk of loss on the mortgage loans than the related Super Senior Certificates;

- because, prior to the credit support depletion date, the Class A-7, Class A-8 and Class A-9 Certificates will not receive any distributions of principal until the class principal amount of each of the Class A-4, Class A-5, Class A-6, Class A-10, Class A-11, Class A-12, Class A-16, Class A-17 and Class A-18 Certificates has been reduced to zero, the respective class principal amounts of the Class A-7, Class A-8 and Class A-9 Certificates likely will be reduced more slowly than the class principal amounts of certain other Senior Certificates and therefore will bear a greater risk of losses on the mortgage loans;

- because, prior to the credit support depletion date, the Class A-16, Class A-17 and Class A-18 Certificates will not receive any distributions of principal until the class principal amount of each of the Class A-10, Class A-11 and Class A-12 Certificates has been reduced to zero, the respective class principal amounts of the Class A-16, Class A-17 and Class A-18 Certificates likely will be reduced more slowly than the class principal amounts of certain other classes of Senior Certificates and therefore will bear a greater risk of losses on the mortgage loans; and

- because, prior to the credit support depletion date, the Class A-13, Class A-14 and Class A-15 Certificates will not receive any distributions of principal until the class principal amount of each of the Class A-10, Class A-11 and Class A-12, Certificates has been reduced to zero, the respective class principal amounts of the Class A-13, Class A-14 and Class A-15 Certificates likely will be reduced more slowly than the class principal amounts of certain other Senior Certificates and therefore will bear a greater risk of losses on the mortgage loans.

Losses on the mortgage loans will reduce the loss protection provided by the Subordinate Certificates to the Senior Certificates and will increase the likelihood that the Senior Certificates that are entitled to principal distributions will not receive all of their expected principal distributions and, as described in the preceding paragraphs, certain classes of Senior Certificates will be allocated realized losses before other classes of Senior Certificates. In addition, as described in the preceding paragraphs, certain classes of Senior Certificates will receive principal distributions in priority to other classes of Senior Certificates, increasing the likelihood that the Senior Certificates which receive later distributions of principal may not receive all of their expected principal distributions.

In addition, net interest shortfalls resulting from reductions in the amount of monthly interest payments on mortgage loans due to application of the Relief Act or similar legislation or regulations, and from borrowers' prepayments of their mortgage loans (to the extent such shortfalls exceed the aggregate of the servicing fee that is allocated among the servicer, the servicing administrator and the servicing rights strip for the related due period), will be applied to reduce current interest on the Subordinate Certificates (and the Class A-IO1 Certificates) prior to the reduction of current interest on the Senior Certificates (other than the Class A-IO1 Certificates), as further described herein under *"Description of the Certificates—Allocation of Net Interest Shortfalls and Realized Losses."* Accordingly, such net interest shortfalls on the mortgage loans will reduce the loss protection provided by the Subordinate Certificates to the Senior Certificates. Moreover, any interest that would otherwise have been received with respect to any mortgage loan that was subject to a reduction in the amount of monthly interest payment on a mortgage loan pursuant to the Relief Act or similar state or local law will not be the responsibility of any of the sponsor, the servicing administrator, the master servicer, the depositor, the securities administrator, the initial purchasers or any other party or payable from interest remittance amounts or monthly excess cashflow.

Reductions in Net WAC. Servicing modifications that reduce the interest rate due on a mortgage loan will decrease Net WAC. Net WAC for any distribution date will also be reduced by the amount of any fees, charges and other costs, including indemnification amounts and costs of arbitration (other than the securities administrator fee, the trustee fee, the custodian fee, the distributed ledger agent fee and the master servicing fee), paid or reimbursed to the master servicer, the securities administrator and the trustee from the trust fund under the pooling and servicing agreement, the custodian from the trust fund in accordance with the custodial agreement, and the distributed ledger agent from the trust fund in accordance with the distributed ledger agent agreement during the prior calendar month, subject to an aggregate maximum amount of $300,000 annually, and further subject to (i) an annual cap of $125,000 with respect to aggregate amounts reimbursable to the trustee and (ii) an annual cap of $10,000 with respect to aggregate amounts reimbursable to the distributed ledger agent.

Any such interest rate modifications and trust expenses will reduce the interest distributable on any class of certificates with a certificate interest rate based on Net WAC, and may reduce the interest distributable on any class of certificates with a certificate interest rate limited by Net WAC. Those reductions will not be reimbursed and subordination will not protect holders of Senior Certificates from these reductions.

No Primary Mortgage Insurance. None of the mortgage loans in the trust fund has primary mortgage insurance coverage. As a result, if a borrower defaults under a mortgage loan, foreclosure proceedings are brought by the servicer, and the value of the mortgaged property is not adequate to pay principal and accrued interest on the mortgage loan along with related costs and expenses, there is unlikely to be any other source of payments available to reduce the amount of losses that would be incurred on that mortgage loan.

Unpredictability and Effect of Principal Prepayments

The rate of principal distributions and the yields to maturity on the certificates will be directly related to the rate of principal payments on the mortgage loans. The rate of prepayments on the mortgage loans will be sensitive to prevailing interest rates. Generally, if prevailing interest rates decline, mortgage loan prepayments may increase if refinancing is available at lower interest rates. If prevailing interest rates rise, prepayments on the mortgage loans may decrease.

For example, the mortgage loans could be subject to higher prepayment rates if fixed rate mortgage loans at competitive interest rates are available, allowing borrowers to refinance their mortgage loans to "lock-in" lower fixed interest rates. The features of adjustable-rate mortgage loan programs and loans with specified interest-only periods during the past several years have varied significantly in response to market conditions including the interest rate environment, consumer demand, regulatory restrictions and other factors. The lack of uniformity of the terms and provisions of such mortgage loan programs have made it impracticable to compile meaningful comparative data on prepayment rates and, accordingly, we cannot assure you as to the rate of prepayments on the mortgage loans in stable or changing interest rate environments. The prepayment experience of the mortgage loans to be included in the trust fund may differ significantly from that of other first lien residential mortgage loans.

Borrowers may prepay their mortgage loans in whole or in part at any time. Prepayments on the mortgage loans may occur as a result of solicitations of the borrowers by mortgage loan lenders, including the originators.

Recently, falling interest rates have led to an increase in general in refinancing activity which could cause prepayment rates on the mortgage loans to rise.

The timing of prepayments of principal may also be affected by liquidations of or insurance payments on the mortgage loans. In addition, an originator of the mortgage loans or RRAC may be required to purchase mortgage loans from the trust fund in the event that certain breaches of representations and/or warranties made with respect to the mortgage loans are not cured, or in the event that a borrower's monthly payment with respect to a mortgage loan is one or more monthly payments delinquent within three months of the date of origination. These purchases will have the same effect on certificateholders as prepayments of mortgage loans.

In the event of an occurrence of a natural disaster in an area where mortgaged properties underlying the mortgage loans are located, the insurance proceeds received with respect to any damaged mortgaged properties that are not applied to the restoration of that property will be used to prepay the related mortgage loans in whole or in part. Any repurchases or repayments of the mortgage loans may reduce the weighted average lives and will reduce the yields on the offered certificates to the extent they are purchased at a premium.

If prepayments occur faster for mortgage loans with higher net mortgage rates than for mortgage loans with lower net mortgage rates, Net WAC will be reduced, which may in turn reduce the rate at which interest accrues on the certificates.

The timing of changes in the rate of prepayments may significantly affect the actual yield to you, even if the average rate of principal prepayments is consistent with your expectations. In general, the earlier the payment of principal of the mortgage loans, the greater the effect on your yield to maturity. As a result, the effect on your yield of principal prepayments occurring at a rate higher (or lower) than the rate you anticipate during the period immediately following the issuance of the certificates may not be offset by a subsequent like reduction (or increase) in the rate of principal prepayments.

A prepayment of a mortgage loan will usually result in a prepayment of principal on the certificates (other than the Interest-only Certificates):

- If you purchase certificates (other than the Interest-only Certificates) at a discount, and principal prepayments on the mortgage loans are received at a rate slower than you anticipate, then your yield may be lower than you anticipate.

- If you purchase certificates at a premium and principal prepayments on the mortgage loans are received at a rate faster than you anticipate, then your yield may be lower than you anticipate.

We refer you to "Yield, Prepayment and Weighted Average Life" in this offering memorandum supplement and "Yield and Prepayment Considerations" in the accompanying offering memorandum for a description of factors that may influence the rate and timing of prepayments on the mortgage loans.

Net Prepayment Interest Shortfalls on the Mortgage Loans May Affect Your Yield

When a mortgage loan is prepaid in full, the mortgagor is charged interest only up to the date on which payment is received, rather than for an entire month. Principal prepayments by borrowers received by the servicer during the related Prepayment Period for a distribution date will be distributed to certificateholders on the related distribution date. Any prepayment in full that is made during the prior calendar month of the related Prepayment Period for a distribution date (i.e., from the 15th day of the month immediately preceding the month in which such distribution date occurs to and including the last day of such preceding calendar month) will result in a prepayment interest shortfall with respect to the period following the date of prepayment until the end of such prior calendar month.

With respect to any distribution date, the servicing administrator (to the extent such payments for the mortgage loans are not funded by a reduction of the servicing rights strip) will pay any such prepayment interest shortfall up to an amount equal to the aggregate of the servicing fee paid to the servicer, the servicing administrator fee actually received for the related due period and the servicing rights strip for the related due period. If the servicing administrator fails to make such required payment, the master servicer will be obligated to make a payment with respect to any such shortfall, but only to the extent of the master servicing fee for the related distribution date. In the event that prepayment interest shortfalls for any distribution date are in excess of the amounts described above, such shortfalls will constitute net prepayment interest shortfalls and will be allocated as part of net interest shortfalls *sequentially*, *first*, to the Class A-IO1 Certificates and each class of Subordinate Certificates, *pro rata*, based on the amount of current interest accrued on each such class of certificates for such distribution date, until the amount of such current interest is reduced to zero; and *second*, to all classes of Senior Certificates (other than the Class A-IO1 Certificates), *pro rata*, based on the amount of current interest accrued on each such class of certificates for such distribution date, until the amount of such current interest is reduced to zero. Accordingly, such net prepayment interest shortfalls on the mortgage loans may result in interest shortfalls on the certificates, which could result in the failure of investors to fully recover their investments.

Risks for the Interest-only Certificates

The Interest-only Certificates will be entitled to distributions of interest only to the extent Net WAC on a distribution date exceeds the applicable rate specified for such class in the applicable footnote to the first table under the heading "*The Offered Certificates*" beginning on page S-1 of this offering memorandum supplement.

Prepayments on the mortgage loans, including liquidations, repurchases by the related originator or RRAC and insurance payments, could result in the failure of investors in the Interest-only Certificates to fully recover their initial investments. Prepayments on the mortgage loans may occur as a result of solicitations of the borrowers by mortgage loan originators. Finally, exercise of the optional purchase right when the unpaid principal balance of the mortgage loans generally has declined to less than 10% of the cut-off date balance will also adversely affect the yields on the Interest-only Certificates.

See "The Yields to Maturity of the Interest-only Certificates Are Extremely Sensitive to the Rate and Timing of Principal Payments on the Mortgage Loans" below.

The Yields to Maturity of the Interest-only Certificates Are Extremely Sensitive to the Rate and Timing of Principal Payments on the Mortgage Loans

The yields on the Interest-only Certificates will be extremely sensitive to the rate and timing of principal prepayments, liquidations and repurchases of the mortgage loans. Investors in the Interest-only Certificates should be aware that mortgage loans with higher mortgage rates may prepay faster than mortgage loans with lower mortgage rates. If the mortgage loans are prepaid at a rate faster than an investor assumed at the time of purchase, the yields to investors in the Interest-only Certificates will be adversely affected. In addition, investors in the Interest-only Certificates should note that the provisions contained herein with respect to breaches of representations and warranties could materially affect their yields. Investors in the Interest-only Certificates should fully consider the risk that a rapid rate of prepayments, liquidations and repurchases of the mortgage loans could result in the failure of these investors to fully recover their investments.

See "—Unpredictability and Effect of Prepayments" and "Yield, Prepayment and Weighted Average Life" in this offering memorandum supplement, and "Yield and Prepayment Considerations" in the accompanying offering memorandum.

The Timing of Realized Losses May Impact Returns on the Certificates

The timing of realized losses may impact the return earned on the certificates, in particular on the Subordinate Certificates. The timing of realized losses could be affected by the creditworthiness of the borrower, the borrower's willingness and ability to continue to make payments, and new legislation, legal actions or programs that allow for the modification of loans or for borrowers to obtain relief through bankruptcy or other avenues. Because realized losses will be applied to reduce the aggregate class principal amount of the Subordinate Certificates before being allocated to the Senior Certificates (other than the Interest-only Certificates), they also reduce the interest paid on those certificates. Therefore, the timing of realized losses, and not just the overall level of such realized losses, will impact the return on the Subordinate Certificates.

Delay in Receipt of Liquidation Proceeds; Liquidation Proceeds May Be Less than the Mortgage Balance

Substantial delays in the distribution of principal of and interest on the certificates could be encountered in connection with the liquidation of delinquent mortgage loans. Delays in foreclosure proceedings may ensue in certain states experiencing increased volumes of delinquent mortgage loans or as a result of foreclosure moratoriums, the closure of government offices and other issues associated with the COVID-19 Outbreak described under "—*The COVID-19 Outbreak Has and May Continue to Adversely Affect the Global Economy and May Adversely Affect the Performance of the Mortgage Loans and the Certificates.*" Further, reimbursement of advances made by the servicing administrator, the master servicer or the securities administrator, as applicable, and liquidation expenses such as legal fees, real estate taxes and maintenance and preservation expenses may reduce the portion of liquidation proceeds payable to certificateholders. If a mortgaged property fails to provide adequate security for the related mortgage loan, you could incur a loss on your investment if the applicable credit enhancement is insufficient to cover the loss.

Mortgage Loan Modification Programs, COVID-19 Forbearance Programs and Future Legislative Action May Adversely Affect the Performance and Market Value of Your Certificates

To limit losses on delinquent mortgage loans, in accordance with the servicing agreement, the servicer may use loss mitigation measures, including forbearance agreements and other modification agreements and pre-foreclosure sales. Modifications of mortgage loans in an attempt to maximize the ultimate proceeds of such mortgage loans may have the effect of, among other things, reducing or otherwise changing the mortgage interest rate, forgiving payments of principal, interest or prepayment charges, capitalizing or deferring delinquent interest and other amounts owed under the mortgage loans, deferring principal payments, with or without interest, or any combination of these or other modifications. Such modifications, including capitalizing delinquent interest and other amounts owed under the mortgage loans, may increase the risk of delinquencies, foreclosures and losses, indicated by higher loan-to-value ratios and combined loan-to-value ratios with respect to the mortgage loans.

Since all of the classes of offered certificates receive interest based on the weighted average net mortgage interest rate of the mortgage loans or are subject to a limitation on interest equal to that rate, modifications to reduce mortgage interest rates may reduce interest payable on the offered certificates. In addition, while the U.S. Congress has failed to pass legislation to enhance the power of bankruptcy courts to reduce the principal amount of, or the interest rate on, a mortgage loan of an individual who is a debtor in bankruptcy secured by a primary residence, it is possible that such legislation could be enacted in the future.

A modification may result in reduced interest collections available for distribution to the certificates, reduced distributions of principal or the allocation of a realized loss to the most subordinate class of certificates outstanding. Modifications that are designed to maximize collections to the issuing entity in the aggregate may adversely affect a particular class of certificates. The servicer is required to consider the interests of all classes of certificates as a whole when making servicing decisions. If the servicer reduces the interest rate, extends the payment period or accepts a lesser amount than stated in the mortgage note in satisfaction of the mortgage note, or charges off or sells the mortgage loan, amounts available to make distributions on the certificates will be reduced. In addition, investors should note that in connection with considering a modification or other type of loss mitigation, the servicer may incur or bear related out-of-pocket expenses, which would be reimbursed to the servicer prior to distributions on the certificates.

In 2008 and 2009, the federal government commenced implementation of programs designed to provide homeowners with assistance in avoiding residential mortgage loan foreclosures. In addition, certain mortgage lenders and servicers have voluntarily, or as part of settlements with law enforcement authorities, established loan modification programs relating to the mortgages they hold or service. These programs may involve, among other things, the modification of mortgage loans to reduce the rate of interest payable on the loans, to extend the payment terms of the loans, to forgive principal or to forbear the payment of a portion of principal on the mortgage loan without interest. In addition, members of the U.S. Congress have indicated support for additional legislative relief for homeowners, including a proposed amendment of the bankruptcy laws to permit the modification of mortgage loans in bankruptcy proceedings. A FHA program permits lenders to provide additional refinancing options to borrowers who owe more than their home is worth. These loan modification programs, as well as future law enforcement and legislative or regulatory actions, including amendments to the bankruptcy laws that result in the modification of outstanding mortgage loans, could adversely affect the amounts payable on and market value of your certificates. As a result of the COVID-19 Outbreak, additional loan modification programs could be introduced and there can be no assurance what effect any such programs will have on the servicer, the performance of the mortgage loans or the certificates. These programs may involve the modification of mortgage loans in default as well as mortgage loans where default is, in the judgment of the servicer, imminent.

The servicer or any successor servicer may modify the terms of the mortgage loans. The servicer may allow for borrower repayment following the related forbearance period over a series of months following such period (including extending the original mortgage loan term by a number of months equal to the related forbearance period or by capitalizing related arrearages, fees and expenses into the unpaid principal balance of the mortgage loan and extending such mortgage loan to, at least, its original term) or may implement other repayment options for such modifications. A successor servicer may also modify the mortgage loans. It is therefore not certain how the certificates may be impacted by such modifications. Additional changes in law or regulations relating to the COVID-19 Outbreak could mandate that the servicer take certain loss mitigation actions not currently contemplated by the servicing agreement, as well as result in an increase in the number of mortgagors who are eligible for and request loss mitigation options. In addition, the servicer may not be able to individually address the needs of each mortgagor in a timely fashion if it is forced to confront an overwhelming number of requests for modifications, particularly in connection with the COVID-19 Outbreak. No assurances can be given that the implementation of loan modifications or the failure to implement loan modifications will not adversely impact the certificates.

Risks Relating to Forbearance Programs and Servicing Modifications Related to COVID-19 and the Related Effects on the Servicer and Advancing Parties

As a result of the COVID-19 Outbreak and the severe economic dislocation caused by the pandemic, it is expected that many borrowers with mortgage loans will request forbearance or other modifications from the servicer. In particular, several federal and state regulators are encouraging servicers to permit short-term (for up to six months or possibly longer) payment forbearance for borrowers negatively impacted by the COVID-19 Outbreak. In addition, mortgagors may seek forbearance or other modifications from the servicer for mortgage loans in FEMA-designated disaster zones. As of the cut-off date, no borrower under any mortgage loan has entered into a COVID-19 Outbreak-related forbearance plan with the servicer. In addition, in the event a borrower requests or enters into a COVID-19 Outbreak-related forbearance plan after the cut-off date but prior to the closing date, the seller will remove such mortgage loan from the mortgage pool and remit the related closing date substitution amount.

The servicing administrator (to the extent that such monthly advances exceed the servicing rights strip for the related due period) of a mortgage loan subject to a forbearance plan related to the COVID-19 Outbreak generally will be required to make monthly advances on such mortgage loan, notwithstanding the fact that the related payments of principal and interest pursuant to the terms of the related forbearance program may not be due by the borrower at such time. However, it is possible that guidance from federal and/or state regulators will eliminate the need for advancing parties, including the servicing administrator, the master servicer, the securities administrator and the Class A-IO-S Certificates, as applicable, to fund monthly advances made by the servicer on mortgage loans subject to forbearance plans due to COVID-19 Outbreak or that the party responsible for such monthly advance could decline to fund monthly advances made by the servicer as a result of its determination that such monthly advances are nonrecoverable. In addition, it is possible that the related party responsible for such monthly advance could reimburse itself for any such monthly advance earlier than investors expect by making a determination that any such monthly advance is nonrecoverable as a result of financial difficulties by a borrower in light of the COVID-19 Outbreak or for other reasons. Further, in the event a mortgage loan is modified, reimbursement of any outstanding monthly advance may occur at such time. As further described below, the increased financial burdens on the advancing parties as mortgage delinquency rates continue to increase may also result in the advancing parties being unable to fund monthly advances made by the servicer on the mortgage loans.

Any failure to fund monthly advances on the mortgage loans as a result of such delinquencies or deferrals will result in decreased cashflow available to make distributions on the certificates and a decrease in the market value of the certificates. Certificateholders should also be aware that a principal forbearance amount will be treated as a realized loss (and allocated as described herein) to the extent that the related mortgage loan becomes subject to a permanent modification or other loss mitigation resolution.

Investors should also note that the economic dislocation caused by the COVID-19 Outbreak is also expected to adversely impact the advancing parties, including the servicing administrator, the master servicer, the securities administrator and the Class A-IO-S Certificates (as applicable), and such impact could be severe. As a result of the potential increase in delinquencies by borrowers due to job losses and wage reductions resulting from the COVID-19

Outbreak and the possibility of having to enter into a significant number of forbearance plans with borrowers as described above, it is possible that the advancing parties will not have the available liquidity to fund monthly advances made by the servicer. To the extent that monthly payments on mortgage loans subject to COVID-19 Outbreak-related forbearance plans are reduced, deferred and/or suspended temporarily during the duration of their respective forbearance programs, the advancing parties may begin to experience financial difficulties. As further described below, the mortgage loan servicing industry has sought additional guidance and potential relief from regulators regarding its ability to fund monthly advances in light of the COVID-19 Outbreak, but no assurance can be made that any such relief will be granted or be sufficient to assist the advancing parties, and any such relief could result in reduced funds being available to make distributions on the certificates. In addition, any relief that is granted may only be provided with respect to agency mortgage loans and may not apply with respect to the mortgage loans included in this transaction or other private label securitization transactions.

Any failure by the servicing administrator to fund a monthly advance as required under the servicing agreement (to the extent of any amounts remaining to be advanced after allocations in reduction of the servicing rights strip) will constitute a default thereunder. If the servicing administrator fails to make a required monthly advance as required under the servicing agreement on any mortgage loan, the master servicer will be obligated to make such monthly advance, subject to certain limitations in the pooling and servicing agreement. The securities administrator will be obligated to fund any required monthly advance if the servicing administrator and the master servicer fail in their obligations to do so, subject to certain limitations in the pooling and servicing agreement.

While any modifications performed by the servicer are required to be in accordance with the limitations set forth in the servicing agreement, additional changes in law or regulations relating to the COVID-19 Outbreak could mandate the servicer to take certain loss mitigation actions not currently contemplated by the servicing agreement. In addition, the servicer may not be able to individually address the needs of each mortgagor if it is forced to confront an overwhelming number of requests for modifications, particularly in connection with the COVID-19 Outbreak.

It is not yet certain whether the servicer or any successor servicer will modify the terms of any mortgage loans, what form any modified terms may take, how or when modifications may be implemented or how the certificates may be impacted by such modifications. No assurances can be given that the implementation of loan modifications or the failure to implement loan modifications will not adversely impact the certificates.

Depending on the scale of any forbearance programs entered into as a result of the COVID-19 Outbreak, the sponsor may be impacted substantially with respect to the securitization transactions, loans held for investment or sale, and a variety of other investments, including third-party issued mortgage-backed securities, mortgage servicing rights and related cash flows, and re-performing residential mortgage loans it or an affiliate of the sponsor has entered. In addition, transactions into which the sponsor or an affiliate of the sponsor has entered, including to finance loans with warehouse financing providers and to sell whole loans to third parties, may be negatively impacted by the COVID-19 Outbreak related payment forbearances, including the reduction of proceeds from such transactions and potential obligation to repurchase the impacted loans.

Risks Related to U.S. Federal Income Tax Laws Could Have an Adverse Impact on the Market Value of the Certificates

Certain provisions of the Internal Revenue Code of 1986, as amended (the "Code") could have an adverse impact on the U.S. residential housing market and potentially adversely impact the market value of the certificates. Among other things, the Code includes a temporary reduction in the home mortgage interest deduction threshold for acquisition indebtedness (*i.e.*, debt incurred to acquire, construct or substantially improve a qualified residence) from $1,000,000 (or $500,000 in the case of married taxpayers filing separately) to $750,000 (or $375,000 in the case of married taxpayers filing separately) and eliminates the deduction for interest with respect to certain home equity indebtedness that does not qualify as acquisition indebtedness, for taxable years beginning before January 1, 2026. There are exceptions for debt refinancing of acquisition debt incurred on or before December 15, 2017. In addition, the state and local tax deduction is currently limited to a combined $10,000 for income, sales, and property taxes (for both single and married tax filers) for taxable years beginning before January 1, 2026. These reductions, eliminations and limitations could reduce home affordability and adversely affect home prices nationally or in local markets, particularly in states with high state and local taxes and property values. Further, these provisions could increase taxes payable by certain borrowers, thereby reducing their available cash and adversely impacting their ability to make payments on the mortgage loans, which in turn, could cause a loss on the certificates. These provisions, among others, and any future changes to the U.S. federal income tax laws could also negatively affect the U.S. housing market, the market value of residential mortgage loans and the market value of the certificates.

Homeowner Association Super Priority Liens, Special Assessment Liens and Energy Efficiency Liens May Take Priority over the Mortgage Liens

In some jurisdictions it is possible that the first lien of a mortgage may be extinguished by super priority liens of homeowner associations or condominium associations, potentially resulting in a loss of the mortgage loan's outstanding principal balance. In at least 20 states and the District of Columbia, homeowner association ("HOA") or condominium association assessment liens can take priority over first lien mortgages under certain circumstances. The number of these so called "super lien" jurisdictions has increased in the past few decades and may increase further. Rulings by the highest courts in Nevada, Rhode Island and the District of Columbia have held that certain of the "super lien statutes" provide the HOA or condominium association with a true lien priority rather than a payment priority from the proceeds of the sale, creating the ability to extinguish the existing senior mortgage and greatly increasing the risk of losses on mortgage loans secured by homes whose owners fail to pay HOA or condominium fees.

The laws of these "super lien" jurisdictions that provide for HOA super liens vary in terms of: (a) the duration of the priority period (with many at six (6) months and some with no limitations); (b) the assessments secured by the HOA lien (charges can include not only unpaid HOA assessments, but also late charges, collection costs, attorneys' fees, foreclosure costs, fines and interest); (c) whether the HOA must give lenders with liens encumbering the mortgaged property notice of the homeowner's failure to pay the assessment; and (d) the statute of limitations on HOA foreclosure rights.

There is currently no efficient mechanism available to loan servicers, including the servicer, to track the status of borrowers' payments of HOA assessments that are governed by super lien statutes. In fact, there is neither a unified database for HOA information, nor a centralized place for HOAs and loan servicers to contact one another. Consequently, in some of the super lien jurisdictions there often is no practical, systemic method for the servicer to determine when an HOA assessment is unpaid or when the HOA initiates foreclosure of its lien. In some circumstances, the servicing administrator may make servicing advances to pay delinquent homeowner association assessments or for the costs of determining whether any mortgaged property is subject to a homeowner association assessment or a related lien. If such servicing advances are not recovered from the related mortgagor or liquidation proceeds, they will be paid to the servicing administrator from collections on the mortgage loans and reduce amounts payable to certificateholders.

If an HOA, or a purchaser of an HOA super lien, completes a foreclosure in respect of an HOA super lien on a mortgaged property, the lien with respect to the related mortgage loan will be extinguished. In those instances, the certificateholders could suffer a loss of the entire outstanding principal balance of the mortgage loan, plus interest. Any attempt to recover the balance on an unsecured basis by suing the borrower personally would be problematic, particularly if the borrower has no meaningful assets to recover against.

Mortgaged properties securing the mortgage loans may also be subject to the lien of special property taxes and/or special assessments. These liens may be superior to the liens securing the mortgage loans, irrespective of the date of the related mortgage. In some instances, individual borrowers may be able to elect to enter into contracts with governmental agencies for Property Assessed Clean Energy (PACE) or similar assessments that are intended to secure the payment of energy and water efficiency and distributed energy generation improvements that are permanently affixed to their properties, possibly without notice to or the consent of the related mortgagee. These assessments may also have lien priority over the mortgages securing mortgage loans. No assurance can be given that any mortgaged property so assessed will increase in value to the extent of the assessment lien. Additional indebtedness secured by the assessment lien would reduce the amount of the value of the mortgaged property available to satisfy the affected mortgage loan and thereby reduce the amount available for distributions on your offered certificates.

Changes in the Accounting Rules May Affect You

The accounting standards for investments, such as the offered certificates, in interests in securitization vehicles such as the issuing entity may be changed by the Financial Accounting Standards Board at any time. Any changes in accounting standards may affect the manner in which you must account for your investment in any offered certificates and, under some circumstances, may require that you consolidate the entire trust fund on your balance sheet. Prospective investors in the offered certificates should consult their accounting advisors to determine the effect that accounting standards may have on them. We make no representation or warranty regarding the treatment of any offered certificates or the trust fund for purposes of any accounting standards, and any changes in such standards could adversely affect the value of your offered certificates.

Reduced Lending Capacities May Hinder Refinancing and Increase Risk of Loss

Since 2006, a number of originators and servicers of residential mortgage loans have experienced serious financial difficulties and, in some cases, have gone out of business. These difficulties have resulted, in part, from declining markets for their mortgage loans as well as from claims for repurchases of mortgage loans previously sold under provisions that require repurchase in the event of early payment defaults or for breaches of representations and warranties regarding loan quality and characteristics. Many originators, including originators with large servicing portfolios, have experienced rising costs of servicing as regulatory burdens in both origination and servicing residential mortgage loans have increased, without a corresponding increase, and in some cases with a decrease, in compensation. The lack of a functioning secondary market for mortgage-backed securities and mortgage loans has also reduced the availability of certain types of mortgage products that do not fit within the criteria of Freddie Mac, Fannie Mae or Ginnie Mae.

As a result of the COVID-19 Outbreak, originators and servicers of residential mortgage loans may experience financial difficulties similar to those described above. Originators with large servicing portfolios may be particularly vulnerable if servicers are obligated to make monthly advances on mortgage loans subject to forbearance plans due to the COVID-19 Outbreak, as further described under "*—Risks Relating to Forbearance Programs and Servicing Modifications Related to COVID-19 and the Related Effects on the Servicer and Advancing Parties.*" In addition, originators may face difficulty in selling mortgage loans in the secondary mortgage market as purchasers become more selective in their residential mortgage loan purchases.

These trends may reduce alternatives for mortgagors seeking to refinance their mortgage loans. The reduced availability of refinancing options for mortgagors may result in higher rates of delinquencies and losses on the mortgage loans. These trends may also make it more difficult to engage a successor servicer if that becomes necessary.

Market Exit of Originators and Servicers; Financial Condition of Originators, Servicers and the Seller

The financial difficulties of originators and servicers of residential mortgage loans may be exacerbated by higher delinquencies and defaults that reduce the value of mortgage loan portfolios (particularly in light of the impact of the COVID-19 Outbreak), requiring originators to sell their portfolios at greater discounts to par. In addition, the costs of servicing an increasingly delinquent mortgage loan portfolio may be rising without a corresponding increase in servicing compensation. The value of many residual interests retained by sellers of mortgage loans in the securitization market has also been declining in these market conditions. In recent years, overall origination volumes have been down significantly from peak volume. Increasingly, originators and servicers of residential mortgage loans also have been the subject of governmental investigations and lawsuits, many of which have the potential to impact the financial condition of those financial institutions. Since the financial crisis, a number of originators and servicers of residential mortgage loans have experienced serious financial difficulties and, in some cases, have become subject to bankruptcy proceedings or entered conservatorship or receivership, or gone out of business. As recently publicly reported, certain originators have applied for protection under Chapter 11 of the U.S. Bankruptcy Code as part of a corporate reorganization (and may be followed by other originators in light of the continuing impact of the COVID-19 Outbreak), and such restructuring could materially affect their ability to fulfill any potential repurchase obligations. In addition, any regulatory oversight, proposed legislation and/or governmental intervention designed to protect consumers may have an adverse impact on originators and servicers. For example, the CFPB has implemented final rules that became effective in January 2014, and were amended in August 2016, April 2018 and June 2021, each related to mortgage servicing that may increase the costs associated with servicing mortgage loans. On January 7, 2013, federal regulators reached an $8.5 billion settlement agreement with ten U.S. banks regarding alleged foreclosure abuses. While the servicer is not currently subject to the settlement agreement, it is possible that similar settlement agreements will be reached with similar terms. These factors, among others, may have the overall effect of increasing costs and expenses of originators and servicers while at the same time decreasing servicing cash flow and loan origination revenues, and in turn may lead to originators or servicers leaving the industry.

The COVID-19 Outbreak and the resulting economic disruption it has caused may result in liquidity pressures on the servicer and any party on which the servicer may rely for funding of monthly advances. In addition, the imposition by federal and state regulators of forbearance arrangements on the servicer can also be expected to affect the capacity of the servicer to fund monthly advances for mortgage loans other than the mortgage loans in the mortgage pool, which may result in increased liquidity pressure across the servicer's entire servicing platform. The extent of such liquidity pressures in the future, however, is not known at this time and is subject to continual change.

Financial difficulties may result in the inability of originators to repurchase mortgage loans in the event of early payment defaults and other mortgage loan representation and warranty breaches which may also affect the value of residential mortgage-backed securities backed by those mortgage loans. Generally, none of the sponsor, the servicing administrator, the master servicer, the depositor, the servicer or the initial purchasers are required to repurchase the mortgage loans if an originator fails to do so. Financial difficulties may also have a negative effect on the ability of the servicer to pursue collections on mortgage loans that are experiencing delinquencies and defaults and to maximize recoveries on the sale of underlying properties following foreclosure. If the servicer is experiencing financial difficulties, it may not be able to perform its servicing duties or its advancing obligations (as applicable) as required. The negative impacts of the COVID-19 Outbreak may further affect the ability of the servicer to perform its servicing duties.

As further described in this offering memorandum supplement under "*The Agreements—Representations and Warranties*," in the mortgage loan purchase agreement, RRAC will make certain limited representations and warranties with respect to the mortgage loans. RRAC will also be obligated to cure the breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to any mortgage loan as to which a representation and warranty made by an originator relating to the characteristics of the mortgage loans and assigned to the trustee was true and correct as of the date made by such originator but not true and correct as of the closing date, or if RRAC itself made a representation and warranty as to which there has been a breach, in any such case, if such breach materially and adversely affects the value of the mortgage loan or the interests of the certificateholders in that mortgage loan. In addition, with respect to representations and/or warranties made by each originator and assigned to the trustee, RRAC will be obligated to cure a breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to the affected mortgage loan because of a breach of any such representation and warranty that materially and adversely affects the value of the mortgage loan or the interests of the certificateholders in that mortgage loan generally to the extent such originator is unable to do so because it is subject to a bankruptcy or insolvency proceeding or no longer in existence. Therefore, if RRAC experiences financial difficulties, it may be unable to perform these obligations, which may result in losses on the certificates. No assurance can be given that RRAC will have the financial ability to effect such obligations, the risk of which may be further exacerbated by the negative impacts of the COVID-19 Outbreak, which have negatively affected the earnings and operations of RRAC and its affiliates. See "*—The COVID-19 Outbreak Has and May Continue to Adversely Affect the Global Economy and May Adversely Affect the Performance of the Mortgage Loans and the Certificates.*"

In a release dated March 27, 2020, Fitch affirmed all of its U.S. RMBS servicer ratings and revised the outlooks to "Negative" where a "Negative Outlook" did not already exist due to the evolving economic stresses and operating conditions caused by the COVID-19 Outbreak. While rating outlooks of some servicers have been upgraded since March 27, 2020, no assurances can be made that Fitch or any other rating agency will maintain its current outlook in the future.

Discretion Over the Servicing of the Mortgage Loans May Impact the Amount and Timing of Distributions on the Certificates

The mortgage loans held by the trust fund are serviced by a third-party servicer. Under the servicing agreement and pooling and servicing agreement, monthly advances are generally funded by certain advancing parties, including the servicing administrator, the master servicer, the securities administrator and the Class A-IO-S Certificates, as applicable. The obligation of the servicing administrator, the master servicer, the securities administrator and the Class A-IO-S Certificates, as applicable, to fund advances of principal and interest on behalf of a delinquent borrower is limited to the extent that the servicing administrator, the master servicer or the securities administrator, as applicable, expects to recover such monthly advances from the ultimate disposition of the mortgaged property securing the mortgage loan. The servicing administrator, the master servicer or the securities administrator, as applicable, will determine that a proposed monthly advance is nonrecoverable when, in its reasonable judgment, it believes the proposed monthly advance would not ultimately be recoverable from the related mortgagor, related liquidation proceeds or other recoveries in respect of the mortgage loan. In addition, advances of principal and interest will also not be made with respect to mortgage loans that are 120 days or more delinquent. Any of the foregoing conditions could affect the timing and amount of payments available for distribution to the certificateholders. Because of the priority of distributions, shortfalls resulting from delinquencies that are not covered by advances of principal and interest will be borne first by the Subordinate Certificates (in reverse order of distribution priority).

In addition, if principal and interest advances are made with respect to a delinquent mortgage loan, any reimbursements of those monthly advances prior to the actual collection of the amount for which the advance was made may also result in shortfalls in distributions to the holders of the certificates.

In the event of a default and ultimate liquidation of any mortgaged property, advances of principal of and interest on the related mortgage loan will be reimbursed primarily from liquidation proceeds on the mortgaged property prior to distributions on the certificates. As a result, principal and interest advances have the effect of delaying the allocation of losses to the certificates, and because such advances have an interest component that will vary over the amortization of the mortgage loan, unrecovered interest advances have the effect of decreasing the net proceeds of liquidation of the mortgaged property available for distribution on the certificates and potentially increasing loss severity. Due to advances of principal and interest, certain classes of Subordinate Certificates that would otherwise be allocated losses instead will receive regular distributions of principal and interest prior to the liquidation or modification of a mortgage loan that they otherwise would not receive in the absence of principal and interest advances. Further, classes of certificates senior to those classes of Subordinate Certificates may experience greater losses and may be subject to ratings downgrades that might be more severe than would otherwise be the case in the absence of principal and interest advances on the mortgage loans. If liquidation proceeds are insufficient, any principal and interest advances previously distributed to classes of Subordinate Certificates may not be recouped on the related mortgage loans (but may be collected from other mortgage loans prior to any distributions to certificateholders). The amount of any losses allocated to classes of certificates senior to the most subordinate class or classes of certificates may significantly increase if there are delays in liquidating or modifying defaulted mortgage loans.

Investors Will Be Dependent on Certain Third Parties Performing Their Responsibilities in an Accurate and Timely Manner

Investors are subject to the risks associated with inadequate or untimely services for reasons such as errors or miscalculations and/or failure to correctly satisfy performance obligations specified in the transaction documents. To the extent the servicer, the servicing administrator, the master servicer, the securities administrator, the custodian, the distributed ledger agent, the trustee or any other party to the transaction fails to fully perform its obligations or does not perform its obligations in accordance with the standard of performance provided in the servicing agreement, the pooling and servicing agreement, the custodial agreement, the distributed ledger agent agreement or any other transaction document, and is unable to provide any required indemnities to the issuing entity, the certificates could experience losses. The risk of such failure to perform could be more pronounced as a result of the impact of the COVID-19 Outbreak. In addition, certificateholders generally do not have the right to directly enforce remedies against the servicer, the servicing administrator, the master servicer, the securities administrator, the custodian, the distributed ledger agent, the trustee or any other party to the transaction and instead must rely on the trustee, the master servicer or the controlling holder, as the case may be, to enforce their rights under the servicing agreement, the pooling and servicing agreement, the custodial agreement, the distributed ledger agent agreement or other transaction documents. If none of the trustee, the master servicer or the controlling holder is required to take action under the terms of the servicing agreement, the pooling and servicing agreement, the custodial agreement, the distributed ledger agent agreement or any other transaction document, or if the applicable party fails to take action, certificateholders could experience losses. In addition, any risks associated with the failure of the servicer, the servicing administrator, the master servicer, the securities administrator, the custodian, the distributed ledger agent, the trustee or any other party to the transaction to perform may affect the yield to maturity of the certificates to the extent losses caused by these risks that are not covered by credit enhancement are allocated to the certificates.

Under the assignment, assumption and recognition agreement and the omnibus assignment of representations and warranties agreement, the controlling holder is the holder of a majority of the class principal amount of the Class B-5 Certificates. If the class principal amount of the Class B-5 Certificates has been reduced to zero, there is no longer a controlling holder, and all of the rights of the controlling holder under the pooling and servicing agreement, the assignment, assumption and recognition agreement and the omnibus assignment of representations and warranties agreement will revert back to the trustee on behalf of the certificateholders. The controlling holder will have the right, in its sole discretion, to pursue an action in respect of an alleged breach by an originator of a representation and warranty relating to the characteristics of the mortgage loans. In addition, if certain conditions are satisfied, holders of more than 50% of the aggregate voting interests of the Senior Certificates may direct the trustee to pursue an action against the applicable originator with respect to such breach or against RRAC if RRAC has an obligation to cure such breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to the related mortgage loan as described in this offering memorandum supplement. If there is no controlling holder, then, in certain circumstances, holders of more than 50% of the aggregate voting interests of the certificates may direct the trustee to pursue an action against such originator or RRAC with respect to an alleged breach of a mortgage loan representation and warranty. The controlling holder is under no obligation to pursue such actions and the trustee will pursue such actions only under the limited circumstances described in this offering memorandum supplement. It may also be difficult to obtain the number of certificateholder votes needed to direct the trustee to pursue such an action. Furthermore, there can be no assurance that, if the controlling holder or the trustee pursues such an action, that such action will be successful, which could result in losses on your certificates. See "*The Agreements—Representations and Warranties*" in this offering memorandum supplement.

Under the distributed ledger agent agreement, the distributed ledger agent will make available to end users (including certificateholders), via its patented digital asset platform, certain information relating to daily payments of principal and interest made with respect to the mortgage loans. On or before the closing date, the distributed ledger agent will create, using its distributed ledger technology, (i) digital mortgage assets corresponding to each mortgage loan, with each digital mortgage asset's stated principal balance as of the closing date reflecting the stated principal balance as of the closing date of each mortgage loan included in the trust fund and (ii) an aggregate portfolio containing all of the digital mortgage assets corresponding to mortgage loans included in the trust fund. Based solely on daily reports that the distributed ledger agent receives from the servicer, the distributed ledger agent will, on each business day, update the digital mortgage assets on its digital asset platform to reflect payments of principal and/or interest received by the servicer with respect to the corresponding mortgage loan. None of the information included on the distributed ledger agent's digital asset platform will be separately verified by the distributed ledger agent, the servicer, the master servicer, the securities administrator, the servicing administrator or any other transaction party. As a result, any such daily payment information provided on the distributed ledger agent's digital asset platform will be raw data from the servicer, prior to any reconciliation, calculations or other adjustments by the servicer, the servicing administrator or any other transaction party and, as such, may include, among other things, misapplied or misdirected payments or data entry or calculation errors that were included in the daily reports provided by the servicer or may reflect data entry or calculation errors by the distributed ledger agent that arise during the process of updating such daily payment information for the digital mortgage assets on the distributed ledger agent's digital asset platform. Investors should therefore be aware that any information set forth on the distributed ledger agent's digital asset platform, including any payment information that is uploaded in respect of the digital mortgage assets and/or the aggregate portfolio, may include certain data inconsistencies or other data discrepancies. To the extent that any data inconsistencies or other data discrepancies are identified between the information set forth on the distributed ledger agent's digital asset platform and the information included in the distribution statement made available to investors by the securities administrator as set forth above under "*The Agreements—Reports to Certificateholders*", the distribution statement made available to investors by the securities administrator will control in all respects. In the event that the distributed ledger agent becomes aware of any inconsistency or other data discrepancy included in the reporting it receives from the servicer, the distributed ledger agent will notify the servicing administrator for investigation and potential resolution of such discrepancies and/or inconsistencies. Investors are advised that information contained on the distributed ledger agent's digital asset platform may be inaccurate or incomplete, and may be updated periodically to correct inconsistencies, inaccuracies and/or discrepancies. Investors are encouraged to rely on the distribution statements made available to investors by the securities administrator as the official source for all information regarding the mortgage loans and the certificates.

A transfer of servicing could cause a disruption in collections due to data input errors, misapplied or misdirected payments, inadequate borrower notification, system incompatibilities and other reasons, which could result in the affected mortgage loans experiencing delinquencies and defaults, at least for a period of time, until all of the borrowers are informed of the transfer and the related servicing mortgage files and records and all the other relevant data have been obtained by the new servicer.

The Distributed Ledger Agent Is Responsible for Establishing and Maintaining a Digital Asset Platform and Providing Daily Updated Payment Information Regarding Borrowers' Mortgage Loan Payments, but This Manner of Providing Information is New and May Not Function as Intended

Blockchain technology is a relatively new, untested and evolving technology and the distributed ledger agent has limited experience building and maintaining a digital asset platform and generally performing the duties it is obligated to perform under the distributed ledger agent agreement. The servicer has only limited experience creating the daily payment files that the distributed ledger agent relies upon to perform its duties under the distributed ledger agent agreement, and any delay or disruption in the servicer's ability to timely provide reports to the distributed ledger agent may result in delays or disruptions of payment information on the distributed ledger agent's platform. As a result, only very limited prior performance history is available to investors regarding the distributed ledger agent's or the servicer's ability to perform the services set forth under the distributed ledger agent agreement.

Because blockchain technology similar to the distributed ledger agent's digital asset platform has only been used in connection with securitization reporting in a limited number of securitization transactions, the challenges that the distributed ledger agent may experience in connection with the proper functioning of its information processing systems cannot be predicted. For example, and without limitation, the distributed ledger agent may experience disruptions, delays or other challenges in receiving, processing and uploading information to its digital asset platform, and/or in granting end users access to the same, and the digital asset platform may be unavailable to end users (including certificateholders) from time to time. Furthermore, the distributed ledger agent relies on information technology networks and systems, including the internet, to receive, process and make information available to end users in connection with its obligations under the distributed ledger agent agreement. These technology networks and systems may be susceptible to damage, disruptions or shutdowns resulting from system databases or component upgrades; power outages; telecommunications or system failures; natural disasters; server or cloud provider breaches; and/or computer viruses or cyberattacks, any of which may result in the inability of end users to access information via the distributed ledger agent's digital asset platform.

Furthermore, because techniques used to obtain unauthorized access or to sabotage computer systems change frequently and generally are not recognized until launched against a target, the distributed ledger agent may be unable to anticipate these techniques or to implement adequate preventive measures. Hackers or other malicious groups or organizations may attempt to interfere with the distributed ledger agent's digital asset platform in a variety of ways, including, but not limited to, malware attacks, denial of service attacks, consensus-based attacks, Sybil attacks, double-spend attacks, smurfing, phishing and spoofing. In the event of such a software bug or weakness, there may be no remedy in connection with the resultant loss of access by end users to information via the distributed ledger agent's digital asset platform.

Regulation of digital assets and blockchain technologies currently is underdeveloped and is likely to rapidly evolve, varies significantly among international, federal, state and local jurisdictions and is subject to significant uncertainty. Various legislative and executive bodies in the United States and in other countries may in the future adopt laws, regulations, guidance or other actions, which may severely impact the development and growth of the distributed ledger agent and its platforms. Failure by the distributed ledger agent to comply with any laws, rules and regulations, some of which may not exist yet or are subject to interpretation and may be subject to change, could result in a variety of adverse consequences, including civil penalties and fines. To the extent that a domestic government or quasi-governmental agency exerts regulatory authority over blockchain or other distributed ledger networks or digital assets and the like, the effect of any such related future regulatory change is impossible to predict, but such change could be substantial and materially adverse to the development and growth of the distributed ledger agent and could materially adversely affect the distributed ledger agent's ability to provide access to end users to information via the distributed ledger agent's digital asset platform.

A Failure in or Breach of the Operational or Security Systems or Infrastructure of a Transaction Party Could Have a Material Adverse Effect on Its Business Capabilities

In the normal course of business, the servicer, the servicing administrator and the other transaction parties may receive, collect, process and retain non-public personal information regarding their customers (including mortgage loan borrowers and applicants). The sharing, use, disclosure and protection of this information is governed by the privacy and data security policies of such parties. Moreover, there are federal, state and international laws regarding privacy and the storing, sharing, use, disclosure and protection of personally identifiable information and user data. Specifically, personally identifiable information is increasingly subject to legislation and regulations, the intent of which is to protect the privacy of non-public personal information that is collected and handled. Although the servicer, the servicing administrator and the other transaction parties may devote significant resources and management focus to ensuring the integrity of their systems through information security and business continuity programs, their facilities and systems, and those of their third-party service providers, are vulnerable to external or internal security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors, or other similar events. In addition, the servicer, the servicing administrator and the other transaction parties may become subject to new legislation or regulation concerning any information such party may store or maintain and could be adversely affected if current legislation or regulations are modified such that they require changes to business practices or privacy policies.

Information security risks for the servicer, the servicing administrator and the other transaction parties have increased recently in part because of new technologies, the use of the internet and telecommunications technologies (including mobile and other connected devices) to conduct financial and other business transactions, the prevalence of remote working environments and usage of personal computers and other technological equipment as a result of the COVID-19 Outbreak, and the increased sophistication and activities of organized crime, perpetrators of fraud, hackers, terrorists and others. As a result, the servicer, the servicing administrator, other transaction parties, their respective customers, regulators and other third parties have been subject to, and are likely to continue to be the target of, cyberattacks. These cyberattacks include computer viruses, malicious or destructive code, phishing attacks, denial of service or information, improper access by employees or vendors or other security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of confidential, proprietary and other information of any transaction party, its employees, its customers or of third parties, or otherwise materially disrupt its or its customers' or other third parties' network access or business operations. In addition, due to the transition to remote working environments as a result of the COVID-19 Outbreak, there is an elevated risk of such events occurring. See "*—Turbulence in the Financial Markets and Economy May Adversely Affect the Performance and Market Value of Your Certificates and These Conditions May Not Improve in the Near Future"* and *"The COVID-19 Outbreak Has and May Continue to Adversely Affect the Global Economy and May Adversely Affect the Performance of the Mortgage Loans and the Certificates*" in this offering memorandum supplement. Despite efforts to ensure the integrity of data, it is possible that the transaction parties may not be able to anticipate or implement effective preventive measures against all security breaches, especially because the techniques used change frequently or are not recognized until launched, and because security attacks can originate from a wide variety of sources. Any penetration of network security, mobile devices or other misappropriation or misuse of personal consumer information could cause interruptions in the operations of a transaction party's businesses, financial loss to its customers, damage to its computers or operating systems and to those of its customers and counterparties and subject it to increased costs, litigation and other liabilities. In addition, the foregoing events could result in violations of applicable privacy and other laws. If this information is inappropriately accessed and used by a third party or an employee for illegal purposes, such as identity theft, the servicer, the servicing administrator or another transaction party may be responsible to the affected mortgagor and mortgage loan applicant for any losses he or she may have incurred as a result of misappropriation. In such an instance, the related transaction party may also be liable to a governmental authority for fines or penalties associated with a lapse in the integrity and security of its clients' and loan applicant's information. In any such event, litigation involving the issuing entity might ensue, and certificateholders could be adversely affected and could suffer losses or be subject to delays in receipt of distributions.

The access by unauthorized persons to, or the improper disclosure by the servicer, the servicing administrator or other transaction party of, confidential information regarding their customers, their data or their own proprietary information, software, methodologies and business secrets could interrupt such party's business or operations, result in significant legal and financial exposure, supervisory liability, damage to their reputation or a loss of confidence in the security of their systems, products and services, all of which could have a material adverse impact on their business, financial condition and results of operations (including the servicing and/or administration of the mortgage loans) and their ability to perform their obligations under the related transaction documents.

The servicer, the servicing administrator and the other transaction parties may be required to expend significant capital and other resources to protect against and remedy any potential or existing security breaches and the consequences thereof and may not have adequate insurance to cover any potential losses. Any publicized security problems affecting business operations may have a material adverse effect on the business, liquidity, financial condition, cash flows and results of operations of the servicer, the servicing administrator or another transaction party. If the business of the servicer is materially adversely affected by cyberattacks or other breaches, the servicer may not be able to fulfill its obligations under the servicing agreement which could result in a delay of remittances to the master servicer and payments to certificateholders. In addition, if the business of RRAC were to be materially adversely affected by such events, it may not be able to fulfill its remedy obligations with respect to a mortgage loan following a breach of a representation and warranty or fund any required advances or prepayment interest shortfalls.

The Lack of Experience and Financial Resources of a Servicer May Adversely Affect the Certificates

Any successor servicer to SPS may have limited experience in servicing mortgage loans and may have insufficient financial resources to meet obligations under the servicing agreement, including any obligation of such successor servicer to make monthly advances to the issuing entity or servicing advances in respect of the mortgage loans. Such lack of experience servicing mortgage loans may result in delinquencies, defaults and losses on the mortgage loans, foreclosure delays, failures in expeditiously implementing loss mitigation measures and other circumstances that may result in delayed payments to, or losses on, the certificates. Limited financial resources may result in a diminished servicing capability, a delay or failure in making monthly advances or servicing advances and other circumstances that may result in delinquencies, defaults and losses on the mortgage loans, foreclosure delays, failures in expeditiously implementing loss mitigation measures, servicing transfers and other circumstances causing delayed payments to, or losses on, the certificates. Even if the servicer has adequate financial resources currently, it may not have such resources in the future or it may not have sufficient financial resources to meet its obligations if a larger number of mortgage loans serviced by it experience delinquencies or defaults. None of the sponsor, the depositor, the seller, the initial purchasers or any other party makes any assurance that SPS or a successor servicer will have the requisite experience or financial resources to comply with its obligations under the servicing agreement.

A Servicing Transfer Could Adversely Affect the Certificates

The servicing of the mortgage loans may be transferred in the future. Any transfer of servicing involves the risk of disruption in collections due to data input errors, misapplied or misdirected payments, system incompatibilities and other reasons. As a result, mortgage loans that are the subject of a servicing transfer may experience delinquencies and defaults, at least for a period of time, until the related mortgagors are informed of the transfer (and thereafter become accustomed to submitting payment to the new servicer), and the related mortgage files and records and all other relevant data has been obtained by such new servicer. There can be no assurance as to the extent or duration of any disruptions associated with any such transfer of servicing or as to the resulting effects on the yield on the certificates.

The COVID-19 Outbreak and the resulting economic disruption it has caused may result in liquidity pressures on the servicer and any party on which the servicer may rely for funding of monthly advances. Many advancing parties have historically depended on collections that are not required to be distributed on the immediately following distribution date as a source of funds for monthly advances. In addition, to the extent that the servicer is required to make monthly advances for any other mortgage loans in its servicing portfolio, the servicer may face increased liquidity pressure across its entire servicing platform, regardless of whether or not monthly advances are required under the servicing agreement. The imposition by federal and state regulators of forbearance arrangements on servicers can also be expected to affect the servicer's liquidity, as well as the number of servicers that will be available to accept servicing transfers.

Although the extent of all liquidity pressures in the future is not known at this time, it is subject to continual change and no assurance can be given as to the extent or duration of any disruptions associated with any such transfer of servicing or as to the resulting effects on the yields on the certificates.

No Advancing of Monthly Payments with Respect to 120 Day Delinquent Mortgage Loans May Reduce the Likelihood of Receipt of All Current Interest Payments Due

None of the servicer, the servicing administrator, the master servicer, the securities administrator nor any other party is required or permitted, and the servicing rights strip will not be reduced, to make advances of scheduled interest and principal with respect to any mortgage loan that is 120 days or more delinquent (determined in accordance with the Mortgage Bankers Association methodology of determining delinquency) on the related determination date. Accordingly, on any distribution date if there are mortgage loans that are 120 days or more delinquent there will be a reduction in amounts available to pay principal and interest otherwise payable to certificateholders. Reductions in respect of interest will be applied to reduce the current period interest distributions to the most subordinate class or classes of certificates then outstanding and then to the senior classes of certificates as described herein. Such reduction would not have occurred if the servicing administrator, the master servicer or the securities administrator, as applicable, made such monthly advances of, or if the servicing rights strip were reduced to fund payments of, scheduled interest and principal until the mortgage loans were to be liquidated or the monthly advance were to be determined to be nonrecoverable. Although the sponsor believes that discontinuing advances of scheduled interest and principal when a mortgage loan becomes 120 days' delinquent will generally result in a reduced likelihood of ultimate principal losses allocated to the offered certificates, no assurances are given as to this result and the offered certificates may ultimately receive less interest than they otherwise would have if such monthly advances continued to be made. Further, although certificateholders whose distributions were reduced due to this mechanism are entitled to receive these amounts to the extent received in respect of the related 120 day or more delinquent mortgage loans, such amounts may be insufficient to fully reimburse certificateholders for such reductions. In addition, any reduction in the available distribution amount on any distribution date may also result in a certificate writedown amount with respect to the offered certificates in the manner described herein.

Each of the Servicer and the Sponsor May Have Conflicts of Interest

The servicer and any successor servicer may have conflicts of interest in making servicing decisions with respect to defaulted mortgage loans. For example, the servicer's decision to modify a mortgage loan, foreclose on a defaulted mortgage loan or continue to make advances with respect to a defaulted mortgage loan may be affected by the amount of servicing compensation or by the cost of servicing the mortgage loan that would result from that decision or if the servicer owns, or is subject to the influence or direction of a holder of, any of the certificates. The servicer's decision to modify rather than foreclose on a defaulted mortgage loan may affect the timing of its recovery of advances made with respect to that mortgage loan. If the servicer owns one or more classes of certificates, its interests may conflict with the interests of the holders of other classes of certificates.

If the servicer is also the originator of a mortgage loan, its interests as an originator in maintaining good customer relations may be in conflict with its duties as servicer. If the servicer owns a subordinate mortgage secured by the same mortgaged property that secures a mortgage loan in the mortgage pool, it may also have a conflict of interest if a servicing decision with respect to the mortgage loan in the mortgage pool might affect the value of the subordinate mortgage owned by the servicer.

The sponsor may have conflicts of interest with respect to its relationships with the distributed ledger agent and certain of the third-party review providers. An affiliate of the sponsor owns a minority stake in (i) the distributed ledger agent and (ii) a consumer finance due diligence and third-party review firm that reviewed approximately 8.66% of the mortgage loans by aggregate stated principal balance as of the cut-off date in connection with the seller's acquisition of such mortgage loans from the related originator and the sponsor's securitization thereof. The interests of each of the distributed ledger agent and such third-party review firm in maintaining good investor relations may be in conflict with its duties as distributed ledger agent and third-party review firm, respectively.

Actions to Enforce Breaches of Representations and/or Warranties Relating to Mortgage Loan Characteristics May Take a Significant Amount of Time or Cause Delays or Reductions in the Amount of Payments Made to Certificateholders and May Become Barred by the Statute of Limitations

The process for determining whether there has been a breach of a representation and warranty that materially and adversely affects the value of, or the interest of the certificateholders in, a mortgage loan, and the obligation to cure such breach in respect of, or to repurchase, substitute for or make an indemnification payment with respect to such mortgage loan, may be time-consuming and could result in delays in distributions on the certificates. As described under "*The Agreements—Representations and Warranties*" below, the controlling holder or the trustee may pursue an action to enforce an alleged breach, which may include an arbitration proceeding. Additionally, the controlling holder or, if there is no longer a controlling holder, the trustee, will review or cause to be reviewed each mortgage loan that has been delinquent for more than 120 days, other than any such mortgage loan that was the subject of a previous arbitration proceeding under the related purchase agreement, to determine whether any breaches of the representations and/or warranties given by the originator under the related purchase agreement have occurred or if RRAC has an obligation to cure a breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to the related mortgage loan pursuant to the mortgage loan purchase agreement. If certain conditions are satisfied, the certificateholders may compel the controlling holder or the trustee to pursue an action even if, based upon its review, that party concluded that there was no evidence of a breach of a representation and warranty. These procedures may take substantial time, which could result in delays, increased costs and losses to certificateholders.

The New York Court of Appeals, which is New York State's highest court, has ruled that under New York law, any claim for a breach of representations or warranties concerning the characteristics of mortgage loans accrues on the date the representations and warranties are made, and not on the date that the breach is discovered. This rule may apply even if the breach is not discovered until after the statute of limitations has run. The statute of limitations under New York law for these types of claims is generally six (6) years. Most, if not all, of the mortgage loans have been acquired pursuant to purchase agreements with the originators that are governed by New York law, and the purchase agreement between the seller and the depositor is also governed by New York law. If New York law applies to the claims, any claims for breach of representations and warranties concerning the mortgage loans, including failure to repurchase mortgage loans, may be barred if litigation is not commenced within six (6) years after the date the representations and warranties are made by the related originator under the related purchase agreement or by RRAC under the mortgage loan purchase agreement. A shorter or longer statute of limitations may apply if another state's law is found applicable. In addition, the transaction documents specify that any pre-litigation notice and cure requirements stated therein must be complied with prior to the commencement of litigation.

On October 16, 2018, *in Deutsche Bank Nat'l Tr. Co. Tr. for Harborview Mortg. Loan Tr. v. Flagstar Capital Markets Corp.*, the New York Court of Appeals addressed an "accrual clause" in a contract that purported to delay the accrual of a cause of action for a breach of representation and warranty on mortgage loans until after discovery of the breach, failure to cure or repurchase and demand for compliance. The court ruled the accrual clause was unenforceable on the grounds that these provisions did not constitute a substantive condition precedent to defendant's obligation to deliver loans that complied with the representations and warranties. The court also held that any such accrual provision in a contract specifying a set of conditions that would have delayed accrual of a breach of contract cause of action was unenforceable as against public policy. More recently, on November 25, 2019, in *Deutsche Bank National Trust Company, et al v. Barclays Bank PLC et al.*, the New York Court of Appeals held that California's four-year statute of limitations applied to breach of representations and warranties claims brought by a securitization trustee of a New York common law trust under transaction documents that were governed by New York law. The court held that the plaintiff trustee's state of incorporation and principal place of business in California provides the place of location of the plaintiff's injury for purposes of assessing which state's statute of limitations applies. Any application of a jurisdiction's statute of limitations could reduce the amount recoverable by the trust and have an adverse impact on the performance of the certificates, especially the subordinated certificates.

Bankruptcy or Insolvency of a Transferor Could Result in Losses on the Certificates

The seller will acquire, or has acquired, the mortgage loans either directly from an entity that originated the mortgage loans or from a direct or indirect transferee of an entity that originated the mortgage loans. The seller will then sell the mortgage loans to the depositor and the depositor will sell the mortgage loans to the trustee for the benefit of the certificateholders. The depositor believes, based on the terms of the relevant documents (in certain cases) and on certifications provided by transaction parties (in other cases) that each transfer of the mortgage loans by a transferor to a transferee will be a sale, so that the transferee will be the owner of the mortgage loans. Nonetheless, if any transferor were to go into bankruptcy or become the subject of a receivership or conservatorship, and a party in interest (including the transferor) were to assert that the transfer of the mortgage loans to the transferee was not a sale, but rather should be recharacterized as the grant of a security interest in the mortgage loans to secure a borrowing by the transferor, delays in distributions on the certificates could result. If a court were to adopt such a position, then delays or reductions in distributions on, or other losses with respect to, the certificates could result.

Since the financial crisis, a number of originators of residential mortgage loans have experienced serious financial difficulties and, in some cases, have become subject to bankruptcy proceedings or entered conservatorship or receivership or gone out of business. Originators may face additional financial difficulties as a result of the economic impact of the COVID-19 Outbreak. Should a transferor of mortgage loans go into bankruptcy or become the subject of a receivership or conservatorship, there could be other adverse effects that could result in delays or reductions in distributions on, or other losses with respect to, the certificates. These adverse effects could include, but may not be limited to, one or more of the following. The parties may be prohibited (unless authorization is obtained from the court or the receiver or conservator) from taking any action to enforce any obligations of the transferor under any transaction document or to collect any amount owing by the transferor under any transaction document. In addition, with the authorization of the court or the receiver or conservator, the transferor may be able to repudiate any of the transaction documents to which it is a party. Such a repudiation would excuse the transferor from performing any of its obligations, and the rights of the transferee under the transaction documents may be limited or eliminated. Such a repudiation could also excuse the other parties to the transaction documents from performing any of their obligations. In particular, a transferor may be able to repudiate its obligations to cure or otherwise rebut breaches in respect of, or repurchase, substitute for or make an indemnification payment with respect to the related mortgage loans, as required by the transaction documents.

One or more of the transferors are banks that are subject to regulation by the FDIC. The FDIC has indicated that it may treat as property of a bank in receivership or conservatorship (i) any property that is shown as an asset on the financial statements of a bank, or (ii) any property that the bank previously transferred if the bank retains a continuing economic interest in the transferred assets. The FDIC has indicated that it may assert these positions notwithstanding that the assets have been sold as a matter of law. The depositor has taken certain steps to try to prevent any of the mortgage loans from being shown as assets on the financial statements of any transferor that is a bank. The depositor, however, can provide no assurances that its efforts will be successful. In addition, it is possible that a transferor that is a bank will purchase certificates and as a result, the FDIC will take the position that the bank has retained a continuing economic interest in the mortgage loans. The depositor cannot provide any assurance that a court will not accept the FDIC's positions. As a result, should a transferor that is a bank become the subject of a receivership or conservatorship, should the mortgage loans be shown as assets on its financial statements or should it own any certificates, and should the FDIC's position prevail, then the issuing entity may not own all the mortgage loans and there may be delays in payments or losses on the certificates. There may also be delays in payments while these issues are being resolved by the FDIC or a court.

The transfers of the mortgage loans by the bank originators are not expected to qualify for the securitization safe harbor adopted by the FDIC for securitizations sponsored by insured depository institutions (12 C.F.R. § 360.6); however, the safe harbor is non-exclusive. In addition, the transfers of the mortgage loans by the seller and the depositor may not be treated as a sale for accounting purposes. If that is the case, there is a higher risk that the transfers of the mortgage loans will not be treated as a sale in a bankruptcy or other insolvency proceeding, but would instead be recharacterized as the grant of a security interest in the mortgage loans to secure a borrowing by the related transferor.

One or more of the transferors are credit unions that are subject to regulation by the National Credit Union Administration (the "NCUA"). In 2014 the NCUA proposed adopting a securitization safe harbor rule regarding insolvent credit unions that would be similar to the FDIC's rule described above. The NCUA has not yet adopted a final rule, however.

Similar issues could arise if any transferor of mortgage loans, or any affiliate of a transferor, is designated by the Secretary of the Treasury as systemically important and then subjected to a receivership as set forth in the "orderly liquidation authority" provisions of Title II of the Dodd-Frank Act.

There may be other possible effects of a bankruptcy or insolvency of a mortgage loan transferor that could result in delays or reductions in distributions on, or other losses with respect to, the certificates.

Moreover, and irrespective of any ruling made by a court, the mere fact that a mortgage loan transferor or any of its affiliates has become insolvent or gone into bankruptcy, conservatorship, or receivership, even absent a breach of a specific representation or warranty made or assigned by such transferor with respect to the mortgage loans, could have an adverse effect on the value of the mortgage loans and on the liquidity and value of the certificates.

Bankruptcy or Insolvency of the Servicer, the Servicing Administrator, an Owner of Servicing Rights or the Master Servicer Could Result in Losses on the Certificates

The servicer will be permitted to commingle collections on the mortgage loans with its own funds for up to two (2) business days. In addition, the servicer will deposit collections in an account that is not under the control of the trustee, and collections will be held in this account before they are remitted each month to the master servicer. In the event the servicer goes into bankruptcy or becomes the subject of a receivership or conservatorship, the issuing entity, the trustee and the holders of the certificates may not have a perfected or priority interest in any collections on mortgage loans that are in the servicer's possession or have not been remitted to the master servicer at the time of the commencement of the bankruptcy or similar proceeding. The servicer may not be required to remit to the master servicer any collections on mortgage loans that are in its possession or have not been remitted to the master servicer at the time it goes into bankruptcy or becomes subject to a similar proceeding.

To the extent that the servicer has commingled collections of mortgage loans with its own funds, the holders of the certificates may be required to return to the servicer as preferential transfer payments received on the certificates.

If the servicer, the servicing administrator or the master servicer were to go into bankruptcy or become the subject of a receivership or conservatorship, it may stop performing its functions as servicer, servicing administrator or master servicer, and it may be difficult to find a third party to act as successor servicer, servicing administrator or master servicer. Alternatively, the servicer, the servicing administrator or the master servicer may take the position that unless the amount of its compensation is increased or the terms of its obligations are otherwise altered, it will stop performing its functions as servicer, servicing administrator or master servicer. If it would be difficult to find a third party to act as successor servicer, servicing administrator or master servicer, the parties, as a practical matter, may have no choice but to agree to the demands of the servicer, the servicing administrator or the master servicer. The servicer, the servicing administrator or the master servicer may also have the power, with the approval of the court or the receiver or conservator, to assign its rights and obligations to a third party without the consent, and even over the objection, of the parties, and without complying with the requirements of the applicable documents.

If the servicer, the servicing administrator or the master servicer is in bankruptcy or the subject of a receivership or conservatorship, then the parties may be prohibited (unless authorization is obtained from the court or the receiver or conservator) from taking any action to enforce any obligations of the servicer, the servicing administrator or the master servicer under the applicable documents or to collect any amount owing by the servicer, the servicing administrator or the master servicer under the applicable documents.

If the servicer, the servicing administrator or the master servicer is in bankruptcy or the subject of a receivership or conservatorship, then, despite the terms of the documents, the parties may be prohibited from terminating the servicer, the servicing administrator or the master servicer and appointing a successor servicer, servicing administrator or master servicer.

It is possible that a period of adverse economic conditions (particularly in light of the COVID-19 Outbreak) resulting in high defaults and delinquencies on the mortgage loans will pose a potential insolvency risk to the servicer if its servicing compensation is less than its cost of servicing.

RRAC is the owner of the servicing rights of the mortgage loans. If an owner of servicing rights is in bankruptcy or is the subject of a receivership or conservatorship, then, despite the terms of the documents, the parties may be prohibited from terminating the servicer or the servicing administrator. In addition, an owner of the servicing rights may have the power, with the approval of the bankruptcy court or the receiver or conservator, to transfer servicing from the servicer to a third party, to transfer its rights as servicing administrator to a third party, or to transfer the servicing rights, without the consent, and even over the objection, of the parties, and without complying with the requirements of the applicable documents. Such a transfer may have the effect of terminating the existing servicer or servicing administrator, and replacing it with a new servicer or servicing administrator, regardless of the terms of the documents.

The occurrence of any of these events could result in delays or reductions in distributions on, or other losses with respect to, the certificates. There may also be other possible effects of a bankruptcy, receivership or conservatorship of the servicer, the servicing administrator, the master servicer or an owner of servicing rights that could result in delays or reductions in distributions on, or other losses with respect to, the certificates. Regardless of any specific adverse determinations in a bankruptcy, receivership or conservatorship of the servicer, the master servicer, the servicing administrator or an owner of servicing rights, the fact that such a proceeding has been commenced could have an adverse effect on the value of the mortgage loans and the liquidity and value of the certificates.

The Trustee May Not Have a Perfected Interest in Collections Held by the Servicer

The servicer will be permitted to commingle collections on the mortgage loans with its own funds for up to two (2) business days. In addition, the servicer will deposit collections in an account that is not under the control of the trustee, and collections will be held in this account before they are remitted each month to the master servicer. If the servicer is unable to, or fails to, turn over collections as required by the transaction documents, then the issuing entity, the trustee and the holders of the certificates may not have a perfected or priority interest in any collections that are in the servicer's possession or have not been remitted to the master servicer.

Stricter Enforcement of Foreclosure Rules and Documentation Requirements May Cause Delays and Increase the Risk of Loss

Courts and administrative agencies have been enforcing more strictly existing rules regarding the conduct of foreclosures, and in some circumstances have been imposing new rules regarding foreclosures. Some courts have delayed or prohibited foreclosures based on alleged failures to comply with technical requirements. State legislatures have been enacting new laws regarding foreclosure procedures. For example, on May 3, 2022, the New York State Senate passed New York Senate Bill No. 2143 ("S2143"), which, if enacted, could expand the Servicer's or the Issuer's liability to borrowers for violations of New York's mortgage servicing laws and regulations by creating a private right of action to enforce New York's mortgage servicing laws and regulations, or to bring counterclaims for injunctive relief. Under S2143, a borrower may assert any noncompliance during the course of the servicing of the borrower's mortgage loan as a defense to a foreclosure action, regardless of whether the alleged action was committed by the current servicer or a prior servicer of such mortgage loan. In addition, in February 2022, the New York State Senate introduced New York Senate Bill No. 5473 ("S5473"), which could adversely affect the ability of the Servicer to foreclose on mortgaged properties in New York by limiting the instances in which the relevant statute of limitations can be re-set by the lender and by barring certain actions taken by lender once such statute of limitations has run. In some cases, law enforcement personnel have been refusing to enforce foreclosure judgments. The Governor of New York signed S5473 on December 30, 2022. There can be no assurance what impact S5473 will have on the servicer or foreclosure actions in general for any mortgage loans in New York. In addition, more borrowers are using legal actions, including filing for bankruptcy, to attempt to block or delay foreclosures. Furthermore, in response to the COVID-19 Outbreak and the resulting economic impact, certain states have enacted (and other states may, following the closing date, enact) moratoriums on foreclosures and evictions or otherwise restrict the foreclosure activities of mortgage servicers, as described under "*—Turbulence in the Financial Markets and Economy May Adversely Affect the Performance and Market Value of Your Certificates and These Conditions May Not Improve in the Near Future*" herein. As a result, the servicer may be subject to delays in conducting foreclosures and the expense of foreclosures may increase, resulting in delays or reductions in distributions on the certificates.

Borrowers have been increasingly successful in challenging or delaying foreclosures based on technical grounds, including challenges based on alleged defects in the mortgage loan documents and challenges based on alleged defects in the documents under which the mortgage loans were securitized and challenges asserting statute of limitations defenses, particularly in the State of New York where the statute of limitations runs for six (6) years. In a number of cases, such challenges have delayed or prevented foreclosures. In addition, foreclosure moratoriums and the closure of federal, state and local administrative offices relating to the COVID-19 Outbreak may impact the mortgage loans as further described under "*—The COVID-19 Outbreak Has and May Continue to Adversely Affect the Global Economy and May Adversely Affect the Performance of the Mortgage Loans and the Certificates*." Although the sponsor's custodian will conduct a review of the mortgage files, as discussed under "*The Agreements—Assignment of the Mortgage Loans*," such measures may not be sufficient to prevent document defects that could cause delays or prevent a foreclosure. It is possible that there will be an increase in the number of successful challenges to foreclosures by borrowers. Curing defective documents required to conduct a foreclosure will cause delays and increase costs, resulting in losses on the certificates.

The Recording of the Mortgages in the Name of MERS Could Increase the Risk of Loss

The mortgages or assignments of mortgage for some of the mortgage loans have been recorded in the name of Mortgage Electronic Registration Systems, Inc. ("MERS"), solely as nominee for the applicable originator and its successors and assigns, including the issuing entity. If a mortgage is recorded in the name of MERS, MERS electronically records the identity of the beneficial owner of that loan internally on the MERS system. Subsequent assignments of those mortgages are registered electronically in MERS records but not in the applicable county or other local land records.

The making of and recording of mortgages in the name of MERS, and the operation of the related MERS registration system, has been challenged through the judicial system and there has been public disclosure that MERS is facing or has faced government investigations relating to its operations. Most judicial decisions have accepted MERS as mortgagee or beneficiary, have upheld the validity of mortgages and deeds of trust in which MERS is a named party, and have confirmed the authority of MERS or its assignees (including securitization trustees to whom a post-transfer assignment is made) to foreclose as mortgagee or beneficiary or nominee, and most related challenges to MERS have not been successful. However, there have been some court decisions where the result was not favorable to MERS. For instance, judicial precedent established by Maine's high court does not permit mortgage noteholders to foreclose where MERS is named as the lender's nominee in the mortgage. Until Maine's high court or legislature provides further guidance, Maine ostensibly requires an assignment of mortgage from the original lender or successor-in-interest and an assignment from MERS to proceed in foreclosure. Moreover, assignments from the original lender to MERS as nominee may also be deemed ineffective to convey the lender's full powers under the mortgage. In addition, several recent court decisions in Maine have denied lenders the right to institute a second foreclosure action on a mortgage if the first foreclosure action was dismissed, quieting title in favor of the mortgagors. In addition, the Kansas Supreme Court ruled that MERS was not a contingently necessary party to a mortgage foreclosure suit, although it was a named party to a mortgage, because MERS did not have an economic interest that was impaired by its failure to receive notice of the foreclosure suit. While the court specifically did not decide whether MERS was entitled to notice and service of the foreclosure action, a lower Kansas court or a court in another jurisdiction could follow the dicta in this case as supportive of some finding adverse to the validity of MERS' interest insofar as MERS has no right to repayment of the mortgage debt. The Washington Supreme Court has likewise ruled that if MERS is not the holder of a mortgage note, then it is not considered to be the "beneficiary" for purposes of non-judicial foreclosures in Washington state. Furthermore, the United States Bankruptcy Court for the Eastern District of New York has issued a memorandum decision addressing whether the alleged holder of a mortgage loan had sufficient status as a secured creditor to seek relief from the automatic bankruptcy stay to pursue a foreclosure action. After resolving the primary issue in controversy on purely procedural grounds and granting the requested relief, the court made certain observations in dicta about whether the trustee in the case before it, which had been assigned the mortgage by MERS, qualified as a secured creditor under New York law with standing to file a motion for relief from stay. The court noted that (i) neither the mortgage loan servicer (acting on behalf of the noteholder, a trustee for a securitization trust) nor MERS (as intervenor in the case) had proven in that proceeding that the trustee was the holder or owner of the related mortgage note and (ii) there was no proof in that proceeding that MERS had acted within the scope of its agency relationship when it assigned the mortgage. The bankruptcy court, therefore, concluded that MERS had lacked sufficient legal authority to validly assign the mortgage to the trustee. While the bankruptcy court's analysis of MERS was not essential to the actual holding of the case, it was intended to provide guidance in other cases before that court where a motion for relief from stay was pending and arguments were being made that the creditor, which had taken an assignment of mortgage from MERS, had no standing. The decision was appealed to the United States District Court for the Eastern District of New York, which vacated the above-referenced portions of the bankruptcy court's opinion which discussed the creditor's standing as an "unconstitutional advisory opinion." An adverse decision in any jurisdiction may delay foreclosures, increase costs and adversely affect distributions on the certificates.

Governmental authorities have also raised legal challenges to the operations of MERS. A suit was filed by the Massachusetts Attorney General against MERS and several lender/servicers; the claims against MERS in that case were dismissed, and the suit ultimately settled between the remaining parties. Suits filed by the New York Attorney General, the Kentucky Attorney General and the Delaware Attorney General against MERS have been settled. Many cases involving issues related to MERS and the MERS system are pending, and more may continue to be filed. The law in this area continues to develop, and the course of decisions and their implications, cannot be predicted or accurately evaluated.

Challenges to MERS, of these types and others, could result in delays and additional costs in commencing, prosecuting and completing foreclosure proceedings and conducting foreclosure sales of mortgaged properties, or in adverse results that may affect the ability to foreclose. In addition, if the use of MERS or the MERS system is discontinued in any particular jurisdiction, it will become necessary or appropriate for the depositor or the servicer to record or cause the recordation of assignments of those mortgages to the trustee for the issuing entity. Any expenses relating thereto will be paid by the issuing entity and will reduce the amounts available to make distributions on the certificates. These delays and additional costs, and any adverse results, could increase the amount of losses on the mortgage loans and result in delays and reductions in the distribution of liquidation proceeds to certificateholders.

Furthermore, due to the COVID-19 Outbreak, it is possible that local recording offices will be operated by reduced in-person staff, which could prevent the servicer from recording assignments of mortgages as and when required by the terms of the servicing agreement. These delays could in turn delay the timely distributions on the certificates and increase the severity of losses on the mortgage loans.

Delays in Endorsing Notes and Recording Assignments of Mortgage Could Increase Risk of Loss

After the closing date, assignments of mortgage to the trustee will be prepared and delivered to the custodian, and these assignments of mortgage will be recorded. As a result, for some period of time after the closing date, record title to each mortgage will not have been assigned to the trustee. Similarly, the mortgage notes will not be endorsed to the trustee until after the closing date.

The delay in recording the assignments of the mortgages in the name of the trustee could result in the loss of the underlying mortgage liens. For example, prior to the recording of the assignments, the mortgage lien could be discharged if the record owner filed a release or satisfaction of such mortgage lien, whether inadvertently or intentionally. A loss of the underlying mortgage lien also could occur if a governmental authority or a homeowners association foreclosed on the mortgaged property and notice to the record owner was not forwarded to the servicer in a timely manner. Furthermore, due to the COVID-19 Outbreak, it is likely that many local recording offices will be closed for extended periods of time which could prevent the servicer from recording assignments of mortgage as and when required by the terms of the servicing agreement. See "*—The COVID-19 Outbreak Has and May Continue to Adversely Affect the Global Economy and May Adversely Affect the Performance of the Mortgage Loans and the Certificates*."

In addition, any failure to record or the delay in recording assignments of mortgage could impair the ability of the servicer to take timely servicing actions with respect to the mortgage loans, which could reduce the value realized from such mortgage loans. Some of the assignments may be assignments in blank that have been filled in. Questions have been raised about the validity and enforceability of assignments in blank. The servicer may have to record the related assignments of mortgage prior to filing a foreclosure proceeding. The expenses of recording will be treated as servicing advances and will reduce the amount available to make distributions on the certificates. There could be delays in commencing the foreclosure proceedings as a result of the need to record assignments of mortgages, which could lead to delays or reductions in distributions on the certificates. If the related assignments cannot be located at the time of foreclosure, if an assignment is missing in the chain of title, or if an assignment in blank that has been filled in cannot be recorded, it may not be possible to foreclose.

It may not be possible to commence foreclosure proceedings until the related mortgage note has been endorsed to the trustee. If a necessary endorsement is missing and cannot be obtained, it may not be possible to foreclose.

Furthermore, the inability of the servicer, because it is not the mortgagee of record, to timely release the lien of the mortgage on a mortgage loan that has been paid in full could expose the issuing entity to claims and liability for violations of applicable law, thus reducing the amount available to make distributions on the certificates.

If the prior owner that is the mortgagee of record were to go into bankruptcy or similar proceedings within ninety (90) days (or in some cases, one year) after the post-closing recording of any assignment, it may be possible for the recorded assignment to be avoided as a preferential transfer, so that there is no effective assignment of record, possibly leading to consequences of the type described above. There may be other consequences of a failure to record assignments if the prior owner goes into bankruptcy or similar proceedings before the relevant assignments are recorded. If the prior owner is a bank that goes into conservatorship or receivership, a failure to record assignments may permit the FDIC as receiver or conservator of the prior owner to challenge the transfer.

The occurrence of any of these circumstances could result in delays or reductions in distributions on the certificates, or other losses.

There May Be Conflicts of Interest among Various Classes of Certificates

There may be conflicts of interest among classes of certificates due to differing payment priorities and terms. Investors in the offered certificates should consider that certain decisions may not be in the best interests of each class of certificateholders and that any conflict of interest among different certificateholders may not be resolved in favor of investors in the offered certificates. For example, certificateholders may exercise their voting rights so as to maximize their own interests, resulting in certain actions and decisions that may not be in the best interests of different certificateholders.

The holder (or holders) of the majority of the class principal amount of the Class B-5 Certificates will have certain rights as the "controlling holder" with respect to the certificates. The controlling holder's interests as the holder of the requisite amount of such class of Subordinate Certificates may conflict with those of other holders of the offered certificates. In addition, the controlling holder's interest in pursuing potential breaches of representations and/or warranties against an originator or RRAC, as applicable, with which it maintains a relationship may not align with the interests of other holders of the offered certificates.

Changes in the Market Value of the Certificates May Not Be Reflective of the Performance or Anticipated Performance of the Mortgage Loans Underlying the Certificates

The market value of the certificates can be volatile. These market values can change rapidly and significantly and changes can result from a variety of factors. However, a decrease in market value may not necessarily be the result of deterioration in the performance or anticipated performance of the mortgage loans underlying those certificates. For example, changes in interest rates, home prices, perceived risk, supply and demand for similar or other investment products, accounting standards, ratings criteria, applicable law, regulatory and capital requirements that apply to regulated financial institutions, and other factors that are not directly related to the mortgage loans underlying the certificates can adversely and materially affect the market value of the certificates.

The Marketability of Your Certificates May Be Limited

The offered certificates have not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act"), or qualified under the securities laws of any other jurisdiction, and may not be offered or sold except (a) in the United States, to persons that are "qualified institutional buyers" in reliance on Rule 144A under the Securities Act ("Qualified Institutional Buyers") and (b) outside the United States, to persons that are not U.S. persons ("Non-U.S. Persons" (as defined in Regulation S under the Securities Act)) in offshore transactions in reliance on Regulation S under the Securities Act. The offered certificates are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and in accordance with the other restrictions on transfer set forth in the pooling and servicing agreement.

The initial purchasers intend to make a secondary market for the classes of offered certificates that they purchase, but neither the initial purchasers nor any other person will have any obligation to do so. We cannot assure you that a secondary market for your certificates will develop or, if it develops, that it will continue. Consequently, you may not be able to find a buyer to buy your certificates readily or at prices that will enable you to realize a desired yield (particularly in light of the impact of the COVID-19 Outbreak). Illiquidity can have a severe adverse effect on the market value of your certificates.

Developments in the residential mortgage market in the United States, and credit markets generally, have greatly reduced, and in some time periods, virtually eliminated any liquidity for mortgage-backed securities, such as the certificates. The secondary mortgage markets have experienced and could continue to experience unprecedented and significant disruptions resulting from, among other things, reduced investor demand for mortgage loans and mortgage-backed securities, increased investor yield requirements for those loans and securities, downgrades of the ratings of mortgage-backed securities and monoline insurers by the rating agencies and liquidations of investment portfolios, collateralized debt obligations and structured investment vehicles that contain mortgage-backed securities. Fluctuating investor confidence in the mortgage industry also could contribute to illiquidity in the market for mortgage-backed securities, generally. In addition, recent regulatory interpretations by the Securities and Exchange Commission under Exchange Act Rule 15c2-11 may further restrict the ability of brokers and dealers to publish quotations on the offered certificates on any interdealer quotation system or other quotation medium after January 4, 2025. As a result of all of the foregoing, the secondary market for mortgage-backed securities has recently experienced extremely limited liquidity. These conditions may continue or worsen in the future, especially in light of the economic impact of the COVID-19 Outbreak.

The Servicing Fee May Need to Be Increased in Order to Engage a Replacement Servicer

The servicing fee payable to the servicer is determined by certain factors agreed to between the servicer and the servicing administrator, although the aggregate fees payable to the servicer and the servicing administrator are based on a percentage of the outstanding mortgage loan balance of the mortgage loans. No assurance can be made that such fee rate in the future will be sufficient to attract a replacement servicer or subservicer to accept an appointment, although the master servicer will have the right to increase the servicing fee if necessary and appropriate in order to engage a replacement servicer. Any increase in the servicing fee paid to a replacement servicer will decrease the amount of collections available for distribution to the certificateholders and may decrease the interest entitlement for any class of certificates entitled to interest at a pass-through rate equal to or limited by Net WAC.

Potential Conflicts of Interest of the Initial Purchasers

Due to the diverse nature of the business activities of the initial purchasers and their affiliates, the initial purchasers may from time to time have economic interests in the performance of residential mortgage loans or mortgage-backed securities that may include holding, buying or selling residual interests in securitized pools of loans, various classes of mortgage-backed securities that differ in entitlement to cash flow and allocation of losses, interests in the form of derivatives such as credit default swaps, or long or short positions with respect to mortgage-backed securities or indices that track the performance of certain mortgage-backed securities. For reasons of client confidentiality and the management of their respective businesses, the initial purchasers will not disclose any such activities or information.

Additionally, the initial purchasers may from time to time perform investment banking services for, or solicit investment banking business from, any person named in this offering memorandum supplement. The initial purchasers and/or their respective employees or customers may from time to time have a long or short position in the offered certificates. With respect to the initial purchasers, these long or short positions may be as a result of any market making activities with respect to the offered certificates. The initial purchasers and their affiliates may establish, maintain, adjust or unwind hedge positions with respect to the offered certificates or sell, increase or liquidate any positions in any of the offered certificates at any time. For reasons of client confidentiality and the management of their own businesses, the initial purchasers will not disclose any such activities or information.

Furthermore, the sponsor and its affiliates also have secured lines of credit with the initial purchasers or their affiliates to finance their holdings of mortgage loans and securities, including certain of the mortgage loans in this transaction. The initial purchasers may enter into a repurchase agreement with an affiliate of the sponsor to finance any purchase by such affiliate of a portion of the offered certificates on the closing date.

Risk of Holdback

In connection with the terminations of certain RMBS transactions, the related trustee and one or more other transaction parties have held back a significant portion of the purchase proceeds to cover their unreimbursed and anticipated costs and expenses related to defense of litigation concerning the related trusts. Such holdbacks resulted in the allocation of realized losses to the certificates of such RMBS transactions at the time of termination. If the clean-up call is exercised in this transaction, to the extent that the securities administrator or trustee anticipates that they or other transaction parties will be responsible for ongoing expenses following the termination of the issuing entity, they may withhold a portion of the termination price from distribution to the certificateholders, resulting in a potential loss to certificateholders, and in any event a delay in payment of the entire termination price to investors, at the time of termination.

Combination or "Layering" of Multiple Risk Factors May Significantly Increase the Risk of Loss on Your Offered Certificates

Although the various risks discussed in this offering memorandum supplement and the accompanying offering memorandum are generally described separately, prospective investors in the offered certificates should consider the potential effects on the offered certificates of the interplay of multiple risk factors including specifically those related to the performance of the underlying mortgage loans. Where more than one significant risk factor is present, including those related to mortgage loans such as the layering of a combination of higher risk loan-to-value, combined loan-to-value, credit score, second homes, higher debt-to-income, or any other higher risk credit risk category, the risk of loss on your offered certificates may be significantly increased. The risks relating to certain factors set forth in this offering memorandum supplement may be more pronounced as a result of the impact of the COVID-19 Outbreak. In considering the potential effects of layered risks, you should carefully review the descriptions of the mortgage loans and the offered certificates. See "*Description of the Mortgage Pool*" and "*Description of the Certificates*" in this offering memorandum supplement.

DESCRIPTION OF THE MORTGAGE POOL

Wherever reference is made herein to a percentage or weighted average of some or all of the mortgage loans, that percentage or weighted average (unless otherwise specified) is determined on the basis of the aggregate stated principal balance of such mortgage loans as of the cut-off date.

General

On the closing date, the assets of the issuing entity will include approximately 355 fixed rate mortgage loans, all of which have original terms to maturity of 25 or 30 years. The aggregate stated principal balance of the mortgage loans as of the cut-off date was approximately $332,596,979. The cut-off date for the transaction is January 1, 2023. All payments due in respect of the mortgage loans after the cut-off date will be assets of the trust fund. The statistical information does not take into account any prepayments in full or in part that may have occurred between the cut-off date and the date of this offering memorandum supplement.

All of the mortgage loans are secured by first liens on single family residential properties, planned unit developments and condominiums.

Approximately 10.60% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by CrossCountry, approximately 7.32% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by PrimeLending, approximately 6.98% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by Fairway, approximately 6.09% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by Caliber, approximately 5.72% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by Homepoint and approximately 5.09% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by Finance of America, and in each case, all of such mortgage loans were acquired, directly or indirectly, by the seller. The remainder, approximately 58.19% of the mortgage loans by aggregate stated principal balance as of the cut-off date, were originated by various mortgage lending institutions and were also acquired by the seller (or were acquired from such mortgage lending institutions by other aggregators and in turn, sold to the seller), with each such mortgage lending institution generally having originated fewer than 5% of the mortgage loans by aggregate stated principal balance as of the cut-off date. Each mortgage loan was generally underwritten and evaluated prior to acquisition by the seller in accordance with (i) the Current RRAC Criteria or the Prior Criteria, in either case, for RRAC's two (2) traditional super prime jumbo programs (Select and Select AUS), the related expanded credit origination programs (Select 90), and RRAC's additional expanded credit origination program (Choice) or (ii) the Agency Criteria. Additionally, certain of the mortgage loans were generally underwritten and evaluated prior to acquisition by the seller in accordance with the Agency Criteria. None of the mortgage loans will be insured or guaranteed by any government agency. In addition, the transaction may include mortgage loans which may have been underwritten to, and evaluated by the applicable third-party reviewer against, the guidelines of the related originators, each of which generally are substantially similar to the Applicable RRAC Criteria.

The underwriting guidelines generally applied by the originators in originating or acquiring the mortgage loans and the Applicable RRAC Criteria generally applied when acquiring the mortgage loans are described under "*The Originators*" and "*Acquisition of Mortgage Loans by the Seller*" in this offering memorandum supplement and "*Loan Program*" in the accompanying offering memorandum. Approximately 11.27% of the mortgage loans as of the cut-off date with an aggregate stated principal balance as of the cut-off date of approximately $37,494,916 were originated with exceptions to the applicable originator's underwriting guidelines (if applicable) or the Applicable RRAC Criteria, such as, for example, credit scores that were lower than required and/or loan-to-value ratios that were higher than program guidelines. In these instances, compensating factors were present, such as documented excess funds in reserves, FICO scores within the guidelines, job stability and/or debt-to-income ratios below the guidelines. See "*Annex A—Exceptions to the Applicable RRAC Criteria*" in this offering memorandum supplement.

Mortgage loans originated to the underwriting guidelines of the related originator may have been acquired by the seller from the respective originators for inclusion in this transaction based on an evaluation of such mortgage loan's compliance with the applicable originator's underwriting criteria in lieu of the Applicable RRAC Criteria. The amount of any such mortgage loans as of the cut-off date is not expected to be material. Any such mortgage loans may have been originated with exceptions to the related originator's underwriting guidelines, such as credit scores that were lower than required.

The sponsor obtained an updated FICO score for the mortgage loans for which the related FICO score obtained at origination was more than six (6) months old as of the closing date. As a result, an updated FICO score was obtained with respect to two hundred forty-seven (247) mortgage loans representing approximately 68.60% of the mortgage loans by aggregate stated principal balance as of the cut-off date. The weighted average updated FICO score for the mortgage loans for which updated FICO scores were obtained is approximately 758. The weighted average FICO score obtained at origination with respect to all of the mortgage loans in the mortgage pool by aggregate stated principal balance as of the cut-off date is approximately 765.

The mortgage loans will be acquired, directly or indirectly, by the seller from each originator, and will be acquired by the depositor from the seller. The depositor will, in turn, convey the mortgage loans to the trustee for the benefit of the certificateholders. The servicer will service the mortgage loans, directly or through subservicers, pursuant to the existing servicing agreement with the seller, which has been assigned to the issuing entity with respect to the mortgage loans. We refer you to "*The Agreements—Assignment of the Mortgage Loans*" in this offering memorandum supplement.

Pursuant to its terms, each mortgage loan, other than a loan secured by a condominium unit, is required to be covered by a standard hazard insurance policy in an amount generally equal to the lower of the unpaid principal amount thereof or the replacement value of the improvements on the related mortgage loan. Generally, a condominium association is responsible for maintaining hazard insurance covering the entire building.

As of the cut-off date, no borrower under any mortgage loan has entered into a COVID-19 Outbreak-related forbearance plan with the servicer. In the event a borrower requests or enters into a COVID-19 Outbreak-related forbearance plan after the cut-off date but prior to the closing date, the seller will remove such mortgage loan from the mortgage pool and remit the related closing date substitution amount.

None of the mortgage loans is an interest-only mortgage loan.

Approximately 25.44%, 11.40%, 10.73%, 10.58% and 9.37% of the mortgage loans, in each case, by aggregate stated principal balance as of the cut-off date are secured by properties located in California, Texas, Washington, Florida and Colorado, respectively.

No more than approximately 3.20% of the mortgage loans by aggregate stated principal balance as of the cut-off date are secured by properties located in any one city.

The mortgage loans were originated from approximately October 2021 through November 2022. The latest stated maturity date of any mortgage loan is in December 2052.

The servicing administrator will perform certain functions with respect to the mortgage loans, including funding servicing advances and advances of delinquent scheduled interest and principal payments (to the extent not funded by a reduction in the servicing rights strip otherwise distributable to the Class A-IO-S Certificates) on the mortgage loans that are not 120 days or more delinquent, to the extent that it believes these monthly advances will be recoverable, and paying prepayment interest shortfalls, up to the amount of the aggregate of the primary servicing fee paid to the servicer, the servicing administrator fee actually received by the servicing administrator for the related due period and the servicing rights strip for the related due period.

As of the cut-off date, approximately 44.20% of the mortgage loans by aggregate stated principal balance as of the cut-off date have a stated principal balance equal to or greater than $1,000,000 and the average stated principal balance of the mortgage loans is approximately $936,893.

As of the cut-off date, no payment required under any of the mortgage loans has been delinquent since origination.

As of the cut-off date, the weighted average mortgage rate of the mortgage loans is approximately 5.306% per annum.

As of the cut-off date, none of the mortgage loans is a "high-cost mortgage."

The weighted average remaining term to maturity is approximately 354 months as of the cut-off date.

The weighted average seasoning of the mortgage loans is approximately six (6) months as of the cut-off date.

The servicing fee rate for the mortgage loans is 0.10000% per annum as of the cut-off date. The securities administrator fee rate is the greater of (i) 0.01760% and (ii) the product of (x) a fraction, expressed as a percentage, the numerator of which is $1,500 and the denominator of which is the aggregate stated principal balance of the mortgage loans as of the first day of the related due period for such distribution date and (y) 12. The master servicing fee rate is the greater of (i) 0.01200% and (ii) the product of (x) a fraction, expressed as a percentage, the numerator of which is $1,500 and the denominator of which is the aggregate stated principal balance of the mortgage loans as of the first day of the related due period for such distribution date and (y) 12. The custodian fee rate is 0.00250% per annum. The distributed ledger agent fee rate is 0.01000% per annum. The trustee fee rate is the greater of (i) 0.00160% and (ii) a fraction, expressed as a percentage, the numerator of which is $2,500 and the denominator of which is aggregate stated principal balance of the mortgage loans as of the first day of the related due period for such distribution date. Each fee is calculated as the related per annum fee rate on the principal balances of the mortgage loans as of the first day of the related due period for such distribution date.

None of the mortgage loans, based on the original appraisals, had an original loan-to-value ratio at origination of more than 90.00%. None of the mortgage loans had a combined loan-to-value ratio at origination in excess of 90.00%. As described immediately below, the sponsor will not obtain updated appraisals for the mortgaged properties relating to any of the mortgage loans included in the mortgage pool, and the current market values of such mortgaged properties may have changed, and in some cases changed significantly, since the dates of the related appraisals used to determine the loan-to-value ratios and combined loan-to-value ratios at origination. See "*Risk Factors—Appraisals May Not Accurately Reflect the Value or Condition of a Mortgaged Property*" in this offering memorandum supplement.

The "loan-to-value ratio" or "LTV" of a mortgage loan at any given time is a fraction, expressed as a percentage, the numerator of which is the principal balance of the related mortgage loan at the date of determination and the denominator of which is (a) in the case of a purchase money loan, the lesser of the selling price of the mortgaged property and its appraised value determined in an appraisal obtained by the originator at origination of such mortgage loan, or (b) in the case of a refinance loan, the appraised value of the mortgaged property at the time of origination of the refinanced mortgage loan. No assurance can be given that the value of any mortgaged property has remained or will remain at the level that existed on the appraisal or sale date. If residential real estate values generally or in a particular geographic area decline, the loan-to-value ratios might not be a reliable indicator of the rates of delinquencies, foreclosures and losses that could occur with respect to such mortgage loans. The "original loan-to-value ratio" means a fraction, expressed as a percentage, the numerator of which is the original principal balance of the related mortgage loan, and the denominator of which is the amount discussed above. The "combined loan-to-value ratio" or "CLTV" means a fraction, expressed as a percentage, the numerator of which is the principal balance of the related mortgage loan at the date of determination, together with the full lien amount (drawn and undrawn) of any second mortgage, if available, and the denominator of which is the amount discussed above. The maximum LTV and the maximum CLTV of any mortgage loan in the mortgage pool is 90.00%.

Prepayment Charges

As of the cut-off date, no mortgage loan requires prepayment charges.

Primary Mortgage Insurance

None of the mortgage loans has primary mortgage insurance coverage. As a result, if a borrower defaults under a mortgage loan, foreclosure proceedings are brought by the servicer, and the value of the mortgaged property is not adequate to pay principal and accrued interest on the mortgage loan along with related costs and expenses, there is unlikely to be any other source of payments available to reduce the amount of losses that would be incurred on that mortgage loan.

Certain Characteristics of the Mortgage Loans

The mortgage loans are expected to have the approximate aggregate characteristics as of the cut-off date as set forth in Annex A attached to this offering memorandum supplement and incorporated by reference herein. Prior to the issuance of the certificates, mortgage loans may be removed from the mortgage pool as a result of incomplete documentation or otherwise, if the depositor deems such removal necessary or appropriate.

The FICO score information in the tables appearing in Annex A attached to this offering memorandum supplement shows the credit scores, if any, that each originator collected for some borrowers in connection with the origination of the mortgage loans. Third-party credit reporting organizations provide credit, or FICO, scores as an aid to lenders in evaluating the creditworthiness of borrowers. Although different credit reporting organizations use different methodologies, higher credit scores indicate greater creditworthiness. Credit scores do not necessarily correspond to the probability of default over the life of the related mortgage loan, because they reflect past credit history, rather than an assessment of future payment performance. In addition, the credit scores shown were collected from a variety of sources over a period of weeks or months, and the credit scores do not necessarily reflect the credit scores that would be reported as of the date of this offering memorandum supplement. Credit scores presently generated may not be indicative of a mortgagor's true creditworthiness as a result of legislation that prohibits reporting to credit bureaus loans that have received certain consumer relief due to the COVID-19 Outbreak as delinquent. Credit scores also only indicate general consumer creditworthiness, and credit scores are not intended to specifically apply to mortgage debt. Therefore, credit scores should not be considered as an accurate predictor of the likelihood of repayment of the related mortgage loans.

THE ORIGINATORS

General

Approximately 10.60% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by CrossCountry, approximately 7.32% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by PrimeLending, approximately 6.98% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by Fairway, approximately 6.09% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by Caliber, approximately 5.72% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by Homepoint and approximately 5.09% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated by Finance of America, and in each case, all of such mortgage loans were acquired, directly or indirectly, by the seller. The remainder, approximately 58.19% of the mortgage loans by aggregate stated principal balance as of the cut-off date, were originated by various mortgage lending institutions and were also acquired by the seller (or were acquired from such mortgage lending institutions by other aggregators and in turn, sold to the seller), with each such mortgage lending institution generally having originated fewer than 5% of the mortgage loans by aggregate stated principal balance as of the cut-off date. The mortgage lending institutions and aggregators from which the seller acquired the mortgage loans that either originate mortgage loans or themselves acquire mortgage loans from third party originators or mortgage brokers and make loan level representations and warranties with respect thereto are referred to in this offering memorandum supplement generally as the "originators." See "*Loan Program-Qualifications of Sellers*" in the offering memorandum. Each mortgage loan was generally underwritten and evaluated prior to acquisition by the seller in accordance with (i) the Current RRAC Criteria or the Prior Criteria, in either case, for RRAC's two (2) traditional super prime jumbo programs (Select and Select AUS), the related expanded credit origination program (Select 90) and RRAC's additional expanded credit origination program (Choice) or (ii) the Agency Criteria. Approximately 85.42% of the mortgage loans by aggregate stated principal balance as of the cut-off date acquired by the seller were generally underwritten in accordance with the criteria described herein for RRAC's two traditional super prime jumbo programs (Select and Select AUS), as well as the related expanded credit origination program (Select 90), approximately 14.31% of the mortgage loans by aggregate stated principal balance as of the cut-off date acquired by the seller were generally underwritten in accordance with the criteria described herein for RRAC's additional expanded credit origination program (Choice) and approximately 0.27% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated in accordance with the Agency Criteria. In addition, the transaction may include mortgage loans which may have been underwritten to, and evaluated by the applicable third-party reviewer against, the guidelines of the related originators, each of which generally are substantially similar to the Applicable RRAC Criteria.

All of the mortgage loans were reviewed by the seller prior to acquisition for adherence to the standards set forth under "*Acquisition of Mortgage Loans by the Seller*" below, and were also subject to the sponsor's pre-offering review process as described under "*Pre-Offering Review of the Mortgage Loans*." See also "*Loan Program*" in the accompanying offering memorandum for additional information with respect to the underwriting criteria used by certain of the originators. In addition, important exceptions to the Applicable RRAC Criteria with respect to mortgage loans, other than the applicable Variance Criteria in the case of Variance Originators, are described under "*Annex A—Exceptions to the Applicable RRAC Criteria*" in this offering memorandum supplement.

Mortgage loans originated to the underwriting guidelines of the related originator may have been acquired by the seller from the respective originators for inclusion in this transaction based on an evaluation of such mortgage loan's compliance with the applicable originator's underwriting criteria in lieu of the Applicable RRAC Criteria. The amount of any such mortgage loans as of the cut-off date is not expected to be material. Any such mortgage loans may have been originated with exceptions to the related originator's underwriting guidelines, including credit scores that were lower than required.

An affiliate of one of the originators from whom the seller acquires mortgage loans from time to time provides third-party due diligence services for the sponsor. As a general matter, it is the sponsor's policy that mortgage loans originated by the related originator will not be reviewed by the affiliated third-party reviewer, and none of the mortgage loans included in this transaction that were originated by the related originator were reviewed by the affiliated third-party reviewer. Additionally, an affiliate of the sponsor owns a minority stake in a consumer finance due diligence and third-party review firm that reviewed approximately 8.66% of the mortgage loans by aggregate stated principal balance as of the cut-off date in connection with the seller's acquisition of such mortgage loans from the related originator and the sponsor's securitization thereof. It is the sponsor's policy that services provided by such third-party review firm are performed in accordance with the terms of an arms-length contract.

ACQUISITION OF MORTGAGE LOANS BY THE SELLER

Redwood Residential Acquisition Corporation ("RRAC"), also referred to herein as the seller, commenced its business of acquiring residential mortgage loans for securitization in July 2010. See "*The Sponsor, the Seller and the Servicing Administrator*." RRAC does not originate residential mortgage loans and does not fund the origination of residential mortgage loans. Instead, RRAC purchases mortgage loans that have been originated and closed by third party originators. Through January 1, 2023, RRAC purchased residential mortgage loans (including the assignment of its rights with respect to certain loans as described below) with an aggregate stated principal balance at the time of purchase of approximately $72,989,238,577.

Beginning in April 2018, for mortgage loans secured by real property in the State of New York, RRAC began assigning the rights to such mortgage loans (other than the servicing rights related thereto and the rights as "Purchaser" under the purchase agreement with the related originator, as described below) to RRAC-NY Holdings, Inc., a Delaware corporation ("RRAC-NY"), an affiliate of RRAC. The servicing rights with respect to any mortgage loans secured by properties in the State of New York and the rights as "Purchaser" under the purchase agreement with the related originator, including all rights with respect to the representations and warranties related to such mortgage loans made by the related originator, were retained by RRAC and not assigned to RRAC-NY. All references to "seller" in this offering memorandum supplement with respect to the sale of the mortgage loans to the depositor will be deemed to refer to RRAC or RRAC-NY, as applicable, and all references to "seller" in this offering memorandum supplement with respect to representations and warranties, including any enforcement rights or cure, repurchase or substitution obligations with respect thereto, will be deemed to refer only to RRAC. Pursuant to the mortgage loan purchase agreement as described herein under "*The Agreements—Representations and Warranties,*" only RRAC (and not RRAC-NY) (i) will make certain limited representations and warranties with respect to the mortgage loans, (ii) is obligated to cure a breach, repurchase or substitute for any mortgage loan or make an indemnification payment as to which a representation and warranty made by an originator relating to the characteristics of the mortgage loans and assigned to the trustee was true and correct as of the date made by such originator but not true and correct as of the closing date, or if RRAC itself made such representation and warranty as to which there has been a breach, in any such case, if such breach materially and adversely affects the value of the mortgage loan or the interests of the certificateholders in that mortgage loan and (iii) with respect to representations and warranties made by each originator and assigned to the trustee will be obligated to cure a breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to a mortgage loan because of a breach of any such representation and warranty that materially and adversely affects the value of the mortgage loan or the interests of the certificateholders in that mortgage loan generally to the extent such originator is unable to do so because it is subject to a bankruptcy or insolvency proceeding or no longer in existence. See "*The Agreements—Representations and Warranties*" for additional information with respect to the obligations of RRAC under the mortgage loan purchase agreement.

The seller purchases residential mortgage loans from third parties that either originate mortgage loans or themselves acquire mortgage loans from third party originators or mortgage brokers. Currently, the seller acquires mortgage loans from time to time from more than 100 different counterparties, most of whom directly originate mortgage loans. With respect to mortgage loans secured by real property in the State of New York, RRAC purchases mortgage loans individually pursuant to existing arrangements with originators (referred to as "flow" purchases) and in bulk pursuant to existing or individually negotiated arrangements (referred to as "bulk" purchases) and assigns the rights to such mortgage loans (other than the servicing rights related thereto and the rights as "Purchaser" under the purchase agreement with the related originator, as described above) to RRAC-NY as described above.

Because RRAC does not originate or fund the origination of residential mortgage loans, RRAC does not maintain underwriting guidelines for use in the origination of residential mortgage loans. Rather, RRAC maintains eligibility criteria for use in the process of acquiring third-party originated loans and provides these criteria to third parties that sell mortgage loans to the seller to enable those third parties to determine whether mortgage loans they consider selling to the seller will meet RRAC's criteria for purchase. RRAC's eligibility criteria are, in some cases, adopted by third party mortgage loan originators as part of their own underwriting guidelines and processes for use in originating mortgage loans, including as part of their borrower qualification and underwriting process.

The eligibility criteria that RRAC maintains for use in the process of acquiring third-party originated loans require that generally include consideration of the following attributes:

- Borrower's Credit: The borrower's management of his or her present and prior debts, as reflected in credit reports obtained from credit reporting agencies, FICO scores and prior mortgage payment history may be considered. See "*Annex A—Certain Characteristics of the Mortgage Loans*" for a table indicating ranges of the FICO scores of borrowers of mortgage loans included in this pool.

- Employment: The borrower's ability to repay the loan, stability of income, and debt-to-income ratio may be considered. See "*Annex A—Certain Characteristics of the Mortgage Loans*" for tables indicating ranges of the monthly incomes and debt-to-income ("DTI") ratios of borrowers of mortgage loans included in this pool and "*Annex A—Exceptions to the Applicable RRAC Criteria*" for a description of exceptions to underwriting guidelines or eligibility criteria. A borrower's DTI is calculated using the sum of existing monthly liabilities plus any planned future liabilities divided by the calculated gross income. Liabilities include housing expenses, revolving debt, installment debt, real estate loans and certain other consistent and recurring expenses.

- Assets: The amount of a borrower's verified liquid assets for down payment, closing costs and post-purchase reserves may be considered. See "*Annex A—Certain Characteristics of the Mortgage Loans*" for a table indicating ranges of the amount of assets of the borrowers of the mortgage loans included in this pool at origination.

- Collateral: Considerations may include type of property, use of property, and price, value and cost of the related home. In general, eligible properties may include 1-4 family owner occupied homes (as applicable), one unit second homes, certain condominiums, planned unit developments, townhouses, co-operative dwelling units and properties with less than certain acreage amounts as specified in the Applicable RRAC Criteria. In general, borrowers are limited to owning a total of (i) two (2) financed properties (in the case of the Select 90 program); (ii) four (4) financed properties (in the case of the Select program); and (iii) ten (10) financed properties (in the case of the Choice program). Borrowers may be required to demonstrate up to an additional six (6) months of reserves per property, as specified in the Applicable RRAC Criteria. See "*Annex A—Certain Characteristics of the Mortgage Loans*" for a table describing the types of mortgaged properties included in this pool.

- Appraisals: Ordered by the originator of the mortgage loans through a process that is compliant with the applicable appraiser independence requirements.

- Income and asset verification: The Applicable RRAC Criteria may require disclosure of certain liquid assets, which assets may be verified by means including but not limited to recent account statements. Income documentation may include the number of years of personal tax returns specified in the Applicable RRAC Criteria, which in some cases may be verified through obtaining tax transcripts from the Internal Revenue Service (the "IRS") through submission of IRS Form 4506-C, pay stubs and, in some cases, business tax returns for self-employed borrowers. Unverified income and income that is not recurring is not included in the qualification of the borrower.

Certain of the mortgage loans acquired by the seller from various originators may have been underwritten by such originators using the findings of an automated underwriting systems ("AUS"), such as Fannie Mae's Desktop Underwriter program or Freddie Mac's Loan Product Advisor program (collectively, "DU/LP Programs"), to assist with the approval process for the underwriting. Generally speaking, under industry DU/LP Programs, information regarding the related mortgage loan being underwritten is put into an automated system that either approves or rejects the submitted mortgage loan, or asks for additional information before making such determination. Approval under the DU/LP Programs is then recommended automatically based upon the assessment of the information delivered to any such system, generally assisting the related originator through automating this portion of its underwriting approval process. The seller generally does not accept AUS findings from third-party loan originators and instead requires all mortgage loans that it acquires to have been manually underwritten by the third-party originator to evaluate the eligibility and risk of the borrower; *provided, however*, that the seller will accept an AUS decision for mortgage loans that conform to the guidelines of Fannie Mae and Freddie Mac at the time of origination and were eligible to be purchased pursuant to the Agency Criteria and/or to the extent permitted by the Select AUS criteria and any other Applicable RRAC Criteria.

Below are charts that indicate, as applicable, maximum loan-to-value ratios, maximum loan amounts and/or minimum FICO scores for various types of mortgage loans under the Applicable RRAC Criteria that apply to many of the originators from which the seller purchases mortgage loans. A mortgage loan with any permitted combination of factors included in a matrix would be in compliance with the eligibility criteria for such program. From time to time, RRAC modifies its eligibility criteria based on general market factors and overall economic conditions. The Prior Criteria and the Prior Agency Criteria (as applicable) relating to certain of the mortgage loans in effect as of the date of acquisition of such mortgage loans by RRAC may have required, among other things, a higher minimum FICO score, a lower loan-to-value ratio, no cash out refinancings on second homes, a lower maximum acreage and/or no prior credit events (e*.g.,* foreclosure, bankruptcy, short sale or deed-in-lieu).

Current RRAC Criteria

Approximately 99.73% of the mortgage loans as of the cut-off date that were acquired by the seller and are being included in this transaction were generally underwritten and evaluated prior to acquisition in accordance with the Current RRAC Criteria or the Prior Criteria. The Current RRAC Criteria include RRAC's two (2) traditional super prime jumbo programs (Select and Select AUS). Additionally, the Current RRAC Criteria include a related expanded credit origination program (Select 90), which allows for a borrower to qualify using a combination of different mortgage loan characteristics unique to the Select 90 program, including but not limited to higher loan-to-value ratios that are not available under the Select and Select AUS programs. Further, the Current RRAC Criteria also include an additional expanded credit origination program (Choice), which allows for a borrower to qualify using a combination of different mortgage loan characteristics unique to the Choice program, including but not limited to lower loan-to-value ratios, greater numbers of financed properties, lower FICO scores and certain credit events that are not available under the Select and Select AUS programs.

RRAC pre-approves certain variances for some or all of these criteria ("Variance Criteria") for certain of the originators from which mortgage loans are purchased (the "Variance Originators") which represent approximately 38.69% of the mortgage loans by aggregate stated principal balance as of the cut-off date as described in "*—Variance Originators*" below. Included among the variances permitted by RRAC is a renovation program, pursuant to which a portion of the loan proceeds may be escrowed pending completion of approved renovations, as further described below under "*—Variance Originators"*. Mortgage loans identified as not underwritten in a manner that is consistent with (i) the Applicable RRAC Criteria, in the case of originators not subject to Variance Criteria, and (ii) the applicable Variance Criteria, in the case of Variance Originators, are summarized in "*Annex A—Exceptions to the Applicable RRAC Criteria*" of this offering memorandum supplement.

The Current RRAC Criteria described below apply to the mortgage loans other than the mortgage loans originated by Variance Originators and the mortgage loans underwritten in accordance with the Agency Criteria.

<table>
<tr><th colspan="6">Select Eligibility Matrix</th></tr>
<tr><th colspan="6">Fixed Rate Products</th></tr>
<tr><th colspan="6">Primary Residence | Purchase, Rate and Term Refinance</th></tr>
<tr><th>Transaction Type</th><th>Units</th><th>FICO</th><th>Maximum LTV/CLTV/HCLTV</th><th colspan="2">Maximum Loan Amount[1]</th></tr>
<tr><td rowspan="7">Purchase or Rate and Term Refinance</td><td rowspan="5">1</td><td>740</td><td>85%[2]</td><td colspan="2">$1,000,000</td></tr>
<tr><td>700</td><td>80%</td><td colspan="2">$1,500,000</td></tr>
<tr><td>720</td><td>75%</td><td colspan="2">$2,000,000</td></tr>
<tr><td>720</td><td>70%</td><td colspan="2">$2,500,000</td></tr>
<tr><td>680</td><td>70%</td><td colspan="2">$1,000,000</td></tr>
<tr><td rowspan="2">2</td><td>700</td><td>65%</td><td colspan="2">$1,000,000</td></tr>
<tr><td>720</td><td>60%</td><td colspan="2">$1,500,000</td></tr>
<tr><th colspan="6">Primary Residence | Cash-Out Refinance[3]</th></tr>
<tr><th>Transaction Type</th><th>Units</th><th>FICO</th><th>Maximum LTV/CLTV/HCLTV</th><th>Maximum Loan Amount</th><th>Maximum Cash-Out</th></tr>
<tr><td rowspan="6">Cash-Out Refinance</td><td rowspan="5">1</td><td>720</td><td>70%</td><td>$1,000,000</td><td>$500,000</td></tr>
<tr><td>700</td><td>65%</td><td>$1,000,000</td><td>$500,000</td></tr>
<tr><td>720</td><td>65%</td><td>$1,500,000</td><td>$500,000</td></tr>
<tr><td>720</td><td>60%</td><td>$2,000,000</td><td>$500,000</td></tr>
<tr><td>720</td><td>50%</td><td>$2,500,000</td><td>$750,000</td></tr>
<tr><td>2</td><td>720</td><td>60%</td><td>$1,000,000</td><td>$500,000</td></tr>
<tr><th colspan="6">Second Home | Purchase, Rate and Term Refinance</th></tr>
<tr><th>Transaction Type</th><th>Units</th><th>FICO</th><th>Maximum LTV/CLTV/HCLTV</th><th colspan="2">Maximum Loan Amount</th></tr>
<tr><td rowspan="3">Purchase or Rate and Term Refinance</td><td rowspan="3">1</td><td rowspan="3">720</td><td>80%</td><td colspan="2">$1,000,000</td></tr>
<tr><td>70%</td><td colspan="2">$1,500,000</td></tr>
<tr><td>65%</td><td colspan="2">$2,000,000</td></tr>
<tr><th colspan="6">Second Home | Cash-Out Refinance</th></tr>
<tr><th>Transaction Type</th><th>Units</th><th>FICO</th><th>Maximum LTV/CLTV/HCLTV</th><th>Maximum Loan Amount</th><th>Maximum Cash-Out</th></tr>
<tr><td rowspan="2">Cash-Out Refinance</td><td rowspan="2">1</td><td rowspan="2">720</td><td>60%</td><td>$1,500,000</td><td>$500,000</td></tr>
<tr><td>50%</td><td>$2,000,000</td><td>$750,000</td></tr>
</table>

(1) First-time homebuyers are subject to a maximum loan amount of $1,000,000. Loan amounts up to $1,500,000 for first-time homebuyers are allowed in CA, NJ, NY, WA and CT, subject to satisfaction of the following requirements for any loan amount over $1,000,000 in such states: (i) 720 minimum FICO score; (ii) no gift funds allowed; (iii) primary residence only; and (iv) certain reserve requirements must be met.

(2) The following requirements apply for transactions with LTVs greater than 80%: (i) mortgage insurance not required; (ii) secondary financing not allowed; (iii) maximum DTI 36%; (iv) non-permanent resident aliens not allowed; (v) gift funds not allowed; and (vi) escrow/impound accounts required for LTVs greater than 80% unless prohibited by applicable laws.

(3) Texas 50 (a) (6) and Texas 50 (f) (2) refinances (Texas Equity Loans) only allowed on 20-, 25- and 30-year fixed rate only. Certain additional restrictions apply.

Select Loan Notes:

- Minimum loan amount is $726,201 for 1 unit properties and $1 above the conforming loan limits for properties with 2-4 units.
- Exceptions may be granted on a case-by-case basis by RRAC (at its sole determination) for loans with terms or characteristics that are outside of the Current RRAC Criteria. Approval of the exception must be granted by RRAC prior to the delivery of the loan.
- RRAC will purchase loans within a declining market as noted on appraisal, third-party valuation or the loan seller's internal review of appraisal.
    - There is a 5% reduction to the maximum LTV/CLTV/HCLTV based on RRAC's program eligibility grid.

Select AUS Eligibility Matrix					
Fixed Rate (20,25,30 year)					
Primary Residence | Purchase, Rate and Term Refinance					
Transaction Type	**Units**	**FICO**	**Maximum LTV/CLTV/HCLTV**	**Maximum Loan Amount**	
Purchase or Rate and Term Refinance	1	700	80%	$1,500,000	
		720	75%	$2,000,000	
	2	720	65%	$1,000,000	
		720	60%	$1,500,000	
Primary Residence | Cash-Out Refinance[1]					
Transaction Type	**Units**	**FICO**	**Maximum LTV/CLTV/HCLTV**	**Maximum Loan Amount**	**Maximum Cash-Out**
Cash-Out Refinance	1	720	70%	$1,000,000	Follow AUS Findings
		700	65%	$1,000,000	
		720	65%	$1,500,000	
		720	60%	$2,000,000	
	2	720	60%	$1,000,000	Follow AUS Findings
Second Home | Purchase, Rate and Term Refinance					
Transaction Type	**Units**	**FICO**	**Maximum LTV/CLTV/HCLTV**	**Maximum Loan Amount**	
Purchase or Rate and Term Refinance	1	740	80%	$1,000,000	
			70%	$1,500,000	
			65%	$2,000,000	
Second Home | Cash-Out Refinance					
Transaction Type	**Units**	**FICO**	**Maximum LTV/CLTV/HCLTV**	**Maximum Loan Amount**	**Maximum Cash-Out**
Cash-Out Refinance	1	740	60%	$1,500,000	Follow AUS Findings
			50%	$2,000,000	

(1) Texas 50 (a) (6) & Texas 50 (f) (2) refinances (Texas Equity Loans) only allowed on 20, 25 and 30-year fixed rate only. Additional restrictions apply, please see Jumbo Program Eligibility Supplement Section 2(D).

Select AUS Loan Notes:

- Minimum loan amount is $726,201 for 1-unit properties and $1 above the conforming loan limits for properties with 1-2 units.
- RRAC will purchase loans within a declining market as noted on appraisal, third-party valuation or loan seller's internal review of appraisal.
  - o There is a 5% reduction to the maximum LTV/CLTV/HCLTV based on RRAC's program eligibility grid.

Select 90 Eligibility Matrix				
Fixed Rate (20, 25, 30 year)				
Primary Residence | Purchase, Rate and Term Refinance				
Transaction Type	**Units**	**FICO**	**Maximum LTV**	**Maximum Loan Amount**
Purchase or Rate and Term Refinance	1	740[1]	90%	$1,500,000[1]

(1) First-time homebuyers are subject to a maximum loan amount of $1,000,000. Loan amounts up to $1,500,000 allowed in CA, NJ, NY, CT and WA for first-time homebuyers. Minimum FICO score for first-time homebuyers is 740.

Select 90 Loan Notes:

- Minimum LTV is 80.01%.
- MI not required.
- Secondary financing not allowed.
- Non-permanent resident aliens not allowed.
- Gift funds not allowed.
- Minimum loan amount is $1 over the current conforming/high balance limit set by FHFA.
- Escrow/impound accounts required for LTVs greater than 80% unless prohibited by applicable laws.

Choice Eligibility Matrix					
Fixed Rate Products					
Primary Residence | Purchase, Rate and Term Refinance					
Transaction Type	**Units**	**Minimum FICO**	**Maximum LTV/CLTV/HCLTV**	**Maximum Loan Amount[1]**	
Purchase or Rate and Term Refinance	1-2	680	85%[3]	$1,000,000	
		661	80%	$1,500,000	
		680	75%	$2,000,000	
	3-4	680	70%	$2,000,000	
Primary Residence | Cash-Out Refinance[2]					
Transaction Type	**Units**	**Minimum FICO**	**Maximum LTV/CLTV/HCLTV**	**Maximum Loan Amount**	**Maximum Cash-Out**
Cash-Out Refinance	1-2	680	75%	$1,000,000	$500,000
		680	70%	$1,500,000	$500,000
		680	60%	$1,500,000	$500,000
Second Home | Purchase, Rate and Term Refinance					
Transaction Type	**Units**	**Minimum FICO**	**Maximum LTV/CLTV/HCLTV**	**Maximum Loan Amount**	
Purchase or Rate and Term Refinance	1	680	80%	$1,000,000	
			70%	$1,500,000	
			65%	$2,000,000	
Second Home | Cash-Out Refinance					
Transaction Type	**Units**	**Minimum FICO**	**Maximum LTV/CLTV/HCLTV**	**Maximum Loan Amount**	**Maximum Cash-Out**
Cash-Out Refinance	1	680	65%	$1,000,000	$500,000
			60%	$1,500,000	$500,000

(1) First-time homebuyers are subject to a maximum loan amount of $1,000,000. Loan amounts up to $1,500,000 allowed in CA, NJ, NY, WA and CT for First-Time Homebuyers.

(2) Texas 50 (a) (6) & Texas 50 (f) (2) refinances (Texas Equity Loans) only allowed on 20-, 25- and 30-year fixed rate originations only. Additional restrictions apply.

(3) The following requirements apply for transactions with LTVs greater than 80%:

- Mortgage insurance not required.
- Secondary financing not allowed.
- Maximum DTI is 38%.
- Non-permanent resident aliens not allowed.
- Gift funds not allowed.
- Escrow/impound accounts required for LTVs greater than 80% unless prohibited by applicable laws.

Choice Loan Notes:

- Minimum loan amount is $1 over the current conforming/high balance limit set by the FHFA.
- Minimum loan amount for Non-Warrantable Condos/Condotels is $300,000.
- Loans in New York state must be $1 over current conforming/high balance limit set by FHFA.
- Higher Priced Mortgage Loans (HPML) are allowed if the following requirements are met:
    - Loan must have an escrow account for a minimum of five (5) years.
    - 1002.14(a)(1) allowing the consumer to waive the requirement that the appraisal copy be provided three business days before consummation, does not apply to higher-priced mortgage loans subject to § 1026.35(c). A consumer of a higher-priced mortgage loan subject to § 1026.35(c) may not waive the timing requirement to receive a copy of the appraisal under § 1026.35(c)(6)(i).
    - If the property was acquired by the seller less than 90 days from the purchase agreement and the purchase price exceeds the seller's acquisition price by more than 10% then a second full appraisal is required.
    - If the property was acquired by the seller between 91-180 days from the purchase agreement and the purchase price exceeds the seller's acquisition price by more than 20% then a second full appraisal is required.
    - If a second appraisal is required for one of the above two reasons, the borrower may only be charged for one of the appraisals.
- Exceptions may be granted on a case-by-case basis by RRAC (at its sole determination) for loans with terms or characteristics that are outside of RRAC's Choice eligibility criteria. Approval of the exception must be granted by RRAC prior to the delivery of the loan.
- RRAC will purchase loans within a declining market as noted on appraisal, third-party valuation or the loan seller's internal review of appraisal.
    - There is a 5% reduction to the maximum LTV/CLTV/HCLTV based on RRAC's program eligibility grid.
- Residual income calculation must be provided and must meet the residual income requirements.
- No more than 1X30 lates in the last twelve (12) months or 2X30 lates in the last twenty-four (24) months. Mortgage lates must not be within the most recent three (3) months of the subject transaction. 0X60 and 0X90 required in the most recent twenty-four (24) months.
- Bankruptcy, short sale, foreclosure, notice of default and deed-in-lieu allowed if seasoned for four (4) years.
- Multiple derogatory credit events not allowed, however credit events seasoned more than ten (10) years do not need to be considered.
- Credit events between four (4) and seven (7) years seasoned must meet the following requirements:*
    - Tradeline requirement must be met.
    - Satisfactory housing payment history for twenty-four (24) months required.
    - No mortgage lates since credit event.
    - No public records since credit event.
    - Primary residence - purchase or rate/term refinance with a maximum of 80% LTV/CLTV/HCLTV or program maximum if lower.
- Credit events between two (2) and four (4) years seasoned will be considered with extenuating circumstances on a case-by-case basis.
- Business funds allowable as source of funds for reserves if the following requirements are met:*
    - Business funds for reserves or a combination of personal/business funds for reserves require the total amount of reserves to be 2X or double the normal requirement for the subject property and additional financed REO.
    - Cash flow analysis required using the most recent three (3) months business bank statement to determine no negative impact to the business.

- Business bank statement must not reflect any non-sufficient funds activity or overdraft.
- Borrower must be 100% owner of the business or subject to additional requirements.
- If business funds are used for reserves, the max LTV is reduced to 65%.

- Increase acceptable acreage from 20 acres to 40 acres meeting certain criteria with respect to maximum land value, use, LTV/CLTV maximums and term.

Agency Criteria

Approximately 0.27% of the mortgage loans by aggregate stated principal balance as of the cut-off date were originated in accordance with the underwriting guidelines of Fannie Mae and/or Freddie Mac. With respect to such mortgage loans, RRAC includes additional restrictions in excess of the guidelines of Fannie Mae and Freddie Mac (as applicable) that differ from the Current RRAC Criteria shown above, including, without limitation, LTV and CLTV ratios and FICO scores. However, none of the mortgage loans will be insured or guaranteed by any government agency.

<table>
<tr><th colspan="4">Agency Eligibility Matrix</th></tr>
<tr><th colspan="4">Primary Residence</th></tr>
<tr><th>Transaction Type</th><th>Units</th><th>FICO</th><th>Max LTV/CLTV/HCLTV</th></tr>
<tr><td rowspan="2">Purchase/Rate and Term</td><td>1-2</td><td>780</td><td>80%/85%/85%</td></tr>
<tr><td>1-4</td><td>680</td><td>80%</td></tr>
<tr><td rowspan="2">Cash-Out Refinance</td><td>1</td><td>680</td><td>80%</td></tr>
<tr><td>2-4</td><td>680</td><td>75%</td></tr>
<tr><th colspan="4">Second Home</th></tr>
<tr><td rowspan="2">Purchase/Rate and Term</td><td rowspan="2">1</td><td>780</td><td>80%/85%/85%</td></tr>
<tr><td>680</td><td>80%</td></tr>
<tr><td>Cash-Out Refinance</td><td>1</td><td>680</td><td>75%</td></tr>
</table>

Variance Originators

Variance Originators originated approximately 38.69% of the mortgage loans by aggregate stated principal balance as of the cut-off date. The eligibility criteria for mortgage loans originated by a Variance Originator are either consistent with (i) such Variance Originator's own underwriting guidelines and the related Variance Criteria specific to such Variance Originator or (ii) the Applicable RRAC Criteria and the related Variance Criteria specific to such Variance Originator. As a result, mortgage loans originated by a Variance Originator will not comply with the Applicable RRAC Criteria in one or more respects including, but not limited to, higher maximum loan-to-value ratios, appraisal requirements, non-warrantable condominium projects, non-arm's length relationships between certain lenders and their related home builders, Texas Section 50(a)(6) cash-out refinance transactions, different payment history requirements, employment verification standards and lower minimum FICO scores. In addition, included among the pre-approved variances permitted by RRAC is a renovation program, pursuant to which a portion of the loan proceeds may be escrowed pending completion of approved renovations. These escrows may constitute up to the lesser of $150,000 or 20% of the loan amount, and the appraisals of the related mortgaged properties are permitted to assume that renovations have been completed. These are examples and not intended to be a comprehensive list of the pre-approved variances between the guidelines. Mortgage loans underwritten by Variance Originators in a manner that is consistent with these Variance Criteria would not be identified as mortgage loans with exceptions to the Applicable RRAC Criteria, and therefore are not shown in the table in "*Annex A—Exceptions to the Applicable RRAC Criteria*."

Permitted Exceptions and Compensating Factors

As described under "*Risk Factors—In Underwriting the Mortgage Loans, an Originator May Not Have Followed Its Underwriting Guidelines; Underwriting Guidelines May Not Identify or Appropriately Assess Repayment Risks*" and "*Pre-Offering Review of the Mortgage Loans*" in this offering memorandum supplement, each mortgage loan has been underwritten in substantial conformance with the Applicable RRAC Criteria applicable to the related originator (or generally, the underwriting guidelines of the applicable originator, each of which generally are substantially similar to the Applicable RRAC Criteria) in effect at the time of origination without regard to underwriter discretion or, if not underwritten in conformance with such criteria, has reasonable and documented compensating factors. As a result of the sponsor's pre-offering review, approximately 11.27% of the mortgage loans by aggregate stated principal balance as of the cut-off date with an aggregate stated principal balance as of the cut-off date of approximately $37,494,916 were identified as having been originated with exceptions to the Applicable RRAC Criteria applicable to the related originator or the related originator's underwriting guidelines that were material, but for which compensating factors were present and evaluated by the related originator at the origination of the mortgage loan and by the sponsor at the time of its purchase. Compensating factors include, but are not limited to, documented excess funds in reserves, credit scores within the Applicable RRAC Criteria, job stability, length in a home, higher residual income, low loan-to-value ratios and low debt-to-income ratios below the limits established in the Applicable RRAC Criteria. If such a mortgage loan was originated with one or more exceptions, then a breach of the corresponding representation and warranty will be deemed not to have occurred with respect to an exception if such exception is described in the "*Exception Type*" column of the table in Annex A and includes compensating factors in the "*Compensating Factors*" column of the table in Annex A. Investors are encouraged to make their own assessment of the permitted exceptions and related compensating factors in "*Annex A— Exceptions to the Applicable RRAC Criteria*" to this offering memorandum supplement.

CERTAIN ENVIRONMENTAL, SOCIAL AND GOVERNANCE ("ESG") DISCLOSURES

The Sustainability Accounting Standards Board ("SASB") is a non-profit, independent standards-setting organization founded in 2011 to establish and maintain certain industry-specific sustainability standards, including with respect to what are commonly referred to as environmental, social and governance, or "ESG", standards. Although SASB has indicated that these standards are intended by SASB to guide the disclosure of financially material sustainability information for specific industries, there is currently no clearly defined definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green," "social," "sustainable" or equivalently labeled project, or as to what precise attributes are required for a particular project to be defined as "green," "social," "sustainable" or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time. Although certain attributes of mortgage loans included in the mortgage pool may contain features traditionally associated with a mortgage loan's satisfaction of certain criteria for an ESG framework, the issuance of the certificates is not intended to comply with any particular standards established by SASB, including the Mortgage Finance Sustainability Accounting Standard, Industry Standard Version 2018-10 (the "SASB Standards"), nor with any standards established by other organizations such as the International Capital Market Association's ("ICMA") Social Bond Principles, June 2020, or Green Bond Principles, June 2018 (collectively, the "ICMA Principles" and, together with the SASB Standards, the "Sustainability Standards"), and none of the sponsor, the seller, the initial purchasers, the depositor, their respective affiliates or any other party has obtained a second party opinion from an outside consultant or otherwise regarding any of the Sustainability Standards or their applicability to the mortgage loans.

ESG-Related Disclosures. Certain attributes of the mortgage loans included in the mortgage pool can be tabulated as responsive to certain of the accounting metrics identified in the SASB Standards, as indicated in the following tables, in each case with respect to the specified SASB sustainability disclosure topic and SASB code indicated.

Lending Practices (FN-MF-270a. 1)*				
	Number of Mortgage Loans		Value of Mortgage Loans	
	FICO <660	FICO>660	FICO <660	FICO>660
Hybrid or Option ARM	0	0	$0	$0
Higher Rate	0	0	$0	$0
Prepayment Penalty	0	0	$0	$0

**See SASB Standards for further detail and relevant definitions related to this metric.*

Lending Practices (FN-MF-270a. 2)*				
	Number of Mortgage Loans		Value of Mortgage Loans	
	FICO <660	FICO>660	FICO <660	FICO>660
Modification	0	0	$0	$0
Foreclosure	0	0	$0	$0
Short Sale/Deed in Lieu	0	0	$0	$0

**See SASB Standards for further detail and relevant definitions related to this metric.*

Notwithstanding the characteristics identified in the tables immediately above, no assurance can be provided that any mortgage loan or the certificates will meet any particular investor's expectations concerning the SASB standards, the ICMA Principles or any other ESG or other sustainability framework, or any expectations for "green," "social," "sustainable" or equivalently labeled financial products or any Sustainability Standards-based, ESG-based or other criteria-based guidelines or standards with which you are required, or may wish, to comply. Furthermore, the accounting metrics set forth in the foregoing tables represent some but not all of the accounting metrics set forth in the SASB Standards; certain additional disclosure topics and related accounting metrics set forth in the SASB Standards have been omitted based on the lack of applicability and/or unavailability of responsive information reasonably available to the sponsor. Moreover, in providing the ESG-related disclosures set forth above, none of the sponsor, the seller, the initial purchasers, the depositor, their respective affiliates or any other party is seeking to label, categorize, market or brand any of the certificates as "green," "social," or "sustainable" financial products or as satisfying any Sustainability Standards-based, ESG-based or other criteria-based guidelines or standards.

PRE-OFFERING REVIEW OF THE MORTGAGE LOANS

Introduction

The sponsor, prior to including the mortgage loans in the mortgage pool, conducted a review designed and effected to provide reasonable assurance that the disclosure regarding the mortgage loans in this offering memorandum supplement is accurate in all material respects. The sponsor engaged a third party firm to assist it with certain elements of the review or may have relied upon the information generated by the third party hired by the related originator. The review conducted by the sponsor, including the portions of the review conducted with the assistance of or, if applicable, reliance on the third party, is referred to herein as the "sponsor's pre-offering review." The sponsor determined the nature, extent and timing of the sponsor's pre-offering review and the level of assistance provided by any third party it hired. For any mortgage loans for which a third party was hired by the related originator (if applicable), such originator determined the nature, extent and level of assistance by such third party. The sponsor attributes all findings and conclusions of the sponsor's pre-offering review to itself.

In connection with certain of the reviews conducted, the sponsor's pre-offering review procedures included the use of selection techniques to employ a more limited review of certain eligible mortgage loans. Mortgage loans were identified as eligible for a limited review based on certain attributes and, under the terms of sponsor's limited review process, 25% of eligible loans were randomly selected for full review and, unless conditions to trigger a full review were met, the remainder received limited review. Any mortgage loan that was found to contain deficiencies during its limited review, failed to meet certain document and data requirements or was initially ineligible for a limited review based on its attributes, in each case, was subject to a full review. Although the sponsor believes such selection techniques were appropriate in conducting the sponsor's pre-offering review, reliance on selection techniques and limited review procedures has some limitations. For example, selecting mortgage loans and limited review procedures may not detect all of the discrepancies applicable to the mortgage loans. In addition, the information available with respect to the mortgage loans subject to a full review may contain more discrepancies or additional types of discrepancies than were found with respect to the selected mortgage loans due to the nature of a more extensive review. Investors are encouraged to make their own determination as the extent to which they place reliance on the limited loan review procedures described in this offering memorandum supplement.

Certain vendors were engaged by the sponsor or, if applicable, the related originator to assist with certain elements of the sponsor's pre-offering review, including three (3) third-party review firms (referred to as the "TPR1," "TPR2" and "TPR3"). Approximately 91.55% (by number of mortgage loans) of the mortgage loans were reviewed by a TPR hired by the sponsor when acquiring such mortgage loans. Approximately 8.45% (by number of mortgage loans) of the mortgage loans received a limited review by TPR1. Each TPR produced one or more reports detailing its review procedures and the related results; these results are summarized below.

The TPRs reviewed an initial population of 356 mortgage loans that were identified by the sponsor as potential mortgage loans for this transaction. None of the mortgage loans paid in full prior to the marketing of the transaction. One (1) of the 356 mortgage loans was removed by the sponsor for reasons other than as a result of any credit review or diligence findings in connection with its pre-offering review process. All statistical information presented in "*Pre-Offering Review of the Mortgage Loans*" and throughout the rest of this offering memorandum supplement reflects the population of 355 mortgage loans.

The sponsor's pre-offering review included credit and compliance components and a component consisting of a review of the independent appraisals of the mortgaged properties obtained by the originators in connection with the origination of the mortgage loans (referred to herein as the "original appraisals"), as more fully described below. The credit review was conducted by reference to the Applicable RRAC Criteria or the Variance Originator's eligibility criteria described under "*Acquisition of Mortgage Loans by the Seller.*"

None of the procedures conducted as part of the sponsor's pre-offering review constituted, either separately or in combination, an independent underwriting of the mortgage loans. In addition, the procedures conducted as part of the review of the original appraisals were not re-appraisals of the mortgaged properties. To the extent that valuation tools other than a full appraisal were used as part of the appraisal review process, they should not be relied upon as providing an assessment of value of the mortgaged properties comparable to that which an appraisal might provide. They also are not an assessment of the current value of any of the mortgaged properties.

The sponsor's pre-offering review also included a component consisting of procedures designed to verify the sponsor's data regarding the characteristics of the mortgage loans, which data were used to generate the numerical information about the mortgage pool included in this offering memorandum supplement. The sponsor has concluded that the sponsor's pre-offering review has provided it with reasonable assurance that the disclosure regarding the mortgage loans in the mortgage pool in this offering memorandum supplement is accurate in all material respects. The specific findings and decisions with respect to the mortgage loans covered by the sponsor's pre-offering review are described below.

In certain instances, preliminary results from certain portions of the sponsor's pre-offering review in which the TPRs assisted were favorably revised based on subsequent documentation and information provided to the TPRs, and the seller elected to purchase the mortgage loans. In other instances, such preliminary results led the seller to elect not to purchase the mortgage loans. Mortgage loans that were not purchased by the seller were not considered for inclusion in the mortgage pool, and therefore are not included in the discussion of the sponsor's pre-offering review of the mortgage loans.

As a result of the sponsor's pre-offering review, the following types of deviations from the Applicable RRAC Criteria used to evaluate the mortgage loans in the mortgage pool were found: (i) exceptions from the Applicable RRAC Criteria or underwriting guidelines that were material, but for which compensating factors existed ("Exceptions"), (ii) discrepancies from applicable compliance guidelines that do not give rise to assignee liability or a defense to foreclosure ("Compliance Discrepancies"), (iii) negative property value variations of greater than 10% where the lower value was used to calculate the LTV and CLTV for purposes of this offering memorandum supplement or other material negative valuation indications ("Material Appraisal Variations") and (iv) data discrepancies which the sponsor determined did not constitute exceptions to the applicable underwriting guidelines ("Data Discrepancies"). A summary of the results of the sponsor's pre-offering review is included below.

LOANS PURCHASED BY THE SELLER REVIEWED BY TPR1

	Loans	% by Loan Count(2)	Aggregate Balance at Origination	% by Aggregate Balance at Origination(2)	Aggregate Unpaid Principal Balance (as of the Cut-off Date)	% by Aggregate Unpaid Principal Balance (as of the Cut-off Date)(2)
Exceptions	37	10.42%	$34,425,308	10.10%	$33,729,844.49	10.14%
Compliance Discrepancies(1)	11	3.10%	$10,388,800	3.05%	$10,287,363.08	3.09%
Material Appraisal Variations	0	0%	$0	0%	$0	0%

(1) Reflects TRID-related and non-TRID related discrepancies that were waived by the seller.
(2) Percentages are based on the total loan population.

LOANS PURCHASED BY THE SELLER REVIEWED BY TPR2

	Loans	% by Loan Count(2)	Aggregate Balance at Origination	% by Aggregate Balance at Origination(2)	Aggregate Unpaid Principal Balance (as of the Cut-off Date)	% by Aggregate Unpaid Principal Balance (as of the Cut-off Date)(2)
Exceptions	2	0.56%	$2,580,000	0.76%	$2,560,589.86	0.77%
Compliance Discrepancies(1)	0	0%	$0	0%	$0	0%
Material Appraisal Variations	0	0%	$0	0%	$0	0%

(1) Reflects TRID-related and non-TRID related discrepancies that were waived by the seller.
(2) Percentages are based on the total loan population.

LOANS PURCHASED BY THE SELLER REVIEWED BY TPR3

	Loans	% by Loan Count(2)	Aggregate Balance at Origination	% by Aggregate Balance at Origination(2)	Aggregate Unpaid Principal Balance (as of the Cut-off Date)	% by Aggregate Unpaid Principal Balance (as of the Cut-off Date)(2)
Exceptions	1	0.28%	$1,224,000	0.36%	$1,204,482.10	0.36%
Compliance Discrepancies(1)	3	0.85%	$2,966,920	0.87%	$2,920,511.20	0.88%
Material Appraisal Variations	0	0%	$0	0%	$0	0%

(1) Reflects TRID-related and non-TRID related discrepancies that were waived by the seller.
(2) Percentages are based on the total loan population.

Data discrepancies in the data tape were identified as part of the sponsor's pre-offering review, as further described below. In addition, certain discrepancies from the Applicable RRAC Criteria or underwriting guidelines that the sponsor determined to be immaterial ("waivers") were noted and are further described below.

See "*—Limitations of the Pre-Offering Review Process*" below and "*Risk Factors—Pre-Offering Review of the Mortgage Loans Underlying the Certificates May Not Reveal Aspects of the Mortgage Loans Which Could Lead to Losses*" for additional information regarding the limitations of the sponsor's pre-offering review.

Credit and Compliance Components of Sponsor's Pre-Offering Review

All of the mortgage loans purchased by the seller were purchased on a flow, bulk or mini-bulk basis. All of the mortgage loans were reviewed by a TPR, with 325 mortgage loans subject to a full credit review and a compliance review by the applicable TPR. The remaining 30 mortgage loans, which were part of the sponsor's limited review program and/or originated by an originator (each, a "Limited Review Originator") subject to a limited review by the TPR1. To the extent that any mortgage loans originated by the Limited Review Originator were identified by the Limited Review Originator or TPR1 as having exceptions to the respective underwriting guidelines, those mortgage loans would have been subject to a full credit and compliance review. The sponsor conducted a more limited internal compliance review of the 30 mortgage loans (the "Limited Review Mortgage Loans") originated by the Limited Review Originator, consisting of a data capture and document assessment of the Final Fannie Mae Form 1003

(Uniform Residential Loan Application), credit report, appraisal, Final Closing Disclosure, title policy, deed of trust/mortgage, note and purchase contract. Loan grading was not applied to such mortgage loans.

As part of the credit component of the sponsor's pre-offering review, for each of the mortgage loans receiving a full review, the applicable TPR reviewed the documentation in the originator's loan file relating to the creditworthiness of the borrower (and any co-borrower), and assessed whether the characteristics of the mortgage loan and the borrower (and any co-borrower) conformed to RRAC's eligibility criteria. See "*Acquisition of Mortgage Loans by the Seller*." Also, as part of the credit component of the sponsor's pre-offering review, any deviations from RRAC's eligibility criteria that were identified by the TPRs, and related compensating factors, were reviewed. Any mortgage loans for which TPR results were ordered by the respective originator (if applicable) were reviewed to confirm compliance with such originator's underwriting guidelines, and the final overall grade and any related compensating factors, to the extent provided to the sponsor, were reviewed. This portion of the review is referred to herein as the "credit review."

For the mortgage loans receiving a full review by the TPRs, the sponsor determined that 40 of these mortgage loans, with an aggregate original principal balance of approximately $38,229,308 and an aggregate stated principal balance of approximately $37,494,916, in each case as of the cut-off date, were identified as having been originated with exceptions to RRAC's eligibility criteria. See "*Annex A—Exceptions to the Applicable RRAC Criteria*" for additional information regarding these mortgage loans, including a table setting forth the exceptions permitted and the limited compensating factors and related final overall grade. The information presented in the table was derived from documentation contained in the originator's loan files.

In addition, a number of discrepancies, or waivers, from RRAC's eligibility criteria were found. Those waivers, which the sponsor determined were immaterial or not applicable to the mortgage loans, could have included: the P&L or balance sheet for self-employed borrowers was obtained post-closing (non-QM only); the P&L or balance sheet was missing, however, the income or loss was less than 5% of total income; the P&L or balance sheet was not obtained for borrowers that are 1099 and meet the 1099 requirements; the P&L or balance sheet with year-to-date financials was obtained based on the borrower's application date rather than note date; signatures or dates on tax returns were obtained post-closing; signatures or dates on tax returns were not obtained (non-QM loans only with transcripts), K-1 transcript or W-2 transcript received in lieu of actual K-1/W-2; missing income analysis worksheet; missing 1008 when there is an equivalent form in the file; year-to- date paystubs were not available, however, a written verification of employment was provided in lieu of a paystub; one (1) year of tax transcripts were missing, however, alternative supporting documentation was provided when IRS tax transcripts were not available; credit documents were more than ninety (90) days aged but less than 120 days aged at the time of closing; a recertification of value was provided in lieu of new full appraisal; the borrower did not have the required number of tradelines but had strong compensating factors; the borrower had a gap in employment; there was a lack of documented housing history where one exists; verbal verification of employment performed post-closing rather than pre-close; there was an escrow holdback; or there was a missing letter of explanation for mortgage lates or credit events. None of these waivers were considered to be material exceptions to RRAC's eligibility criteria.

For each of the mortgage loans other than mortgage loans (if any) that were underwritten to, and evaluated by a third-party reviewer against, the guidelines of the related originators, because the credit review of such mortgage loans consisted of an assessment of compliance with the Applicable RRAC Criteria, the credit review did not assess compliance with the underwriting guidelines of the originators of these mortgage loans. As a result, a breach of the representation and/or warranty by such an originator that a mortgage loan was originated in accordance with such originator's applicable underwriting guidelines would not have been identified as part of the credit review. The only representations and warranties made with respect to compliance with the applicable guidelines are the representations and warranties made by certain of the originators in the applicable purchase agreement that the mortgage loan either (i) was underwritten in conformance with such originator's underwriting guidelines in effect at the time of origination without regard to any underwriter discretion or (ii) if not underwritten in conformance with such originator's underwriting guidelines, has reasonable and documented compensating factors.

Also, as part of the sponsor's pre-offering review, a third party reviewed the selected mortgage loans to assess whether those mortgage loans were originated in compliance with applicable law and regulations. This assessment included, for example, whether prepayment penalties or late fees in excess of the amounts permitted by applicable federal or state law were charged to the borrower, the accuracy and completeness of information required to be included in the federal Notice of Right of Rescission and other disclosures required by TILA, and whether any of the mortgage loans meet the definition of "high-cost" loans under HOEPA or similar state or local law. In addition, the TPR reviewed the documentation in the loan file that supported the originator's determination that the mortgage loan met the requirements for a "qualified mortgage" under the ATR Rules. This portion of the review is referred to as the "compliance portion" of the sponsor's pre-offering review. The information below includes findings from an internal compliance review by the sponsor of the Limited Review Mortgage Loans that were not subject to TPR review. TRID findings provided below are based upon the highest defect grade related to TRID assigned to the related mortgage loan, as mortgage loans may have multiple defects related to TRID and/or other compliance defects that were waived, cured, or corrected.

With respect to eleven (11) mortgage loans representing approximately 2.92% of the mortgage loans by aggregate stated principal balance as of the cut-off date, Compliance Discrepancies that do not relate to the TRID rule were found as a result of the compliance review component of the sponsor's pre-offering review with respect to the mortgage loans that would not give rise to assignee liability or a defense to foreclosure based upon the RESPA or TILA Section in question. The discrepancies with respect to these eleven (11) mortgage loans were corrected or waived by the seller. The sponsor determined that none of these discrepancies were material.

In addition, with respect to thirty-nine (39) mortgage loans representing approximately 11.95% of the mortgage loans by aggregate stated principal balance as of the cut-off date, Compliance Discrepancies relating to the TRID rule were identified which have been cured by the originator in accordance with the TRID rule. Examples of these instances include non-numerical mistakes in the closing disclosure that were cured in a subsequent closing disclosure. The sponsor determined that none of these discrepancies were material and would not give rise to assignee liability or a defense to foreclosure.

No mortgage loans were identified by the sponsor as having Compliance Discrepancies relating to the TRID rule which would have required correction by the originator in accordance with the TRID rule and Section 130(b) of TILA (as interpreted in accordance with the informal guidance set forth in the CFPB Director's Letter). Examples of these instances include APR/total interest percentage rounding issues on the loan estimate and closing disclosure, formatting errors on the loan estimate cash to close table, and a missing index term on the adjustable interest rate table. If the correction of these discrepancies were found not to be in accordance with the TRID rule and Section 130(b), the trust could be exposed to possible civil damages in an individual or class action, court costs, attorney's fees, actual damages and recoupment claims in a foreclosure, if allowed by state law.

No mortgage loans were excluded by the sponsor as a result of the credit and compliance portion of the sponsor's pre-offering review.

See "*—Limitations of the Pre-Offering Review Process," below and "Risk Factors—Pre-Offering Review of the Mortgage Loans Underlying the Certificates May Not Reveal Aspects of the Mortgage Loans Which Could Lead to Losses*."

Appraisal Component of Sponsor's Pre-Offering Review

As part of the appraisal component of the sponsor's pre-offering review, all of the mortgage loans selected for credit and compliance reviews by the TPR were also selected for a review of the original appraisal of the mortgaged property that was obtained in connection with the origination of that mortgage loan.

As part of the appraisal component of the sponsor's pre-offering review, the original appraisal of the mortgaged property was reviewed by an on-staff appraiser employed by the TPR in order to assess compliance with the applicable appraisal guidelines in effect at the time of origination as well as the reasonableness of the value of the mortgaged property set forth in the original appraisal. This reasonableness determination was generally made by analyzing the comparable sales listed in the original appraisal and reviewing other comparable sales information such as publicly available website and MLS listings. Each originator's appraisal guidelines include adherence to the appraiser independence requirements, which include, among other things, that payments for the appraisal may not be conditioned upon a particular valuation, and that future business from the lender may not be used to influence or attempt to influence the valuation.

In addition, with respect to the mortgage loans reviewed by TPR1, as part of the appraisal component of the sponsor's pre-offering review, TPR1 also reviewed a Collateral Desktop Analysis ("CDA") with respect to all but twenty (20) of the mortgage loans it reviewed. Additionally, TPR1 used another valuation product (e.g., Collateral

Underwriter Score ("CU"); field review; second full appraisal; AVM; BPO; 2055) (an "Additional Valuation Product") with respect to thirty (30) of the mortgage loans it reviewed. With respect to the mortgage loans reviewed by TPR2, as part of the appraisal component of the sponsor's pre-offering review, TPR2 also reviewed a CDA with respect to all but one (1) of the mortgage loans it reviewed; additionally, TPR2 used an Additional Valuation Product with respect to one (1) of the mortgage loans it reviewed. With respect to the mortgage loans reviewed by TPR3, as part of the appraisal component of the sponsor's pre-offering review, TPR3 also reviewed a CDA with respect to sixteen (16) of the mortgage loans it reviewed; additionally, TPR3 used an Additional Valuation Product with respect to eighteen (18) of the mortgage loans it reviewed. The valuations obtained and detail about the specific Additional Valuation Products used by a TPR with respect to mortgage loans are indicated in the tables set forth below.

A CDA is a valuation analysis performed by a licensed or certified appraiser who reviews the original appraisal to determine if the original value is supported. That appraiser or an automated process makes a separate selection of comparable sales, which may be the same as those used in the original appraisal and, using a rules-based valuation model, makes an independent determination as to whether the original appraised value is supported. Generally, if the CDA indicated the value of the property may be more than 10% below the value indicated on the original appraisal, a field review or other valuation tool was obtained. However, if a CDA indicated the value of the property may be more than 10% below the value indicated on the original appraisal but another valuation tool indicated that the original value was supported, the sponsor or the TPR may decide to not obtain another valuation. A field review is a valuation analysis performed by a certified appraiser who reviews the original appraisal and performs a visual inspection of the exterior areas of the property, inspects the neighborhood, performs a visual analysis of each of the comparable sales, performs data research and analysis to determine the appropriateness and accuracy of the data in the original appraisal, searches public records and presents an opinion as to whether the appraised value is supported.

The valuations obtained with respect to mortgage loans are indicated below.

VALUATION COUNT FOR LOANS REVIEWED BY TPR1

Total	Reviewed	Percentage by Loan Count	CDAs Ordered	Percentage by Loan Count	2nd Desk Reviews Ordered	Percentage by Loan Count	Field Reviews Ordered	Percentage by Loan Count	2nd Field Reviews Ordered	Percentage by Loan Count	2nd Full Appraisal	Percentage by Loan Count	2055s Ordered	Percentage by Loan Count	BPO's Ordered	Percentage by Loan Count	CU Score	Percentage by Loan Count
307	277	90.23%	257	83.71%	1	0.33%	2	0.65%	6	1.95%	-	0.00%	-	0.00%	-	0.00%	21	6.84%

The sponsor determined not to exclude any of the mortgage loans from the mortgage pool as a result of the findings from the appraisal review conducted by TPR1.

VALUATION COUNT FOR LOANS REVIEWED BY TPR2

Total	Reviewed	Percentage by Loan Count	CDAs Ordered	Percentage by Loan Count	2nd Desk Reviews Ordered	Percentage by Loan Count	Field Reviews Ordered	Percentage by Loan Count	2nd Field Reviews Ordered	Percentage by Loan Count	2nd Full Appraisal	Percentage by Loan Count	2055s Ordered	Percentage by Loan Count	BPO's Ordered	Percentage by Loan Count	CU Score	Percentage by Loan Count
29	29	100.00%	28	96.55%	-	0.00%	-	0.00%	-	0.00%	1	3.45%	-	0.00%	-	0.00%	-	0.00%

The sponsor determined not to exclude any of the mortgage loans from the mortgage pool as a result of the findings from the appraisal review conducted by TPR2.

VALUATION COUNT FOR LOANS REVIEWED BY TPR3

Total	Reviewed	Percentage by Loan Count	CDAs Ordered	Percentage by Loan Count	2nd Desk Reviews Ordered	Percentage by Loan Count	Field Reviews Ordered	Percentage by Loan Count	2nd Field Reviews Ordered	Percentage by Loan Count	2nd Full Appraisal	Percentage by Loan Count	2055s Ordered	Percentage by Loan Count	BPO's Ordered	Percentage by Loan Count	CU Score	Percentage by Loan Count
19	19	100.00%	16	84.21%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	18	94.74%

The sponsor determined not to exclude any of the mortgage loans from the mortgage pool as a result of the findings from the appraisal review conducted by TPR3.

Mortgage Loan Characteristics Component of Sponsor's Pre-Offering Review

The sponsor prepared a mortgage loan data tape that includes certain characteristics of the mortgage loans. Certain information included on the data tape was provided by the originator of the mortgage loan. The remaining information in the data tape was added by the applicable TPR based on its review of electronic copies of the original mortgage loan documents. The applicable TPR also compared the information on the data tape provided by the originators, based on a review of electronic copies of the original mortgage loan documents, and identified discrepancies, many of which the sponsor determined to be immaterial, with respect to approximately 51.08% of the mortgage loans so reviewed by number. In all cases, the data tape was corrected for discrepancies identified from that review.

Limitations of the Pre-Offering Review Process

As noted above under the risk factor captioned "*Risk Factors—Pre-Offering Review of the Mortgage Loans Underlying the Certificates May Not Reveal Aspects of the Mortgage Loans Which Could Lead to Losses*," because the limited review procedures with respect to the mortgage loans were generally formulated with the purpose of providing reasonable assurance that the disclosure regarding the pool assets in this offering memorandum supplement is accurate in all material respects, they may not have uncovered relevant facts relating to the origination of the mortgage loans, their compliance with applicable law and regulation and the original appraisals relating of the mortgaged properties or uncovered all relevant factors that could be determinative of how the reviewed mortgage loans will perform. The mortgage loans that were included in the pre-offering review may have characteristics that were not discovered, noted or analyzed as part of the pre-offering review that could, nonetheless, result in those mortgage loans failing to perform in the future. In addition, certain aspects of the sponsor's pre-offering review did not include all of the mortgage loans in the mortgage pool.

Although selection techniques were employed that the sponsor believes were appropriate for the purpose of the sponsor's pre-offering review of these mortgage loans, selection techniques have some limitations. For example, selecting mortgage loans in connection with the comparison of certain data fields on the mortgage loan data tape may not have detected all of the discrepancies in the data tape regarding the selected mortgage loans. In addition, the information on the data tape regarding the mortgage loans that were not selected may contain more discrepancies or additional types of discrepancies than were found with respect to the selected mortgage loans.

Investors are encouraged, in particular, to note the following with respect to the appraisal review that was conducted as part of the sponsor's pre-offering review.

- Differences may exist among and between estimated valuations due to the subjective nature of estimated valuations and appraisals, particularly between different appraisers estimating valuations or performing appraisals at different points in time, as well as among appraisers and other persons reviewing the appraisals or other valuations.

- Estimating or appraising the value of, and performing other analyses of, high value properties (such as most of the mortgaged properties) can involve challenges that may not generally be present with respect to properties whose values fall within the average price range of their respective markets. There may be fewer substitute properties available (from which to derive comparative values) in the high value residential property market, unique buyer attitudes and preferences, and more difficult to quantify "appeal" issues, any of which can make valuations in the high value home segment less precise than for more average-priced housing.

- Estimates of value for high value properties (such as the above-described) are imprecise. The unique nature of some of these properties, the use in some cases of highly customized and top-quality materials, overall interior design/appeal issues, and in many cases limited notations in the original appraisal report regarding key elements that drove the original property valuation, pose challenges for a subsequent reviewer. Also, a reviewer (or the preparer of a CDA or field review) does not typically have independent access to an interior inspection of the property and therefore is not able to independently analyze the interior appointments and amenities associated with the valuation of these types of properties.

- Appraisals and other valuations represent the analysis and opinion of the person performing the appraisal or valuation at the time it is prepared, and are not guarantees of, and may not be indicative of, the present or future value of the mortgaged property.

Investors are encouraged to make their own determination as the extent to which they place reliance on the limited loan review procedures carried out as part of the sponsor's pre-offering review.

ADDITIONAL INFORMATION

The description in this offering memorandum supplement of the trust fund and the mortgaged properties is based upon the mortgage pool as it is expected to be constituted at the close of business on the cut-off date, as adjusted for the scheduled principal payments due on or before the cut-off date and by principal prepayments received prior to the cut-off date. Prior to the issuance of the offered certificates, mortgage loans may be removed from the trust fund as a result of incomplete documentation or otherwise, if the depositor deems that removal necessary or appropriate. A limited number of other mortgage loans may be added to the trust fund prior to the issuance of the offered certificates. The depositor believes that the information in this offering memorandum supplement will be substantially representative of the characteristics of the mortgage pool as it will be constituted at the time the offered certificates are issued although the range of mortgage rates and maturities and some other characteristics of the mortgage loans in the trust fund may vary. Any variance in the aggregate stated principal amount will not exceed 5%.

Pursuant to the pooling and servicing agreement, the securities administrator will prepare a monthly statement to certificateholders containing the information described under "*The Agreements—Reports to Certificateholders*." The securities administrator will make available each month, to any interested party, the monthly statement to certificateholders via the securities administrator's website. The securities administrator's website will be located at **www.sf.citidirect.com**, and assistance in using the website can be obtained by calling the securities administrator's customer service desk at 1 (888) 855-9695. Parties that are unable to use the above distribution option are entitled to have a paper copy mailed to them via first class mail by notifying the securities administrator at the following address: Citibank, N.A., 388 Greenwich St., New York, N.Y. 10013, Attention: Agency & Trust - Sequoia Mortgage Trust 2023-1.

In addition, within a reasonable period of time after the end of each calendar year, the securities administrator will, upon request, prepare and deliver to each certificateholder of record during the previous calendar year a statement containing information necessary to enable certificateholders to prepare their tax returns. These statements will not have been examined and reported upon by an independent public accountant.

To permit compliance with Rule 144A under the Securities Act in connection with sales of the offered certificates, the securities administrator will be required to furnish, upon the request of any holder of the offered certificates, to such holder and a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act.

See "*Available Information*" in the accompanying offering memorandum.

DESCRIPTION OF THE CERTIFICATES

General

On the closing date, the certificates will be issued pursuant to the pooling and servicing agreement. Set forth below are summaries of the specific terms and provisions pursuant to which the certificates will be issued. The following summaries are subject to, and are qualified in their entirety by reference to, the provisions of the pooling and servicing agreement. Capitalized terms used in this offering memorandum supplement to describe payment characteristics of the certificates are defined under "*—Glossary of Terms*" below.

The Sequoia Mortgage Trust 2023-1 Mortgage Pass-Through Certificates, Series 2023-1 will consist of:

- the Class A-1, Class A-2, Class A-3, Class A-4, Class A-5, Class A-6, Class A-7, Class A-8, Class A-9, Class A-10, Class A-11, Class A-12, Class A-13, Class A-14, Class A-15, Class A-16, Class A-17, Class A-18, Class A-19, Class A-20, Class A-21, Class A-22, Class A-23, Class A-24, Class A-25, Class A-IO1, Class A-IO2, Class A-IO3, Class A-IO4, Class A-IO5, Class A-IO6, Class A-IO7, Class A-IO8, Class A-IO9, Class A-IO10, Class A-IO11, Class A-IO12, Class A-IO13, Class A-IO14, Class A-IO15, Class A-IO16, Class A-IO17, Class A-IO18, Class A-IO19, Class A-IO20, Class A-IO21, Class A-IO22, Class A-IO23, Class A-IO24, Class A-IO25 and Class A-IO26 Certificates, or the "Senior Certificates;"

- the Class B-1, Class B-2, Class B-3, Class B-4 and Class B-5 Certificates, or the "Subordinate Certificates;"

- the Class A-1, Class A-2, Class A-3, Class A-4, Class A-5, Class A-6, Class A-7, Class A-8, Class A-9, Class A-10, Class A-11, Class A-12, Class A-13, Class A-14, Class A-15, Class A-16, Class A-17, Class A-18, Class A-19, Class A-20, Class A-21, Class A-22, Class A-23, Class A-24, Class A-25, Class B-1, Class B-2, Class B-3, Class B-4 and Class B-5 Certificates, or the "P&I Certificates;"

- the Class A-IO1, Class A-IO2, Class A-IO3, Class A-IO4, Class A-IO5, Class A-IO6, Class A-IO7, Class A-IO8, Class A-IO9, Class A-IO10, Class A-IO11, Class A-IO12, Class A-IO13, Class A-IO14, Class A-IO15, Class A-IO16, Class A-IO17, Class A-IO18, Class A-IO19, Class A-IO20, Class A-IO21, Class A-IO22, Class A-IO23, Class A-IO24, Class A-IO25 and Class A-IO26 Certificates, or the "Interest-only Certificates;"

- the Class A-IO-S Certificates, or the "Strip Certificates;" and

- the Class R and Class LT-R Certificates, or the "Residual Certificates."

The Class A-9, Class A-12, Class A-18, Class A-21, Class A-IO1, Class A-IO9, Class A-IO10, Class A-IO12, Class A-IO13, Class A-IO18, Class A-IO19, Class A-IO21 and Class A-IO22 Certificates (the "Initial Exchangeable Certificates") will be exchangeable for the Class A-1, Class A-2, Class A-3, Class A-4, Class A-5, Class A-6, Class A-7, Class A-8, Class A-10, Class A-11, Class A-13, Class A-14, Class A-15, Class A-16, Class A-17, Class A-19, Class A-20, Class A-22, Class A-23, Class A-24, Class A-25, Class A-IO2, Class A-IO3, Class A-IO4, Class A-IO5, Class A-IO6, Class A-IO7, Class A-IO8, Class A-IO11, Class A-IO14, Class A-IO15, Class A-IO16, Class A-IO17, Class A-IO20, Class A-IO23, Class A-IO24, Class A-IO25 and Class A-IO26 Certificates (the "Exchangeable Certificates") and *vice versa*, in each case in the combinations and principal and notional amounts, as applicable, set forth in the table under the heading "*Permitted Exchanges*" beginning on page S-6 of this offering memorandum supplement and subject to the conditions and procedures described herein. See "*—Exchangeable Certificates*" below.

The Senior Certificates and the Class B-1, Class B-2, Class B-3, Class B-4 and Class B-5 Certificates are collectively referred to herein as the "offered certificates" and are the only classes offered by this offering memorandum supplement. The Class A-IO-S, Class R and Class LT-R Certificates are referred to in this offering memorandum supplement as the "non-offered certificates" and are not offered by this offering memorandum supplement. Accordingly, the description of the non-offered certificates provided in this offering memorandum supplement is solely for informational purposes. On the closing date, the sponsor or one or more of its affiliates will purchase the Class A-IO-S Certificates.

On the closing date, the initial aggregate Class Principal Amount of the certificates will approximately equal the aggregate stated principal balance of the mortgage loans as of the cut-off date. The offered certificates will be issued in the initial class principal amounts and initial class notional amounts set forth in the table under "*The Offered Certificates*" beginning on page S-1 of this offering memorandum supplement. The Class A-IO-S Certificates will have an initial Class Notional Amount equal to the aggregate stated principal balance of the mortgage loans as of the cut-off date. The Class R and Class LT-R Certificates will not have principal amounts. The initial issued amount of each class may be increased or decreased by up to 5% to the extent that the principal balance of the mortgage loans is increased or decreased as described under "*Description of the Mortgage Pool*."

The minimum denominations and incremental denominations of the offered certificates are set forth in the table on page S-4 of this offering memorandum supplement.

The certificates represent beneficial ownership interests in the issuing entity. On the closing date, the assets of the issuing entity will consist primarily of (1) the mortgage loans; (2) such assets as from time to time are identified as deposited in respect of the mortgage loans in the custodial account and the distribution account (see "*—Payments on Mortgage Loans; Accounts*" below); (3) the issuing entity's rights under the assignment, assumption and recognition agreement and the omnibus assignment of representations and warranties agreement pursuant to which the seller and the depositor assigned their respective interests in the purchase agreements and servicing agreement with respect to the mortgage loans originally entered into between the seller and each originator and the servicer and, in certain cases, the servicing administrator; (4) the issuing entity's rights under the mortgage loan purchase agreement, as described above under "*The Agreements—Assignment of the Mortgage Loans;*" (5) property acquired by foreclosure of the mortgage loans or deed in lieu of foreclosure; (6) any applicable insurance policies; and (7) the proceeds of all of the foregoing.

Book-Entry Certificates

The offered certificates will be book-entry certificates. Persons acquiring beneficial ownership interests in the offered certificates, or certificate owners, may elect to hold their certificates through the Depository Trust Company, or DTC, in the United States, or Clearstream Banking, société anonyme (formerly Cedelbank), commonly known as Clearstream, Luxembourg, or Euroclear (in Europe) if they are participants of such systems, or indirectly through organizations which are participants in such systems. Each offered certificate sold to a person that, at the time of acquisition, purported acquisition or proposed acquisition of such offered certificate is a Qualified Institutional Buyer will be issued in the form of one or more certificates in registered, global form without interest coupons (collectively, the "Rule 144A Global Certificates"), and the offered certificates sold to Non-U.S. Persons in reliance on Regulation S will be issued in the form of one or more certificates in registered, global form without interest coupons (collectively, the "Regulation S Global Certificates" and, together with the Rule 144A Global Certificates, the "Global Certificates").

The Global Certificates will initially be registered in the name of Cede & Co., the nominee of DTC. Clearstream, Luxembourg and Euroclear will hold omnibus positions on behalf of their participants through customers' securities accounts in Clearstream, Luxembourg's and Euroclear's names on the books of their respective depositaries which in turn will hold such positions in customers' securities accounts in the depositaries' names on the books of DTC. Except as described below, no person acquiring a Global Certificate, or beneficial owner, will be entitled to receive a physical certificate representing such certificate. Unless and until definitive certificates are issued, it is anticipated that the only "certificateholders" of the certificates will be Cede & Co., as nominee of DTC. Certificate owners will not be certificateholders as that term is used in the pooling and servicing agreement. Certificate owners are only permitted to exercise their rights indirectly through the participating organizations that utilize the services of DTC, including securities brokers and dealers, banks and trust companies and clearing corporations and certain other organizations, or Participants, and DTC.

The beneficial owner's ownership of a Global Certificate will be recorded on the records of the brokerage firm, bank, thrift institution or other financial intermediary (each, a "Financial Intermediary") that maintains the beneficial owner's account for such purpose. In turn, the Financial Intermediary's ownership of such Global Certificate will be recorded on the records of DTC (or of a participating firm that acts as agent for the Financial Intermediary, whose interest will in turn be recorded on the records of DTC, if the beneficial owner's Financial Intermediary is not a DTC participant, and on the records of Clearstream, Luxembourg or Euroclear, as appropriate).

Certificate owners will receive all payments of principal of, and interest on, the certificates from the securities administrator through DTC and DTC participants. While the certificates are outstanding (except under the circumstances described below), under the rules, regulations and procedures creating and affecting DTC and its operations (or the Rules), DTC is required to make book-entry transfers among Participants on whose behalf it acts with respect to the certificates and is required to receive and transmit payments of principal of, and interest on, the certificates. Participants and indirect participants which have indirect access to the DTC system, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (or the Indirect Participants), with whom certificate owners have accounts with respect to certificates are similarly required to make book-entry transfers and receive and transmit such payments on behalf of their respective certificate owners. Accordingly, although certificate owners will not possess certificates, the Rules provide a mechanism by which certificate owners will receive payments and will be able to transfer their interest.

Certificate owners will not receive or be entitled to receive certificates representing their respective interests in the certificates, except under the limited circumstances described below. Unless and until definitive certificates are issued, certificate owners who are not Participants may transfer ownership of certificates only through Participants and Indirect Participants by instructing such Participants and Indirect Participants to transfer certificates, by book-entry transfer, through DTC for the account of the purchasers of such certificates, which account is maintained with their respective Participants. Under the Rules and in accordance with DTC's normal procedures, transfers of ownership of certificates will be executed through DTC and the accounts of the respective Participants at DTC will be debited and credited. Similarly, the Participants and Indirect Participants will make debits or credits, as the case may be, on their records on behalf of the selling and purchasing certificate owners.

Because of time zone differences, credits of securities received in Clearstream, Luxembourg or Euroclear as a result of a transaction with a Participant will be made during subsequent securities settlement processing and dated the business day following the DTC settlement date. Such credits or any transactions in such securities settled during such processing will be reported to the relevant Euroclear or Clearstream, Luxembourg Participants on such business day. Cash received in Clearstream, Luxembourg or Euroclear as a result of sales of securities by or through a Clearstream, Luxembourg Participant (as defined herein) or Euroclear Participant (as defined herein) to a DTC Participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream, Luxembourg or Euroclear cash account only as of the business day following settlement in DTC.

Transfers between Participants will occur in accordance with DTC rules. Transfers between Clearstream Luxembourg Participants and Euroclear Participants will occur in accordance with their respective rules and operating procedures.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream Luxembourg Participants or Euroclear Participants, on the other, will be effected in DTC in accordance with the DTC rules on behalf of the relevant European international clearing system by the relevant depositary; however, such cross market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to the relevant depositary to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment in accordance with normal procedures for same day funds settlement applicable to DTC. Clearstream Luxembourg Participants and Euroclear Participants may not deliver instructions directly to the European depositaries.

DTC, which is a New York-chartered limited purpose trust company, performs services for its participants, some of which (and/or their representatives) own DTC. In accordance with its normal procedures, DTC is expected to record the positions held by each DTC participant in the Global Certificates, whether held for its own account or as a nominee for another person. In general, beneficial ownership of Global Certificates will be subject to the rules, regulations and procedures governing DTC and DTC participants as in effect from time to time.

Clearstream Luxembourg is incorporated under the laws of Luxembourg as a professional depository. Clearstream Luxembourg holds securities for its participating organizations ("Clearstream Luxembourg Participants") and facilitates the clearance and settlement of securities transactions between Clearstream Luxembourg Participants through electronic book-entry changes in accounts of Clearstream Luxembourg Participants, thereby eliminating the need for physical movement of certificates. Transactions may be settled in Clearstream Luxembourg in any of various currencies, including United States dollars. Clearstream Luxembourg provides to its Clearstream Luxembourg Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Clearstream Luxembourg interfaces with domestic markets in several countries. As a professional depository, Clearstream Luxembourg is subject to regulation by the Luxembourg Monetary Institute. Clearstream Luxembourg Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. Indirect access to Clearstream Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Luxembourg Participant, either directly or indirectly.

Euroclear was created in 1968 to hold securities for its participants (or Euroclear Participants) and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Transactions may be settled in any of various currencies, including United States dollars. Euroclear includes various other services, including securities lending and borrowing, and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market transfers with DTC described above. Euroclear is operated by Euroclear Bank, S.A./N.V. (or the Euroclear Operator). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System and applicable Belgian law (collectively, the Terms and Conditions). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the Terms and Conditions only on behalf of Euroclear Participants, and has no record of or relationship with persons holding through Euroclear Participants.

Payments on the Global Certificates will be made on each distribution date by the securities administrator to DTC. DTC will be responsible for crediting the amount of such payments to the accounts of the applicable DTC participants in accordance with DTC's normal procedures. Each DTC participant will be responsible for disbursing such payment to the beneficial owners of the Global Certificates that it represents and to each Financial Intermediary for which it acts as agent. Each such Financial Intermediary will be responsible for disbursing funds to the beneficial owners of the Global Certificates that it represents.

Under a book-entry format, certificate owners of the Global Certificates may experience some delay in their receipt of payments, since such payments will be made by the securities administrator to Cede & Co. Payments with respect to certificates held through Clearstream Luxembourg or Euroclear will be credited to the cash accounts of Clearstream Luxembourg Participants or Euroclear Participants in accordance with the relevant system's rules and procedures, to the extent received by the relevant depositary. Such payments will be subject to tax reporting in accordance with relevant United States tax laws and regulations. See "*Material Federal Income Tax Consequences—Withholding with Respect to Certain Foreign Investors*" and "*—Backup Withholding*" in the accompanying offering memorandum.

Because DTC can only act on behalf of Financial Intermediaries, the ability of a beneficial owner to pledge Global Certificates to persons or entities that do not participate in the Depository system, or otherwise take actions in respect of such Global Certificates, may be limited due to the lack of physical certificates for such Global Certificates. In addition, issuance of the Global Certificates in book-entry form may reduce the liquidity of such certificates in the secondary market since certain potential investors may be unwilling to purchase certificates for which they cannot obtain physical certificates.

DTC has advised the depositor that, unless and until definitive certificates are issued, DTC will take any action permitted to be taken by the holders of the Global Certificates under the pooling and servicing agreement only at the direction of one or more Financial Intermediaries to whose DTC accounts the Global Certificates are credited, to the extent that such actions are taken on behalf of Financial Intermediaries whose holdings include such Global Certificates. Clearstream Luxembourg or the Euroclear Operator, as the case may be, will take any other action permitted to be taken by a certificateholder under the pooling and servicing agreement on behalf of a Clearstream Luxembourg Participant or Euroclear Participant only in accordance with its relevant rules and procedures and subject to the ability of the relevant depositary to effect such actions on its behalf through DTC. DTC may take actions, at the direction of the related Participants, with respect to some Global Certificates which conflict with actions taken with respect to other certificates.

Although DTC, Clearstream Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of Global Certificates among participants of DTC, Clearstream Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

None of the seller, the depositor, the master servicer or the securities administrator will have any responsibility for any aspect of the records relating to or payments made on account of beneficial ownership interests of the Global Certificates held by Cede & Co., as nominee of DTC, or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests or transfers thereof.

Definitive certificates will be issued to certificate owners or their nominees, respectively, rather than to DTC or its nominee, only under the limited conditions set forth in the accompanying offering memorandum under "*Description of the Securities — Book-Entry Registration of Securities*." Upon the occurrence of an event described in the penultimate paragraph thereunder, the securities administrator is required to direct DTC to notify Participants that have ownership of Global Certificates as indicated on the records of DTC of the availability of definitive certificates for the Global Certificates. Upon surrender by DTC of the definitive certificates representing the Global Certificates, and upon receipt of instruction from DTC for re-registration, the securities administrator, based solely upon the information provided to it by DTC, will re-issue the Global Certificates as definitive certificates in the respective principal amounts owned by the individual beneficial owner and thereafter the trustee and the securities administrator will recognize the holders of such definitive certificates as certificateholders under the pooling and servicing agreement.

Definitive certificates may not be exchanged for beneficial interests in any Global Certificate unless the transferor first delivers to the securities administrator a written certificate (in the form provided in the pooling and servicing agreement) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such certificates. See "*Notice to Investors*."

Prior to the expiration of the 40-day period prescribed by Regulation S, commencing on the later of (a) the date upon which the offered certificates are first offered to persons other than the initial purchasers and any other distributor (as such term is defined in Regulation S) of the offered certificates and (b) the closing date (the "Distribution Compliance Period"), beneficial interests in the Regulation S Global Certificate may be exchanged for beneficial interests in the Rule 144A Global Certificate only if:

(1) such exchange occurs in connection with a transfer of the certificates pursuant to Rule 144A; and

(2) the transferor first delivers to the securities administrator a written certificate (in the form provided in the pooling and servicing agreement) to the effect that the certificates are being transferred to a person:

(a) who the transferor reasonably believes to be a Qualified Institutional Buyer within the meaning of Rule 144A;

(b) purchasing for its own account or the account of a Qualified Institutional Buyer in a transaction meeting the requirements of Rule 144A; and

(c) in compliance with certain restrictions imposed during the Distribution Compliance Period, if applicable, and in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Rule 144A Global Certificate may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Certificate, whether before or after the expiration of the Distribution Compliance Period, only if the transferor first delivers to the securities administrator a written certificate (in the form provided in the pooling and servicing agreement) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 (if available) and that, if such transfer occurs prior to the expiration of the Distribution Compliance Period, the interest transferred will be held immediately thereafter through Clearstream, Luxembourg or Euroclear.

Any beneficial interest in one of the Global Certificates that is transferred to a person who takes delivery in the form of an interest in the other Global Certificate will, upon transfer, cease to be an interest in such Global Certificate and will become an interest in the other Global Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Certificate for so long as it remains such an interest. The policies and practices of DTC may prohibit transfers of beneficial interests in the Regulation S Global Certificate prior to the expiration of the Distribution Compliance Period.

For information relating to tax documentation procedures relating to the certificates, see "*Material Federal Income Tax Consequences—Withholding with Respect to Certain Foreign Investors*" and "*—Backup Withholding*" in the offering memorandum and "*Global Clearance, Settlement and Tax Documentation Procedures—Certain U.S. Federal Income Tax Documentation Requirements*" in Annex B hereto, which Annex B is attached to this offering memorandum supplement and is incorporated by reference herein.

Exchangeable Certificates

General

All or a portion of the Initial Exchangeable Certificates (or Exchangeable Certificates that have been received in a prior exchange and are, in turn, being re-exchanged for other Exchangeable Certificates) may be exchanged for the Exchangeable Certificates, and *vice versa*, as specified in the table under the heading "*Permitted Exchanges*" beginning on page S-6 of this offering memorandum supplement. This process may occur repeatedly. The classes of Initial Exchangeable Certificates or Exchangeable Certificates that are outstanding at any given time, and the outstanding Class Principal Amounts and Class Notional Amounts of these classes, will depend upon, among other things, any related payments of principal on those classes entitled to payments of principal as well as any exchanges that occur. The maximum Class Principal Amounts and Class Notional Amounts of the Initial Exchangeable Certificates and Exchangeable Certificates are shown in the table beginning on page S-6 of this offering memorandum supplement.

On each distribution date, the securities administrator will reduce the Class Principal Amounts and Class Notional Amounts of the Initial Exchangeable Certificates and the Exchangeable Certificates in accordance with the payment priorities and allocation of Realized Losses or allocation of Certificate Writedown Amounts described below based on the then outstanding Class Principal Amounts of those classes entitled to payments of principal.

The Exchangeable Certificates are not separate legal obligations of the issuing entity but are certificates issued by the issuing entity which represent combinations (as described under "*Permitted Exchanges*" herein) of classes of Initial Exchangeable Certificates (or in certain cases, previously exchanged Exchangeable Certificates) with the payment rights and obligations of the related Initial Exchangeable Certificates.

Exchanges

If a holder of Initial Exchangeable Certificates (or in certain cases, previously exchanged Exchangeable Certificates) elects to exchange its Initial Exchangeable Certificates (or in certain cases, previously exchanged Exchangeable Certificates) for Exchangeable Certificates, or if a holder of Exchangeable Certificates elects to exchange its Exchangeable Certificates for Initial Exchangeable Certificates (or in certain cases, previously exchanged Exchangeable Certificates), then:

- the aggregate Class Principal Amount of the Exchangeable Certificates or the Initial Exchangeable Certificates entitled to payments of principal received in the exchange, immediately after the exchange, will equal the aggregate Class Principal Amount, immediately prior to the exchange, of the exchanged certificates entitled to payments of principal surrendered;

- the aggregate annual amount of interest payable with respect to the Exchangeable Certificates or Initial Exchangeable Certificates received in the exchange will equal the aggregate amount of interest payable with respect to the exchanged certificates surrendered; and

- the class or classes of Exchangeable Certificates or Initial Exchangeable Certificates received will be in the combinations described in the table beginning on page S-6 herein of this offering memorandum supplement.

Procedures

If a Certificateholder wishes to exchange its Initial Exchangeable Certificates or Exchangeable Certificates, the Certificateholder must notify the securities administrator by e-mail at "ctssfexchanges@citi.com" no later than three business days before the proposed exchange date. A notice becomes irrevocable on the second business day before the proposed exchange date. The exchange date can be any business day other than the first or last business day of the month and the related Record Date, subject to the securities administrator's approval. In addition, the Certificateholder must provide notice on the Certificateholder's letterhead, which notice must carry a medallion stamp guarantee and set forth the following information: the CUSIP number of each Initial Exchangeable Certificate or Exchangeable Certificates to be exchanged and each Initial Exchangeable Certificate or Exchangeable Certificates to be received, the outstanding Certificate Principal Amounts and, if applicable, Certificate Notional Amounts, of each

Initial Exchangeable Certificate or Exchangeable Certificates to be exchanged, the Certificateholder's DTC participant number and the proposed exchange date. After receiving such notice, the securities administrator will e-mail the Certificateholder with wire payment instructions relating to the exchange fee. The Certificateholder will utilize the Deposit and Withdrawal System at DTC for such exchanges.

The Initial Exchangeable Certificate and Exchangeable Certificates to be exchanged must be in the correct exchange principal amounts and notional amounts, as applicable. The securities administrator will verify the proposed principal and notional amounts to ensure that the principal and interest entitlements of the Initial Exchangeable Certificate and Exchangeable Certificates received equal the entitlements of the Initial Exchangeable Certificate and Exchangeable Certificates surrendered. If there is an error, the exchange will not occur until such error is corrected. Unless rejected for error, the notice of exchange will become irrevocable on the second business day before the proposed exchange date.

In connection with each exchange, the Certificateholder must pay the securities administrator a fee equal to $5,000 and such fee must be received by the securities administrator prior to the exchange date or such exchange will not be effected. In addition, the Certificateholder wishing to effect such an exchange must pay any other expenses related to such exchange, including fees charged by DTC.

Additional Considerations

Exchangeable Certificates issued may be exchanged back for Initial Exchangeable Certificates (or in certain cases, previously exchanged Exchangeable Certificates) with an aggregate Certificate Principal Amount, together in certain cases with specific Interest-only Certificates, equal to the aggregate Certificate Principal Amount of the Exchangeable Certificates surrendered, for exchange as described in the table beginning on page S-6 of this offering memorandum supplement. Investors should consider the following:

- All classes of the applicable Initial Exchangeable Certificates or Exchangeable Certificates must be owned to make the desired exchange for the Exchangeable Certificates. If any class of Initial Exchangeable Certificates or Exchangeable Certificates has been sold, pledged or otherwise transferred it may thus be unavailable for exchange.

- There can be no assurance that at any given point in time the ratings that are assigned to the Initial Exchangeable Certificates and the Exchangeable Certificates will be the same.

Payments

The securities administrator will make the first payment on an Exchangeable Certificate or Initial Exchangeable Certificate received in an exchange transaction on the distribution date in the following month to the Certificateholder of record as of the close of business on the last day of the month of the exchange.

In the event that Initial Exchangeable Certificates (or in certain cases, previously exchanged Exchangeable Certificates) have been exchanged for the related Exchangeable Certificates in one of the exchange combinations described under "*Permitted Exchanges*" herein, the Exchangeable Certificates received in such an exchange will be entitled to a proportionate share of the interest and/or principal payments, as applicable, otherwise allocable to the classes of Initial Exchangeable Certificates (or in certain cases, previously exchanged Exchangeable Certificates) so exchanged.

Payments on Mortgage Loans; Accounts

On or prior to the closing date, the servicer will establish and maintain or cause to be established and maintained a "custodial account," which will be a separate account or accounts for the collection of payments on the mortgage loans and which will be separate from the servicer's other assets. In the event that the rating of the depository institution where the custodial account is maintained, which may be the servicer, falls below requirements specified in the servicing agreement, the custodial account will be transferred within thirty (30) days to a depository institution satisfying those requirements.

On or prior to the closing date, the securities administrator will establish the "distribution account," which will be an account established by the securities administrator in trust for the benefit of the certificateholders. On or prior to the closing date, the master servicer will establish the "master servicer collection account," which will be established at a depository institution satisfying the requirements of the rating agencies, in trust for the benefit of the certificateholders for the collection of payments on the mortgage loans received from the servicer and the servicing administrator. In the event that the rating of the depository institution holding the master servicer collection account or the securities administrator falls below requirements specified in the pooling and servicing agreement, the master servicer collection account and the distribution account, as applicable, will be transferred within thirty (30) days to a depository institution satisfying those requirements. On the Servicer Remittance Date immediately preceding each distribution date, the servicer will withdraw from the custodial account collections and recoveries in respect of the mortgage loans that are required to be distributed to the certificateholders on the next distribution date and will remit such amounts to the master servicer for deposit in the master servicer collection account. On the Master Servicer Remittance Date immediately preceding each distribution date, the master servicer will withdraw from the master servicer collection account and remit to the securities administrator the collections and recoveries in respect of the mortgage loans that are required to be distributed to the certificateholders on the next distribution date that were received from the servicer and the servicing administrator and will deposit such amount in the distribution account.

On each distribution date, to the extent of the Available Distribution Amount on deposit in the distribution account, the securities administrator, on behalf of the trustee, will withdraw the Certificate Distribution Amount to pay the Certificateholders. The "Certificate Distribution Amount" for any distribution date will equal the sum of (i) the respective Interest Distribution Amounts with respect to each class of Certificates, (ii) unpaid Interest Shortfalls, (iii) the Senior Principal Distribution Amount and (iv) the Subordinate Principal Distribution Amount.

Funds credited to the custodial account may be invested at the direction of the servicer for the benefit and at the risk of the servicer in eligible investments, as defined in the servicing agreement, that are scheduled to mature on or prior to the business day preceding the next Servicer Remittance Date. Funds credited to the master servicer collection account or the distribution account may be invested at the direction of the master servicer or the securities administrator, as applicable, for the benefit and at the risk of the master servicer or the securities administrator, as applicable, in eligible investments, as defined in the pooling and servicing agreement, that are scheduled to mature on or prior to the next master servicer remittance date or distribution date.

Glossary of Terms

The following terms are given the meanings shown below to help describe the cash flows on the Certificates:

"**Accrual Period**" means, with respect to any distribution date and for each class of certificates, the calendar month immediately preceding the month in which the distribution date occurs. For each distribution date and each related Accrual Period, interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

"**Aggregate Expense Rate**" means the sum of the servicing fee rate, the securities administrator fee rate, the custodian fee rate, the master servicing fee rate, the distributed ledger agent fee rate and the trustee fee rate.

"**Applicable Credit Support Percentage**" means, for each class of Subordinate Certificates and any distribution date, the sum of the Class Subordination Percentage of that class and the aggregate Class Subordination Percentage of all other classes (if any) of Subordinate Certificates having lower payment priorities than that class.

The approximate original Applicable Credit Support Percentages for each class of Subordinate Certificates on the date of issuance of such certificates are expected to be as follows:

Class B-1	5.50%
Class B-2	3.45%
Class B-3	2.30%
Class B-4	1.45%
Class B-5	0.85%

"**Assumed Stated Principal Balance**" means, with respect to a Stop Advance Mortgage Loan, as of any date of determination, the unpaid principal balance of such mortgage loan as determined by the amortization schedule for such mortgage loan at the time of determination (before any adjustment to such amortization schedule by reason of any moratorium or similar waiver or grace period) after giving effect to any previous servicing modification, principal prepayments and related liquidation proceeds allocable to principal and irrespective of any delinquency in payment by the related mortgagor.

"**Available Distribution Amount**" means, with respect to any distribution date, the sum of the following amounts:

(i) all scheduled payments of interest (net of the servicing fees, trustee fees, custodian fees, master servicing fees, distributed ledger agent fees and securities administrator fees) and principal due during the related Due Period and received, together, without duplication, with any advances in respect thereof, or collected or advanced with respect to a prior Due Period and not included in the Available Distribution Amount for a previous distribution date; (ii) Insurance Proceeds received during the related Prepayment Period; (iii) Liquidation Proceeds received during the related Prepayment Period (net of unreimbursed expenses incurred in connection with a liquidation or foreclosure, unpaid fees in respect of such mortgage loan, and unreimbursed advances, if any); (iv) Subsequent Recoveries received during the related Prepayment Period and any amounts received by the securities administrator or trustee since the prior distribution date as reimbursement for expenses or other amounts that were previously applied to reduce the Available Distribution Amount and were not applied to reduce Net WAC for any distribution date; (v) all partial or full prepayments of principal, together with any accrued interest thereon, identified as having been received on the mortgage loans during the related Prepayment Period, plus any amounts received from the servicing administrator or the master servicer or funded by a reduction in the servicing rights strip in respect of Prepayment Interest Shortfalls on such mortgage loans; (vi) amounts received with respect to such distribution date as the Substitution Amount and the purchase price in respect of a deleted mortgage loan or a mortgage loan purchased by an originator or RRAC as of such distribution date as a result of a breach of a representation or warranty; (vii) the purchase price paid by the master servicer to purchase the mortgage loans and terminate the trust fund, if applicable; and (viii) with respect to the first distribution date following the closing date, any Closing Date Substitution Amount received during the related due period;

minus:

(A) amounts applied to reimburse monthly advances and servicing advances previously made and other amounts as to which the servicing administrator and the Class A-IO-S Certificates are entitled to be reimbursed pursuant to the servicing agreement;

(B) amounts applied to reimburse monthly advances and servicing advances previously made as to which the master servicer and, in the case of monthly advances, the securities administrator are entitled to be reimbursed pursuant to the pooling and servicing agreement; and

(C) the sum of all related fees, charges and costs, including indemnification amounts and costs of arbitration (other than the securities administrator fee, the trustee fee, the custodian fee, the distributed ledger agent fee and the master servicing fee) payable or reimbursable to the master servicer, the securities administrator and the trustee from the trust fund under the pooling and servicing agreement, the custodian from the trust fund in accordance with the custodial agreement and the distributed ledger agent from the trust fund in accordance with the distributed ledger agent agreement, subject to an aggregate maximum amount of $300,000 annually (per year from the closing date to the first anniversary of the closing date and each subsequent anniversary year thereafter) to be paid to such parties collectively, in the order claims for payment of such amounts are received by the securities administrator; *provided, however*, that if a claim is presented for an amount that, when combined with the amount of prior claims paid during that year, would exceed $300,000, then only a portion of such claim will be paid that will make the total amount paid during that year equal to $300,000 and the excess remaining unpaid, together with any additional claims received during that year, will be deferred until the following anniversary year and if the total amount of such deferred claims exceeds $300,000 then payment in such following anniversary year (and each subsequent anniversary year as may be needed until such deferred claims are paid in full) will be apportioned among the master servicer, the securities administrator, the custodian, the distributed ledger agent and the trustee, in proportion to the aggregate amount of deferred claims submitted by such entity as of the last day of the prior year; *provided* that, in no event will the aggregate amount reimbursable to the trustee exceed $125,000 annually; *provided further* that, in no event will the aggregate amount reimbursable to the distributed ledger agent exceed $10,000 annually (in each case, per year from the closing date to the first anniversary of the closing date and each subsequent anniversary year thereafter).

"**Certificate Interest Rate**" means, for any class of Subordinate Certificates and any distribution date, an annual rate equal to Net WAC for that distribution date. The certificate interest rate on the Class A-1, Class A-4, Class A-7, Class A-10, Class A-13, Class A-16, Class A-19 and Class A-22 Certificates and any distribution date will be an annual rate equal to the lesser of (i) 5.00000% and (ii) Net WAC for such distribution date. The certificate interest rate on the Class A-2, Class A-5, Class A-8, Class A-11, Class A-14, Class A-17, Class A-20 and Class A-23 Certificates and any distribution date will be an annual rate equal to the lesser of (i) 4.50000% and (ii) Net WAC for such distribution date. The certificate interest rate on the Class A-3, Class A-6, Class A-9, Class A-12, Class A-15, Class A-18, Class A-21 and Class A-24 Certificates and any distribution date will be an annual rate equal to the lesser of (i) 4.00000% and (ii) Net WAC for such distribution date. The certificate interest rate on the Class A-25 Certificates and any distribution date will be an annual rate equal to Net WAC for such distribution date. The certificate interest rate on the Class A-IO1 Certificates and any distribution date will be an annual rate equal to the excess, if any, of (i) Net WAC for such distribution date over (ii) 5.00000%. The certificate interest rate on the Class A-IO2, Class A-IO5, Class A-IO8, Class A-IO11, Class A-IO14, Class A-IO17, Class A-IO20 and Class A-IO23 Certificates and any distribution date will be an annual rate equal to the excess, if any, of (i) the lesser of Net WAC for such distribution date and 5.00000% over (ii) the lesser of Net WAC for such distribution date and 4.00000%. The certificate interest rate on the Class A-IO3, Class A-IO6, Class A-IO9, Class A-IO12, Class A-IO15, Class A-IO18, Class A-IO21 and Class A-IO24 Certificates and any distribution date will be an annual rate equal to the excess, if any, of (i) the lesser of Net WAC for such distribution date and 5.00000% over (ii) the lesser of Net WAC for such distribution date and 4.50000%. The certificate interest rate on the Class A-IO4, Class A-IO7, Class A-IO10, Class A-IO13, Class A-IO16, Class A-IO19, Class A-IO22 and Class A-IO25 Certificates and any distribution date will be an annual rate equal to the excess, if any, of (i) the lesser of Net WAC for such distribution date and 4.50000% over (ii) the lesser of Net WAC for such distribution date and 4.00000%. The certificate interest rate on the Class A-IO26 Certificates and any distribution date will be an annual rate equal to the excess, if any, of (i) Net WAC for such distribution date over (ii) 4.50000%.

"**Certificate Notional Amount**" means, with respect to a Class A-IO1, Class A-IO2, Class A-IO3, Class A-IO4, Class A-IO5, Class A-IO6, Class A-IO7, Class A-IO8, Class A-IO9, Class A-IO10, Class A-IO11, Class A-IO12, Class A-IO13, Class A-IO14, Class A-IO15, Class A-IO16, Class A-IO17, Class A-IO18, Class A-IO19, Class A-IO20, Class A-IO21, Class A-IO22, Class A-IO23, Class A-IO24, Class A-IO25, Class A-IO26 and Class A-IO-S Certificate and any distribution date, such Certificate's percentage interest of the Class Notional Amount of such class of Certificates for such distribution date.

"**Certificate Principal Amount**" means, for any certificate (other than the Interest-only Certificates, the Residual Certificates and the Strip Certificates) and any distribution date, the maximum specified dollar amount of principal to which the holder of the certificate is then entitled, that amount being equal to the initial principal amount set forth on the face of the certificate, as reduced by the amount of all principal distributions previously made with respect to that certificate, the principal portion of any Realized Losses previously allocated to that certificate and any Certificate Writedown Amount previously allocated to that certificate; *provided*, *however*, that on any distribution date on which a Subsequent Recovery or any amount described in clause (4) of the definition of Senior Principal Distribution Amount or Subordinate Principal Distribution Amount is distributed on such distribution date, the Certificate Principal Amount of any certificate then outstanding to which a Certificate Writedown Amount or Realized Loss amount has been applied will be increased, sequentially in order of seniority, by an amount equal to the lesser of (i) the principal portion of any Certificate Writedown Amount or Realized Loss amount previously allocated to that certificate to the extent not previously recovered and (ii) the sum of (x) the principal portion of any Subsequent Recovery that is distributed on such distribution date and (y) any amount described in clause (4) of the definition of Senior Principal Distribution Amount or Subordinate Principal Distribution Amount that is distributed on such distribution date, after application (for this purpose) to more senior classes of certificates, and *provided further* that on any distribution date on which the aggregate Stated Principal Balance of the mortgage loans or, in the case of any Stop Advance Mortgage Loan the Unpaid Principal Balance thereof, exceeds the aggregate of the Certificate Principal Amounts of the certificates, such excess (including any excess attributable to the allocation of Principal Forbearance Amounts) will be allocated to increase the Certificate Principal Amount of any certificate then outstanding to which a Certificate Writedown Amount or Realized Loss amount has previously been allocated, sequentially in order of seniority (and with respect to the Senior Certificates, *pro rata* based upon the amount of Certificate Writedown Amounts and Realized Losses previously allocated thereto), up to the principal amount of such Certificate Writedown Amount or Realized Loss to the extent not previously recovered. Notwithstanding the foregoing, the Certificate Principal Amount of the Initial Exchangeable Certificates and the Exchangeable Certificates will be subject to increase or decrease from time to time in connection with exchanges of such certificates as described herein.

"**Certificate Writedown Amount**" means the amount by which the aggregate Certificate Principal Amount of all the certificates (other than the Interest-only Certificates, the Residual Certificates and the Strip Certificates) on any distribution date (after giving effect to distributions of principal and allocations of Realized Losses on that distribution date) exceeds the aggregate Stated Principal Balance of the mortgage loans or, in the case of any Stop Advance Mortgage Loan, the Unpaid Principal Balance thereof for such distribution date, which will be applied to reduce the Class Principal Amount of each class of Subordinate Certificates in reverse order of their priority of payment and, after the Credit Support Depletion Date, to reduce the aggregate Class Principal Amount of the Senior Certificates (other than the Interest-only Certificates), on a *pro rata* basis in accordance with their respective Class Principal Amounts; *provided, however*, that any Certificate Writedown Amounts that would otherwise reduce the Class Principal Amounts of the Class A-9, Class A-12 and Class A-18 Certificates will first reduce the Class Principal Amount of the Class A-21 Certificates until the Class Principal Amount of the Class A-21 Certificates has been reduced to zero, and will then reduce the respective Class Principal Amounts of the Class A-9, Class A-12 and Class A-18 Certificates on a *pro rata* basis in accordance with their respective Class Principal Amounts.

"**Class Notional Amount**" means (i) with respect to the Class A-IO1, Class A-IO23, Class A-IO24, Class A-IO25 and Class A-IO26 Certificates and any distribution date, an amount equal to the allocable portion of the aggregate Class Principal Amount of the Class A-9, Class A-12, Class A-18 and Class A-21 Certificates, as adjusted with respect to any exchanges made for Exchangeable Certificates prior to such distribution date; (ii) with respect to the Class A-IO2, Class A-IO3 and Class A-IO4 Certificates and any distribution date, an amount equal to the allocable portion of the aggregate Class Principal Amount of the Class A-9, Class A-12 and Class A-18 Certificates, as adjusted with respect to any exchanges made for Exchangeable Certificates prior to such distribution date; (iii) with respect to the Class A-IO5, Class A-IO6 and Class A-IO7 Certificates and any distribution date, an amount equal to the allocable portion of the aggregate Class Principal Amount of the Class A-12 and Class A-18 Certificates, as adjusted with respect to any exchanges made for Exchangeable Certificates prior to such distribution date; (iv) with respect to the Class A-IO8, Class A-IO9 and Class A-IO10 Certificates and any distribution date, an amount equal to the allocable portion of the Class Principal Amount of the Class A-9 Certificates, as adjusted with respect to any exchanges made for Exchangeable Certificates prior to such distribution date; (v) with respect to the Class A-IO11, Class A-IO12 and Class A-IO13 Certificates and any distribution date, an amount equal to the allocable portion of the Class Principal Amount of the Class A-12 Certificates, as adjusted with respect to any exchanges made for Exchangeable Certificates prior to such distribution date; (vi) with respect to the Class A-IO14, Class A-IO15 and Class A-IO16 Certificates and any distribution date, an amount equal to the allocable portion of the aggregate Class Principal Amount of the Class A-9 and Class A-18 Certificates, as adjusted with respect to any exchanges made for Exchangeable Certificates prior to such distribution date; (vii) with respect to the Class A-IO17, Class A-IO18 and Class A-IO19 Certificates and any distribution date, an amount equal to the allocable portion of the Class Principal Amount of the Class A-18 Certificates, as adjusted with respect to any exchanges made for Exchangeable Certificates prior to such distribution date; and (viii) with respect to the Class A-IO20, Class A-IO21 and Class A-IO22 Certificates and any distribution date, an amount equal to the allocable portion of the Class Principal Amount of the Class A-21 Certificates, as adjusted with respect to any exchanges made for Exchangeable Certificates prior to such distribution date. The Class A-IO-S Certificates will have a class notional amount equal to the aggregate Stated Principal Balance of the mortgage loans or, in the case of any mortgage loan that is a Stop Advance Mortgage Loan, the Assumed Stated Principal Balances thereof, as of the first day of the related Due Period.

"**Class Principal Amount**" means, for each class of certificates on any distribution date, an amount equal to the aggregate Certificate Principal Amount of the certificates of that class immediately prior to such distribution date.

"**Class Subordination Percentage**" means, for any distribution date and each class of Subordinate Certificates, an amount equal to a fraction (expressed as a percentage), the numerator of which is the Class Principal Amount of that class prior to any distributions of principal, allocations of Realized Losses, allocations of Certificate Writedown Amounts or allocations of Subsequent Recoveries on that distribution date and the denominator of which is the aggregate of the Class Principal Amounts of all classes of certificates (other than the Interest-only Certificates, the Strip Certificates and the Residual Certificates) prior to any distributions of principal, allocations of Realized Losses, allocations of Certificate Writedown Amounts or allocations of Subsequent Recoveries on that distribution date; *provided* that for purposes of calculating the numerator and the denominator above, the Class Principal Amount of the class of Subordinate Certificates with the lowest payment priority will be reduced by the aggregate of the Unpaid Principal Balances of any Stop Advance Mortgage Loans for such distribution date.

"**Closing Date Substitution Amount**" means an amount equal to the Principal Balance Shortfall, plus one month of accrued interest on the amount of such Principal Balance Shortfall based on an interest rate equal to the weighted average of the Net Mortgage Rates of the related removed mortgage loans (based on Stated Principal Balance as of the cut-off date).

"**Controlling Holder**" means, at any time, the holder (or holders) of the majority of the Class Principal Amount of the Class B-5 Certificates. If the Class Principal Amount of the Class B-5 Certificates is zero, then there is no longer a Controlling Holder.

"**Credit Support Depletion Date**" means the date on which the aggregate Class Principal Amount of the Subordinate Certificates has been reduced to zero.

"**Current Interest**" means, for each class of certificates (other than the Strip Certificates and the Residual Certificates) on any distribution date, an amount equal to the interest accrued during the related Accrual Period on the related Class Principal Amount prior to any distributions of principal, allocations of Realized Losses, allocations of Certificate Writedown Amounts or allocations of Subsequent Recoveries on that distribution date (or in the case of the Interest-only Certificates, the Class Notional Amount immediately prior to that distribution date) at the applicable Certificate Interest Rate.

"**Due Date**" means, with respect to a mortgage loan, the date specified in the related mortgage note on which the monthly scheduled payment of interest and principal is due, exclusive of any days of grace, which is generally the first day of the calendar month.

"**Due Period**" means, with respect to any distribution date, the period beginning on the second day of the calendar month preceding the month in which the distribution date occurs and ending on the first day of the calendar month in which that distribution date occurs.

"**Exchangeable Certificates**" means the Class A-1, Class A-2, Class A-3, Class A-4, Class A-5, Class A-6, Class A-7, Class A-8, Class A-10, Class A-11, Class A-13, Class A-14, Class A-15, Class A-16, Class A-17, Class A-19, Class A-20, Class A-22, Class A-23, Class A-24, Class A-25, Class A-IO2, Class A-IO3, Class A-IO4, Class A-IO5, Class A-IO6, Class A-IO7, Class A-IO8, Class A-IO11, Class A-IO14, Class A-IO15, Class A-IO16, Class A-IO17, Class A-IO20, Class A-IO23, Class A-IO24, Class A-IO25 and Class A-IO26 Certificates.

"**Initial Exchangeable Certificates**" means the Class A-9, Class A-12, Class A-18, Class A-21, Class A-IO1, Class A-IO9, Class A-IO10, Class A-IO12, Class A-IO13, Class A-IO18, Class A-IO19, Class A-IO21 and Class A-IO22 Certificates.

"**Insurance Proceeds**" means all proceeds of any insurance policies with respect to the mortgage loans, to the extent such proceeds are not applied to the restoration of the related mortgaged property or released to the related borrower in accordance with the servicer's normal servicing procedures and excluding insured expenses.

"**Interest Distribution Amount**" means, for each class of certificates (other than the Strip Certificates and the Residual Certificates) on any distribution date, the Current Interest for that class on that distribution date as reduced by (A) each such class' share of Net Interest Shortfalls, which will be allocated *sequentially*, *first*, to the Class A-IO1 Certificates and each class of Subordinate Certificates, *pro rata*, based on the amount of Current Interest accrued on each such class of certificates for such distribution date, until the amount of such Current Interest is reduced to zero; and *second*, to all classes of Senior Certificates (other than the Class A-IO1 Certificates), *pro rata*, based on the amount of Current Interest accrued on each such class of certificates for such distribution date, until the amount of such Current Interest is reduced to zero, and (B) by the sum of (i) interest accrued on the aggregate Assumed Stated Principal Balance of all Stop Advance Mortgage Loans at their respective Net Mortgage Rates and (ii) an amount equal to (a) Net WAC *multiplied* by (b) the aggregate Unpaid Principal Balance of all Stop Advance Mortgage Loans *minus* the aggregate Assumed Stated Principal Balance of all Stop Advance Mortgage Loans, which will be allocated first to the class of certificates with the lowest payment priority and then to the class of certificates with the next lowest payment priority, and so on, in each case up to the Interest Distribution Amount of each such class for such distribution date prior to giving effect to this clause (B) and, in the case of the Senior Certificates, will be allocated to the Senior Certificates on a *pro rata* basis in accordance with their respective Interest Distribution Amounts prior to giving effect to this clause (B).

“**Interest Shortfall**” means, as to any class of certificates (other than the Strip Certificates and the Residual Certificates) and any distribution date, the sum of (a) the amount by which (i) the Interest Distribution Amount for such class on all prior distribution dates exceeds (ii) amounts distributed in respect of interest to such class on prior distribution dates, and (b) for any Stop Advance Mortgage Loan that is no longer a Stop Advance Mortgage Loan (including as a result of a servicing modification) as of such distribution date or that became a Liquidated Mortgage Loan in the related Due Period or Prepayment Period, as applicable, the aggregate amount by which the Interest Distribution Amount was reduced on any prior distribution dates for all classes of certificates pursuant to clause (B) of the definition of Interest Distribution Amount and not previously reimbursed, up to the amount of accrued but unpaid interest received on such mortgage loan, excluding any such unpaid interest that was added to the unpaid principal balance of the mortgage loan as a result of a servicing modification, which amounts in this clause (b) will be allocated to such classes of certificates in order of payment priority with respect to interest until the amount by which such class’s Interest Distribution Amount was reduced on any prior distribution dates has been reduced to zero.

“**Liquidated Mortgage Loan**” means a defaulted mortgage loan as to which the servicer has determined that all recoverable Liquidation Proceeds and Insurance Proceeds have been received.

“**Liquidation Proceeds**” means all cash amounts received in connection with the liquidation of defaulted mortgage loans, by foreclosure or otherwise, including net proceeds from any REO Property or amounts received in connection with a condemnation or partial release of a mortgaged property.

“**Master Servicer Remittance Date**” means the business day prior to each distribution date.

“**Net Interest Shortfall**” means, with respect to the mortgage loans and any distribution date, the sum of (i) any Net Prepayment Interest Shortfalls for that distribution date and (ii) the amount of interest that would otherwise have been received with respect to any mortgage loan that was subject to a reduction in the amount of monthly interest payment on a mortgage loan pursuant to the Relief Act or similar state or local law.

“**Net Mortgage Rate**” means, respect to any mortgage loan and any distribution date, the related mortgage rate as of the Due Date in the month preceding the month of such distribution date, reduced by the Aggregate Expense Rate.

“**Net Prepayment Interest Shortfall**” means, with respect to a mortgage loan and any distribution date, the amount by which a Prepayment Interest Shortfall for the related Due Period exceeds the amount that the servicing administrator (to the extent not allocated in reduction of the Servicing Rights Strip for the related Due Period) or the master servicer is obligated to remit or that is funded by a reduction in the Servicing Rights Strip for the related Due Period pursuant to the servicing agreement and/or the pooling and servicing agreement, as applicable, to cover such shortfall for such Due Period.

“**Net Servicing Rights Strip Distribution Amount**” means, with respect to any Due Period, an amount equal to the greater of (1) zero and (2)(a) the Servicing Rights Strip for the related Due Period, *less* (b) any Prepayment Interest Shortfalls with respect to the mortgage loans for the related Prepayment Period, *less* (c) any monthly advances with respect to delinquent payments of principal of and interest on mortgage loans for the related Due Period, *less* (d) any servicing advances with respect to the mortgage loans for the related Due Period, *plus* (e) specified amounts in respect of certain recoveries for such Distribution Date of monthly advances and servicing advances previously made in respect of the mortgage loans, to the extent such monthly advances or servicing advances were allocated in reduction of the Servicing Rights Strip and not previously recovered. For the avoidance of doubt, neither the servicing administrator nor the master servicer will be obligated to fund Prepayment Interest Shortfalls, monthly advances or servicing advances until the Servicing Rights Strip for the related Due Period has been reduced to zero through the application of clauses (b) through (d) above (without giving effect to amounts reimbursed as described in clause (e) above).

“**Net WAC**” means, as of any distribution date, an annual rate, expressed as a percentage, equal to the weighted average of the Net Mortgage Rates of the mortgage loans as of the first day of the related Due Period (excluding, for the avoidance of doubt, any mortgage loans which prepaid in full during a prior prepayment period), weighted on the basis of the Stated Principal Balances or, in the case of any Stop Advance Mortgage Loan, the Assumed Stated Principal Balance thereof, as of the first day of the related Due Period (excluding, for the avoidance of doubt, any mortgage loans which prepaid in full during a prior prepayment period), *minus* (a) a fraction, the numerator of which equals the amount of any fees, charges and other costs, including indemnification amounts and costs of arbitration (other than the master servicing fee, custodian fee, trustee fee, distributed ledger agent fee and the securities administrator fee), paid or reimbursed to the master servicer, the securities administrator and the trustee from the trust fund under the pooling and servicing agreement, the custodian from the trust fund in accordance with the custodial agreement and the distributed ledger agent from the trust fund in accordance with the distributed ledger agent agreement during the prior calendar month, that are subject to an aggregate maximum amount of $300,000 annually, and further subject to (i) an annual cap of $125,000 with respect to aggregate amounts reimbursable to the trustee and (ii) an annual cap of $10,000 with respect to aggregate amounts reimbursable to the distributed ledger agent, and the denominator of which equals the aggregate Stated Principal Balance of the mortgage loans or, in the case of any Stop Advance Mortgage Loan, the Assumed Stated Principal Balance thereof, as of the first day of the related Due Period (excluding any mortgage loans which prepaid in full during a prior prepayment period), *multiplied* by (b) twelve.

"**Original Subordinate Class Principal Amount**" means the aggregate Class Principal Amount of the Subordinate Certificates as of the closing date.

"**Prepayment Interest Shortfall**" means, with respect to a mortgage loan and any distribution date, the amount by which interest paid by a borrower in connection with a prepayment of principal on a mortgage loan is less than one month's interest at the related mortgage rate on the Stated Principal Balance of that mortgage loan as of the preceding distribution date.

"**Prepayment Period**" means, (i) for full principal prepayments on any mortgage loan (a) any distribution date other than the distribution date in February 2023, the period commencing on the 15th day of the month preceding the month in which the related distribution date occurs through the 14th day of the month in which the related distribution date occurs and (b) the distribution date in February 2023, the period commencing on January 2, 2023 through February 14, 2023; and (ii) for partial principal prepayments on any mortgage loan, the calendar month preceding the month in which the related distribution date occurs; *provided* that, for this clause (ii) and the distribution date in February 2023, the period commencing on January 2, 2023 through January 31, 2023.

"**Principal Balance Shortfall**" means an amount equal to the Stated Principal Balance of any mortgage loans removed from the mortgage pool between the cut-off date and the closing date.

"**Principal Forbearance Amount**" means, with respect to a mortgage loan that was the subject of a servicing modification, the amount of principal of the mortgage loan that has been deferred and that does not accrue interest.

"**Realized Loss**" means (a) with respect to each Liquidated Mortgage Loan, an amount (not less than zero or more than the Stated Principal Balance or, in the case of any Stop Advance Mortgage Loan, the Unpaid Principal Balance of the mortgage loan plus accrued but unpaid interest) as of the date of such liquidation, equal to (i) the Stated Principal Balance or, in the case of any Stop Advance Mortgage Loan, the Unpaid Principal Balance of the Liquidated Mortgage Loan as of the date of such liquidation, *plus* (ii) interest at the Net Mortgage Rate from the Due Date as to which interest was last paid by the borrower up to the Due Date in the month in which Liquidation Proceeds are required to be distributed on the Stated Principal Balance or, in the case of any Stop Advance Mortgage Loan, the Unpaid Principal Balance of such Liquidated Mortgage Loan, *minus* (iii) the net Liquidation Proceeds received during the month in which such liquidation occurred, (b) the amount by which, in the event of bankruptcy of a borrower, a bankruptcy court reduces the secured debt to the value of the related mortgaged property, (c) with respect to a mortgage loan that has been the subject of a servicing modification, any principal due on the mortgage loan that has been written off by the servicer and any Principal Forbearance Amount or (d) with respect to each class of certificates, the amount by which the related Class Principal Amount is reduced as a result of clauses (a), (b) or (c) above. For the avoidance of doubt, net Liquidation Proceeds are net of outstanding expenses incurred with respect to such mortgage loan and advances, if any, made by the servicing administrator, the master servicer or the securities administrator, as applicable, as described in this offering memorandum supplement.

In addition, the principal portion of a Realized Loss in clause (a) above means, with respect to each Liquidated Mortgage Loan, an amount (not less than zero or more than the Stated Principal Balance or, in the case of any Stop Advance Mortgage Loan, the Unpaid Principal Balance, of the mortgage loan plus accrued interest) as of the date of such liquidation, equal to (i) the Stated Principal Balance or, in the case of any Stop Advance Mortgage Loan, the Unpaid Principal Balance, of the Liquidated Mortgage Loan as of the date of such liquidation, *minus* (ii) the net Liquidation Proceeds received during the month in which such liquidation occurred.

"**REMIC Provisions**" means the provisions of the U.S. federal income tax law relating to real estate mortgage investment conduits, which appear at sections 860A through 860G of the Code, and related provisions, and regulations, including proposed regulations and rulings, and administrative pronouncements promulgated thereunder, as the foregoing may be in effect from time to time.

"**REO Property**" means a mortgaged property acquired by the trust fund through foreclosure or deed-in-lieu of foreclosure in connection with a defaulted mortgage loan or otherwise treated as having been acquired pursuant to the REMIC Provisions.

"**Senior Percentage**" means, for any distribution date and the Senior Certificates (other than the Interest-only Certificates), the percentage equivalent of a fraction, the numerator of which is the aggregate Class Principal Amount of the Senior Certificates (other than the Interest-only Certificates) prior to any distributions of principal, allocations of Realized Losses or allocations of Certificate Writedown Amounts on such distribution date and the denominator of which is the aggregate Stated Principal Balance of all of the mortgage loans as of the first day of the related Due Period, but not more than 100%. The initial Senior Percentage will be approximately 94.50%. For the avoidance of doubt, the Stated Principal Balance of a Stop Advance Mortgage Loan will be zero.

"**Senior Prepayment Percentage**" means, for any distribution date occurring before the distribution date in February 2028, 100%. For any distribution date in or after February 2028, Senior Prepayment Percentage means the following:

- for any distribution date occurring in or after February 2028 to and including January 2029, the Senior Percentage plus 70% of the Subordinate Percentage for that date;

- for any distribution date occurring in or after February 2029 to and including January 2030, the Senior Percentage plus 60% of the Subordinate Percentage for that date;

- for any distribution date occurring in or after February 2030 to and including January 2031, the Senior Percentage plus 40% of the Subordinate Percentage for that date;

- for any distribution date occurring in or after February 2031 to and including January 2032, the Senior Percentage plus 20% of the Subordinate Percentage for that date; and

- for the distribution date occurring in February 2032 and any distribution date thereafter, the Senior Percentage for that date;

provided, *however*, that there will be no reduction in the Senior Prepayment Percentage (other than as a result of a reduction of the Senior Percentage) on any distribution date unless the Step-Down Test is satisfied; and *provided*, *further*, that if on any distribution date on or after the distribution date in February 2028, the Senior Percentage exceeds the initial Senior Percentage, the Senior Prepayment Percentage for that distribution date will again equal 100%.

In addition, if on any distribution date the allocation to the Senior Certificates (other than the Interest-only Certificates) of full and partial principal prepayments and other amounts in the percentage required above would reduce the aggregate Class Principal Amount of such Classes of Certificates to below zero, the Senior Prepayment Percentage for that distribution date will be limited to the percentage necessary to reduce the aggregate Class Principal Amount of those certificates to zero.

"**Senior Principal Distribution Amount**" has the meaning set forth under "*Description of the Certificates—Distributions of Principal—Senior Principal Distribution Amount*."

"**Servicer Remittance Date**" means the 20th day of any month, or if such 20th day is not a business day, the first business day immediately preceding such 20th day.

"**Servicing Administrator Fee**" means, for any Due Period, the fee paid to the Servicing Administrator equal to the product of (1) one-twelfth, (2) 0.00500% and (3) the aggregate Stated Principal Balance of the mortgage loans as of the first day of the related Due Period or, in the case of a Stop Advance Mortgage Loan, the Assumed Stated Principal Balance as of the first day of the related Due Period.

"**Servicing Fee Rate**" means, for any distribution date, a per annum rate equal to 0.10000% or such other rate as may be agreed to by the master servicer in connection with engaging a successor servicer.

"**Servicing Rights Strip**" means, for any Due Period, an amount equal to (i) the product of (a) one-twelfth, (b) 0.10000% and (c) the aggregate Stated Principal Balance of the mortgage loans as of the first day of the related Due Period or, in the case of a Stop Advance Mortgage Loan, the Assumed Stated Principal Balance as of the first day of the related Due Period, *less* (ii) the servicing fee payable to the servicer with respect to the mortgage loans for the related Due Period, *less* (iii) the Servicing Administrator Fee for the related Due Period.

"**Stated Principal Balance**" means, for a mortgage loan at any date of determination, the unpaid principal balance of the mortgage loan as of the most recent Due Date as determined by the amortization schedule for the mortgage loan at the time relating thereto (before any adjustment to that amortization schedule by reason of any moratorium or similar waiver or grace period) after giving effect to any previous servicing modification, principal prepayments and related Liquidation Proceeds allocable to principal and to the payment of principal due on such Due Date (but not unscheduled principal prepayments received on such Due Date) and irrespective of any delinquency in payment by the related borrower; *provided* that the Stated Principal Balance of any Stop Advance Mortgage Loan will be zero for all purposes under the pooling and servicing agreement; and *provided further* that the Stated Principal Balance of any Stop Advance Mortgage Loan for the Due Date in the Due Period or Prepayment Period, as applicable, in which such mortgage loan is no longer a Stop Advance Mortgage Loan, including if such mortgage loan has become a Liquidated Mortgage Loan, will be the Unpaid Principal Balance of such mortgage loan; *provided*, if a Stop Advance Mortgage Loan has become current as a result of a servicing modification, then the Stated Principal Balance of such mortgage loan for such Due Date will be the Unpaid Principal Balance thereof after giving effect to such servicing modification. For the avoidance of doubt, the Stated Principal Balance of any mortgage loan that has been prepaid in full or has become a Liquidated Mortgage Loan during the related Prepayment Period will be zero.

"**Step-Down Test**" means, as to any distribution date, the test that will be satisfied if both of the following conditions are met: *first*, the aggregate Stated Principal Balance or, in the case of any Stop Advance Mortgage Loan, the Unpaid Principal Balance, of all mortgage loans delinquent sixty (60) days or more (including mortgage loans in foreclosure, REO Property or bankruptcy status) and all mortgage loans subject to a servicing modification within the 12 months prior to that distribution date, averaged over the preceding six-month period, as a percentage of the aggregate Class Principal Amount on such distribution date (without giving effect to any payments or writedowns on such distribution date) of the Subordinate Certificates, does not equal or exceed 50%; and *second*, cumulative Realized Losses on the mortgage loans plus, with respect to any mortgage loans that have been the subject of a servicing modification, any interest due on such mortgage loans that has been written off by the servicer, do not exceed:

- for any distribution date occurring in or after February 2028 to and including January 2029, 20% of the Original Subordinate Class Principal Amount;

- for any distribution date occurring in or after February 2029 to and including January 2030, 25% of the Original Subordinate Class Principal Amount;

- for any distribution date occurring in or after February 2030 to and including January 2031, 30% of the Original Subordinate Class Principal Amount;

- for any distribution date occurring in or after February 2031 to and including January 2032, 35% of the Original Subordinate Class Principal Amount; and

- for the distribution date in February 2032 and any distribution date thereafter, 40% of the Original Subordinate Class Principal Amount.

"**Stop Advance Mortgage Loan**" means, with respect to any distribution date, any mortgage loan that is 120 days or more delinquent as of the related Due Date, based on the Mortgage Bankers Association method of calculating delinquency.

"**Subordinate Class Percentage**" means, with respect to any distribution date and any class of Subordinate Certificates, the percentage equivalent of a fraction, the numerator of which is the Class Principal Amount of such class on such distribution date and the denominator of which is the aggregate of the Class Principal Amounts of all classes of Subordinate Certificates on such distribution date; *provided* that for purposes of calculating the numerator and the denominator above, the Class Principal Amount of the class of Subordinate Certificates with the lowest payment priority will be reduced by the aggregate of the Unpaid Principal Balances of any Stop Advance Mortgage Loans for such distribution date.

"**Subordinate Percentage**" means, with respect to any distribution date, an amount equal to the excess, if any, of 100% over the Senior Percentage on that distribution date. The initial Subordinate Percentage will be approximately 5.50%.

"**Subordinate Prepayment Percentage**" means, with respect to any distribution date, a percentage equal to the excess, if any, of 100% over the Senior Prepayment Percentage on that distribution date.

"**Subordinate Principal Distribution Amount**" has the meaning set forth under "*Description of the Certificates—Distributions of Principal—Subordinate Principal Distribution Amount*."

"**Subsequent Recovery**" means any amount recovered by the servicer (i) with respect to a Liquidated Mortgage Loan (after reimbursement of any unreimbursed advances or expenses relating to such Liquidated Mortgage Loan as well as any previously Liquidated Mortgage Loans) with respect to which a Realized Loss was incurred after the liquidation or disposition of such mortgage loan or (ii) as a Principal Forbearance Amount.

"**Substitution Amount**" means, for any month in which an originator or RRAC substitutes one or more qualified substitute mortgage loans for one or more deleted mortgage loans as a result of a breach of a representation or warranty with respect to a mortgage loan, the amount by which the aggregate purchase price of all of the deleted mortgage loans exceeds the aggregate Stated Principal Balance or, in the case of any Stop Advance Mortgage Loan, the Unpaid Principal Balance, of the qualified substitute mortgage loans, together with one month's interest at the Net Mortgage Rate.

"**Unpaid Principal Balance**" means, with respect to a Stop Advance Mortgage Loan and any date of determination, the Stated Principal Balance thereof immediately prior to the mortgage loan becoming a Stop Advance Mortgage Loan, reduced by the principal portion of any scheduled payment on such Stop Advance Mortgage Loan that was included in the Available Distribution Amount on or prior to the date of determination.

Available Distribution Amount

Distributions on the certificates will be made by the securities administrator on each distribution date, which will be the 25th day of each month, or if such day is not a business day, on the first business day thereafter commencing in February 2023, to the persons in whose names such certificates are registered on the applicable record date. For this purpose, a "business day" is any day other than (i) a Saturday or Sunday, (ii) a legal holiday in the State of New York, the State of Texas, the State of California, the State of Delaware or the State of Colorado, (iii) a day on which banks in the State of New York, the State of Texas, the State of California, the State of Delaware or the State of Colorado are authorized or obligated by law or executive order to be closed or (iv) a day on which the New York Stock Exchange or the Federal Reserve Bank of New York is closed.

Distributions on each distribution date will be made by wire transfer in immediately available funds to the account of such certificateholder at a bank or other depository institution having appropriate wire transfer facilities; *provided* that the holder has furnished the securities administrator with wire instructions no later than seven days prior to the related distribution date (which may be in the form of standing instructions). However, the final payment in retirement of the certificates will be made only upon presentment and surrender of the certificates at the corporate trust office of the securities administrator. See "*—Book Entry Certificates*" above for the method of payment to beneficial owners of book-entry certificates.

Distributions will be made on each distribution date from, and to the extent of, the Available Distribution Amount as described under "*—Priority of Distributions and Allocation of Shortfalls*" below.

Distributions of Interest

General. The Certificate Interest Rate for each class of interest-bearing certificates for each distribution date is described in the definition of Certificate Interest Rate in this offering memorandum supplement. On each distribution date, to the extent of funds available therefor, each such class of certificates will receive Current Interest, as reduced by the following amounts to arrive at each class of certificates' entitled amount of interest or the Interest Distribution Amount:

- Net Interest Shortfalls for any distribution date will be allocated in reduction of Current Interest *sequentially*, *first*, to the Class A-IO1 Certificates and each class of Subordinate Certificates, *pro rata*, based on the amount of Current Interest accrued on each such class of certificates for such distribution date, until the amount of such Current Interest is reduced to zero; and *second*, to all classes of Senior Certificates (other than the Class A-IO1 Certificates), *pro rata*, based on the amount of Current Interest accrued on each such class of certificates for such distribution date, until the amount of such Current Interest is reduced to zero; and

- in connection with reductions to Current Interest due to Stop Advance Mortgage Loans, interest payments will be reduced by the sum of (i) interest accrued on the aggregate Assumed Stated Principal Balance of all Stop Advance Mortgage Loans at their respective Net Mortgage Rates and (ii) an amount equal to (a) Net WAC *multiplied* by (b) the aggregate Unpaid Principal Balance of all Stop Advance Mortgage Loans *minus* the aggregate Assumed Stated Principal Balance of all Stop Advance Mortgage Loans, which will be allocated first to the class of certificates with the lowest payment priority and then to the class of certificates with the next lowest payment priority, and so on, in each case up to the Interest Distribution Amount of each such class for such distribution date prior to giving effect to this sentence and, in the case of the Senior Certificates, will be allocated to the Senior Certificates on a *pro rata* basis in accordance with their respective Interest Distribution Amounts prior to giving effect to this sentence.

If on a particular distribution date there is an Interest Shortfall, interest will be distributed on each certificate of equal priority within such classes of certificates based on the *pro rata* amount of interest it would otherwise have been entitled to receive in the absence of such shortfall. An Interest Shortfall could occur, for example, if losses realized on the mortgage loans were exceptionally high or were concentrated in a particular month. Any unpaid Interest Shortfall owed on a class of certificates will be carried forward and added to the amount which holders of those classes of certificates will be entitled to receive on the next distribution date. Any unpaid interest amount so carried forward will not bear interest.

Distributions of Principal

General. All payments and other amounts received in respect of principal of the mortgage loans will be allocated between the Senior Certificates (other than the Interest-only Certificates in respect of principal payments) and the Subordinate Certificates as described below. On each distribution date, the Senior Certificates will be entitled to the Senior Principal Distribution Amount for such distribution date and the Subordinate Certificates will be entitled to the Subordinate Principal Distribution Amount for such distribution date.

Senior Principal Distribution Amount. On each distribution date, the Available Distribution Amount remaining after payment of interest with respect to the Senior Certificates, up to the amount of the Senior Principal Distribution Amount for such distribution date, will be distributed as principal, subject to the provisions regarding exchangeable certificates described under "*Description of the Certificates—Exchangeable Certificates—Payments*," to the Class A-9, Class A-12, Class A-18 and Class A-21 Certificates as described under "*—Priority of Distributions and Allocation of Shortfalls*" below.

The "Senior Principal Distribution Amount" for any distribution date will equal the sum of:

(1) the product of (a) the Senior Percentage and (b) the principal portion of the scheduled payment due on each mortgage loan on the related Due Date, whether or not received, other than the principal portion of the scheduled payment of any Stop Advance Mortgage Loans, together with the principal portion of any payment on a Stop Advance Mortgage Loan for the related or any prior Due Date that was received, was not included in the Available Distribution Amount for any previous distribution date, and was not the subject of a monthly advance with respect to delinquent payments of principal of and interest on such Stop Advance Mortgage Loan;

(2) the product of (a) the Senior Prepayment Percentage and (b) each of the following amounts: (i) the principal portion of each full and partial principal prepayment made by a borrower on a mortgage loan during the

related Prepayment Period; (ii) each other unscheduled collection, including Subsequent Recoveries, Insurance Proceeds and net Liquidation Proceeds (other than with respect to any mortgage loan that was finally liquidated during the related Prepayment Period) representing or allocable to recoveries of principal of the mortgage loans received during the related Prepayment Period; (iii) the principal portion of the purchase price of each mortgage loan purchased by an originator or RRAC due to a material breach of a representation and warranty with respect to such mortgage loan or, in the case of a permitted substitution of a defective mortgage loan, the amount representing any Substitution Amount in connection with any such replaced mortgage loan included in the Available Distribution Amount for such distribution date; (iv) the principal portion of the purchase price for the mortgage loans paid by the master servicer in exercising its right to terminate the trust fund; and (v) with respect to the first distribution date following the closing date, the principal portion of any Closing Date Substitution Amount received during the related due period;

(3) with respect to each mortgage loan that became a Liquidated Mortgage Loan during the related Prepayment Period, the lesser of (a) the net Liquidation Proceeds allocable to principal and (b) the product of (i) the Senior Prepayment Percentage for that distribution date and (ii) the remaining principal balance of the mortgage loan at the time of liquidation; and

(4) any amounts described in clauses (1) through (3) above that remain unpaid with respect to the Senior Certificates (other than the Interest-only Certificates) from prior distribution dates.

If on any distribution date the allocation to the Senior Certificates of the Senior Principal Distribution Amount for such distribution date would reduce the aggregate Class Principal Amount of such certificates below zero, the distribution of the Senior Principal Distribution Amount to such certificates for such distribution date will be limited to the amount necessary to reduce the aggregate Class Principal Amount of such certificates to zero.

In addition, until the aggregate Class Principal Amount of the Senior Certificates is reduced to zero, if on any distribution date the aggregate Class Principal Amount of the Subordinate Certificates is less than or equal to 1.00% of the aggregate Stated Principal Balance of the mortgage loans as of the closing date, the Senior Principal Distribution Amount for such distribution date and each succeeding distribution date will include all principal collections on the mortgage loans distributable on that distribution date, and the Subordinate Principal Distribution Amount for such distribution date will be zero.

In addition, until the aggregate Class Principal Amount of the Senior Certificates is reduced to zero, if on any distribution date, the Subordinate Percentage for such distribution date is less than 5.50%, the Senior Principal Distribution Amount for such distribution date will include all principal collections on the mortgage loans distributable on that distribution date, and the Subordinate Principal Distribution Amount for such distribution date will be zero.

Subordinate Principal Distribution Amount. To the extent funds are available, and except as provided in the last four paragraphs under the heading "—*Subordinate Principal Distribution Amount*," each class of Subordinate Certificates will be entitled to receive, on each distribution date, its share of the "Subordinate Principal Distribution Amount" for that date. Distributions of principal with respect to the Subordinate Certificates will be made on each distribution date in the order of their numerical class designations, beginning with the Class B-1 Certificates. See "—*Priority of Distributions and Allocation of Shortfalls*."

The "Subordinate Principal Distribution Amount" for each distribution date is equal to the sum of:

(1) the product of (a) the Subordinate Percentage and (b) the principal portion of each scheduled payment on each mortgage loan due during the related Due Period, whether or not received, other than the principal portion of the scheduled payment of any Stop Advance Mortgage Loans, together with the principal portion of any payment on a Stop Advance Mortgage Loan for the related or any prior Due Date that was received, was not included in the Available Distribution Amount for any previous distribution date, and was not the subject of a monthly advance with respect to delinquent payments of principal of and interest on such Stop Advance Mortgage Loan;

(2) the product of (a) the Subordinate Prepayment Percentage and (b) each of the following amounts: (i) the principal portion of each full and partial principal prepayment made by a borrower on a mortgage loan during the related Prepayment Period, (ii) each other unscheduled collection, including Subsequent Recoveries, Insurance Proceeds and net Liquidation Proceeds (other than with respect to any mortgage loan that was finally liquidated during the related Prepayment Period), representing or allocable to recoveries of principal of mortgage loans received during the related Prepayment Period; (iii) the principal portion of the purchase price of each mortgage loan that was

purchased by an originator or RRAC due to a material breach of a representation and warranty with respect to such mortgage loan or, in the case of a permitted substitution of a defective mortgage loan, the amount representing any Substitution Amount in connection with any such replaced mortgage loan included in the Available Distribution Amount for such distribution date; (iv) the principal portion of the purchase price for the mortgage loans paid by the master servicer in exercising its right to terminate the trust fund; and (v) with respect to the first distribution date following the closing date, the principal portion of any Closing Date Substitution Amount received during the related due period;

(3) with respect to unscheduled recoveries allocable to principal of any mortgage loan that was finally liquidated during the related Prepayment Period, the related net Liquidation Proceeds allocable to principal, to the extent not distributed pursuant to clause (3) of the definition of Senior Principal Distribution Amount; and

(4) the lesser of (x) any amounts described in clauses (1) through (3) above for any previous distribution date that remain unpaid and (y) the Available Distribution Amount remaining after application of the Available Distribution Amount to pay the Interest Distribution Amount and Interest Shortfalls for each class of certificates, the Senior Principal Distribution Amount (giving effect to clause (4) thereof for such distribution date) and the Subordinate Principal Distribution Amount (without giving effect to this clause (4) for such distribution date).

Notwithstanding the above, with respect to any class of Subordinate Certificates (other than the class of Subordinate Certificates outstanding with the lowest numerical class designation), if on any distribution date the sum of the Class Subordination Percentage of such class and the aggregate Class Subordination Percentages of all classes of Subordinate Certificates which have a lower payment priority than that class is less than the Applicable Credit Support Percentage for that class on the closing date, no distribution of principal will be made to any such classes on such distribution date. Instead, the portion of the Subordinate Principal Distribution Amount otherwise distributable to such class or classes on such distribution date will be allocated among the more senior classes of Subordinate Certificates, *pro rata*, based upon their respective Class Principal Amounts, and any remaining Subordinate Principal Distribution Amount will be included in the Senior Principal Distribution Amount for such distribution date; *provided* that, in the event the aggregate Class Principal Amount of the Senior Certificates (other than the Interest-only Certificates) has been reduced to zero or are reduced to zero pursuant to the foregoing, any remaining Subordinate Principal Distribution Amount will be allocated to any remaining Subordinate Certificates, in order of priority, in each case until the Class Principal Amount thereof has been reduced to zero. Principal and interest will be distributed in the order described below under "*—Priority of Distributions and Allocation of Shortfalls*."

Notwithstanding the above, with respect to each class of Subordinate Certificates (other than the class of Subordinate Certificates outstanding with the lowest numerical class designation), if on any distribution date the Class Principal Amount of that class and the aggregate of the Class Principal Amounts of all classes of Subordinate Certificates which have a lower payment priority than that class is less than or equal to 1.00% of the aggregate Stated Principal Balance of the mortgage loans as of the closing date, the portion of the Subordinate Principal Distribution Amount otherwise distributable to such class or classes on such distribution date and each succeeding distribution date will be allocated among the Subordinate Certificates with a higher payment priority then entitled to principal, *pro rata*, based on their respective Class Principal Amounts and any remaining Subordinate Principal Distribution Amount will be included in the Senior Principal Distribution Amount for such distribution date; *provided* that in the event the aggregate Class Principal Amount of the Senior Certificates (other than the Interest-only Certificates) has been reduced to zero or are reduced to zero pursuant to the foregoing, any remaining Subordinate Principal Distribution Amount will be allocated to any remaining Subordinate Certificates, in order of priority, in each case until the Class Principal Amount thereof has been reduced to zero.

In addition, until the aggregate Class Principal Amount of the Senior Certificates is reduced to zero, if on any distribution date the aggregate of the Class Principal Amounts of the Subordinate Certificates is less than or equal to 1.00% of the aggregate Stated Principal Balance of the mortgage loans as of the closing date, the Senior Principal Distribution Amount for such distribution date and each succeeding distribution date will include all principal collections on the mortgage loans distributable on that distribution date, and the Subordinate Principal Distribution Amount will be zero; *provided* that in the event the aggregate Class Principal Amount of the Senior Certificates (other than the Interest-only Certificates) is reduced to zero pursuant to the foregoing, any remaining principal collections on the mortgage loans will be allocated to the Subordinate Certificates in order of payment priority, in each case until the Class Principal Amount thereof has been reduced to zero.

In addition, until the aggregate Class Principal Amount of the Senior Certificates is reduced to zero, if on any distribution date the Subordinate Percentage for such distribution date is less than 5.50%, the Senior Principal Distribution Amount for such distribution date will include all principal collections on the mortgage loans distributed on that distribution date, and the Subordinate Principal Distribution Amount will be zero; *provided* that in the event the aggregate Class Principal Amount of the Senior Certificates (other than the Interest-only Certificates) is reduced to zero pursuant to the foregoing, any remaining principal collections on the mortgage loans will be allocated to the Subordinate Certificates in order of payment priority, in each case until the Class Principal Amount thereof has been reduced to zero.

Priority of Distributions and Allocation of Shortfalls

On each distribution date, the Available Distribution Amount for such distribution date will be applied to distributions on the certificates in the following order of priority, subject to the provisions regarding Exchangeable Certificates described below:

(1) To the Class A-9, Class A-12, Class A-18, Class A-21, Class A-IO1, Class A-IO9, Class A-IO10, Class A-IO12, Class A-IO13, Class A-IO18, Class A-IO19, Class A-IO21 and Class A-IO22 Certificates, *pro rata* based on interest payable on each such class, such class's Interest Distribution Amount and any accrued but unpaid Interest Shortfalls for such distribution date;

(2) to the Class A-9, Class A-12, Class A-18 and Class A-21 Certificates, the Senior Principal Distribution Amount for such distribution date, *pro rata* based on: (x) in the case of (a) below, the aggregate Class Principal Amount of the Class A-9, Class A-12 and Class A-18 Certificates and (y) in the case of (b) below, the Class Principal Amount of the Class A-21 Certificates concurrently, as follows:

   (a) to the Class A-12, Class A-18 and Class A-9 Certificates, sequentially, in that order until the Class Principal Amount of each such class is reduced to zero; *provided, however*, that on or after the Credit Support Depletion Date, such portion of the Senior Principal Distribution Amount for such distribution date will be allocated *pro rata*, based on the respective Class Principal Amounts, to the Class A-9, Class A-12 and Class A-18 Certificates until the Class Principal Amount of each such class is reduced to zero; and

   (b) to the Class A-21 Certificates, until the Class Principal Amount of the Class A-21 Certificates has been reduced to zero;

(3) to the Class B-1 Certificates, the Interest Distribution Amount for such distribution date and class and any accrued but unpaid Interest Shortfalls for such distribution date and class;

(4) to the Class B-1 Certificates, such class's Subordinate Class Percentage of the Subordinate Principal Distribution Amount payable to such class for such distribution date, until its Class Principal Amount has been reduced to zero;

(5) to the Class B-2 Certificates, the Interest Distribution Amount for such distribution date and class and any accrued but unpaid Interest Shortfalls for such distribution date and class;

(6) to the Class B-2 Certificates, such class's Subordinate Class Percentage of the Subordinate Principal Distribution Amount payable to such class for such distribution date, until its Class Principal Amount has been reduced to zero;

(7) to the Class B-3 Certificates, the Interest Distribution Amount for such distribution date and class and any accrued but unpaid Interest Shortfalls for such distribution date and class;

(8) to the Class B-3 Certificates, such class's Subordinate Class Percentage of the Subordinate Principal Distribution Amount payable to such class for such distribution date, until its Class Principal Amount has been reduced to zero;

(9) to the Class B-4 Certificates, the Interest Distribution Amount for such distribution date and class and any accrued but unpaid Interest Shortfalls for such distribution date and class;

(10) to the Class B-4 Certificates, such class's Subordinate Class Percentage of the Subordinate Principal Distribution Amount payable to such class for such distribution date, until its Class Principal Amount has been reduced to zero;

(11) to the Class B-5 Certificates, the Interest Distribution Amount for such distribution date and class and any accrued but unpaid Interest Shortfalls for such distribution date and class;

(12) to the Class B-5 Certificates, such class's Subordinate Class Percentage of the Subordinate Principal Distribution Amount payable to such class for such distribution date, until its Class Principal Amount has been reduced to zero; and

(13) to the Class R and Class LT-R Certificates, any remaining amounts allocated between such classes in the manner specified in the pooling and servicing agreement (with any such amounts representing net gain resulting from the sale of any REO Properties or other Liquidation Proceeds allocated solely to the Class LT-R Certificates).

For the avoidance of doubt and as further described in the definition of "Interest Shortfalls," Interest Shortfalls will include any accrued but unpaid interest amounts that are received with respect to a Stop Advance Mortgage Loan, to the extent such amounts were previously reduced from the Interest Distribution Amount pursuant to clause (B) of that definition.

In the event that Initial Exchangeable Certificates (or in certain cases, previously exchanged Exchangeable Certificates) have been exchanged for the related Exchangeable Certificates in one of the exchange combinations described under "*Permitted Exchanges*" herein, the Exchangeable Certificates received in such an exchange will be entitled to a proportionate share of the interest and/or principal payments, as applicable, otherwise allocable to the classes of Initial Exchangeable Certificates (or in certain cases, previously exchanged Exchangeable Certificates) so exchanged.

In addition, on each distribution date, the Securities Administrator will distribute the Net Servicing Rights Strip Distribution Amount, if any, to the Class A-IO-S Certificates. None of the master servicer, the securities administrator or the trustee will be responsible for determining, calculating or verifying the Net Servicing Rights Strip Distribution Amount and will be able to rely on the amounts provided by the servicer.

Subordination of Payments to the Subordinate Certificates

The rights of the holders of the Subordinate Certificates to receive payments with respect to the mortgage loans will be subordinated to the rights of the holders of the Senior Certificates and the rights of the holders of each class of Subordinate Certificates (other than the Class B-1 Certificates) to receive such payments will be further subordinated to the rights of the class or classes of Subordinate Certificates with lower numerical class designations, in each case only to the extent described in this offering memorandum supplement. The subordination of the Subordinate Certificates to the Senior Certificates and the further subordination among the Subordinate Certificates is intended to provide the certificateholders having higher relative payment priority with protection against Realized Losses, Certificate Writedown Amounts and shortfalls in the Available Distribution Amount.

Allocation of Net Interest Shortfalls and Realized Losses

Holders of the Subordinate Certificates (and the Class A-IO1 Certificates) will be allocated any Net Interest Shortfalls resulting from Net Prepayment Interest Shortfalls or reductions in the amount of monthly interest payments on mortgage loans due to application of the Relief Act or similar legislation or regulations prior to allocation thereof to the Senior Certificates (other than the Class A-IO1 Certificates). Net Interest Shortfalls will be allocated to reduce Current Interest on each class of certificates *sequentially*, *first*, to the Class A-IO1 Certificates and each class of Subordinate Certificates, *pro rata*, based on the amount of Current Interest accrued on each such class of certificates for such distribution date, until the amount of such Current Interest is reduced to zero; and *second*, to all classes of Senior Certificates (other than the Class A-IO1 Certificates), *pro rata*, based on the amount of Current Interest accrued on each such class of certificates for such distribution date, until the amount of such Current Interest is reduced to zero.

If a Realized Loss occurs on a mortgage loan (including a servicing modification resulting in a reduction of the outstanding principal amount of such mortgage loan or a principal forbearance), then, on each distribution date, the principal portion of that Realized Loss will be allocated first, to reduce the Class Principal Amount of each class of Subordinate Certificates, in inverse order of priority, until the Class Principal Amount thereof has been reduced to zero (that is, such Realized Losses will be allocated to the Class B-5 Certificates while those certificates are outstanding, then to the Class B-4 Certificates while those certificates are outstanding, then to the Class B-3 Certificates while those certificates are outstanding and so forth) and second, to the Senior Certificates (other than the Interest-only Certificates), *pro rata*, until their respective Class Principal Amounts have been reduced to zero; *provided, however*, that while the Class A-21 Certificates are outstanding (without regard to any exchanges), Realized Losses that would otherwise reduce the Class Principal Amounts of the Class A-9, Class A-12 and Class A-18 Certificates will first reduce the Class Principal Amount of the Class A-21 Certificates until the Class Principal Amount of the Class A-21 Certificates has been reduced to zero, and will then reduce the respective Class Principal Amounts of the Class A-9, Class A-12 and Class A-18 Certificates on a *pro rata* basis in accordance with their respective Class Principal Amounts.

In the event that Initial Exchangeable Certificates have been exchanged for the related Exchangeable Certificates in one of the exchange combinations described under "*Permitted Exchanges*" herein, the Exchangeable Certificates received in such an exchange will be allocated a proportionate share of the Net Interest Shortfalls and Realized Losses, as applicable, otherwise allocable to the classes of Initial Exchangeable Certificates so exchanged.

Liquidation Proceeds and other recoveries on a mortgage loan will be applied first to outstanding fees and expenses incurred with respect to such mortgage loan, including advances, then, to principal and finally to accrued, unpaid interest.

The Class Principal Amount of the lowest ranking class of Subordinate Certificates then outstanding will be reduced by the Certificate Writedown Amount and, after the Credit Support Depletion Date, the Class Principal Amounts of the Senior Certificates (other than the Interest-only Certificates) will be reduced by the Certificate Writedown Amount, on a *pro rata* basis, in accordance with their respective Class Principal Amounts; *provided*, *however*, that while the Class A-21 Certificates are outstanding (without regard to any exchanges), any Certificate Writedown Amounts that would otherwise reduce the Class Principal Amounts of the Class A-9, Class A-12 and Class A-18 Certificates will first reduce the Class Principal Amount of the Class A-21 Certificates until the Class Principal Amount of the Class A-21 Certificates has been reduced to zero, and will then reduce the respective Class Principal Amounts of the Class A-9, Class A-12 and Class A-18 Certificates on a *pro rata* basis in accordance with their respective Class Principal Amounts.

In the event that Initial Exchangeable Certificates (or in certain cases, previously exchanged Exchangeable Certificates) have been exchanged for the related Exchangeable Certificates in one of the exchange combinations described under "*Permitted Exchanges*" herein, the Exchangeable Certificates received in such an exchange will be allocated a proportionate share of the Certificate Writedown Amounts, as applicable, otherwise allocable to the classes of Initial Exchangeable Certificates (or in certain cases, previously exchanged Exchangeable Certificates) so exchanged.

Any class of certificates whose Class Principal Amount has been reduced to zero due to the allocation of Realized Losses will nonetheless remain outstanding under the pooling and servicing agreement and will continue to be entitled to receive Subsequent Recoveries until the termination of the trust fund; *provided* that any such class of certificates will not be outstanding for the purpose of the exercise of any voting rights with respect to matters under the pooling and servicing agreement requiring or permitting actions to be taken by the certificateholders.

Subsequent Recoveries will be distributed to the certificates still outstanding, in accordance with the priorities described under "*—Priority of Distributions and Allocation of Shortfalls*," and the Class Principal Amount of each class of certificates then outstanding that has been reduced due to application of a Certificate Writedown Amount or Realized Loss will be increased, *pro rata* in accordance with their respective Class Principal Amounts with respect to the Senior Certificates, and sequentially in order of seniority with respect to the Subordinate Certificates, by the lesser of (i) the amount of such Subsequent Recovery (reduced by any amounts applied for this purpose to senior ranking certificates) and (ii) the Realized Loss amount or Certificate Writedown Amount previously allocated to such class. Any Subsequent Recovery that is received during a Prepayment Period will be distributed together with the Available Distribution Amount for the related distribution date.

Final Scheduled Distribution Date

The final scheduled distribution date for each class of certificates is the distribution date in the month immediately following the latest maturity date of any mortgage loan as of the cut-off date. The final scheduled distribution date of each class of certificates is the distribution date in January 2053. The actual final distribution date for any class may be earlier or later, and could be substantially earlier or later, than the final scheduled distribution date. The servicer will not be permitted to modify mortgage loans to extend the maturity date beyond the final scheduled distribution date, which for REMIC purposes will also be designated as the latest possible maturity date, and the servicing administrator will not be permitted to consent to the modification of a mortgage loan pursuant to the servicing agreement to extend the maturity date beyond the latest possible maturity date of any mortgage loan as of the cut-off date, except in each case as otherwise required by applicable law or a court order.

Optional Purchase of the Mortgage Loans

When the aggregate Stated Principal Balance or, in the case of any Stop Advance Mortgage Loan, the Unpaid Principal Balance, of the mortgage loans is less than 10% of the aggregate Stated Principal Balance of the mortgage loans as of the cut-off date, the servicing administrator will have the option to instruct the master servicer to purchase the mortgage loans, any REO Property and any other property remaining in the trust fund, excluding any servicing rights held by the servicer or the servicing administrator, at a price equal to 100% of the unpaid principal balance of each mortgage loan (or, if less than such unpaid principal balance in the case of any REO Property, the fair market value of any REO Property) on the day of repurchase, *plus* accrued interest thereon, to, but not including, the first day of the month in which the repurchase price is distributed and sell all such mortgage loans and other property to the servicing administrator (or if so directed by the servicing administrator, to its designee, thereby causing an early retirement of the certificates); *provided* that the servicing administrator has provided not less than thirty (30) days prior written notice to the securities administrator and the master servicer; *provided*, *however*, that any such sale is on the same terms and subject to the same conditions as the master servicer's purchase from the trust fund; *provided further* that the servicing administrator will pay any and all actual, out of pocket expenses of the master servicer in connection with the purchase and sale of such mortgage loans; *provided further* that if the servicing administrator does not give such instruction within five (5) Business Days of the later of (i) the date of the first distribution date statement that indicates that the aggregate stated principal balance or, in the case of any Stop Advance Mortgage Loan, the unpaid principal balance, of the mortgage loans has declined to less than 10% of the initial aggregate stated principal balance of the mortgage loans as of the cut-off date or (ii) the date on which the master servicer notifies the servicing administrator of its intention to exercise such right on its own behalf or that of a third party if not directed to do so by the servicing administrator, then the master servicer will have the right to purchase all of the mortgage loans from the trust fund, excluding any servicing rights held by the servicer or the servicing administrator, and retain such mortgage loans or sell them to whomever the master servicer elects. Distributions on the certificates relating to any optional termination will be paid *first* to reimburse the trustee, the depositor, the servicer, the servicing administrator, the master servicer, the Class A-IO-S Certificates, the securities administrator and the custodian for any advances, accrued and unpaid servicing fees, servicing administrator fees, trustee fees, custodian fees, master servicing fees, distributed ledger agent fees or securities administrator fees, any unpaid expenses or indemnification amounts or other amounts with respect to the mortgage loans reimbursable to such parties, and *second,* to the certificateholders in the order of priority set forth above under "*—Priority of Distributions and Allocation of Shortfalls*." The proceeds of any such distribution may not be sufficient to distribute the full amount of principal and accrued and unpaid interest on each class of certificates to the extent of any such unpaid fees and expenses and if the purchase price is based in part on the fair market value of any REO Property and the fair market value is less than 100% of the unpaid principal balance of the related mortgage loan. If such option is exercised, the trust fund will be terminated.

Credit Enhancement

Credit enhancement for the Senior Certificates will be provided by the Subordinate Certificates. In addition, the Senior Certificates will have the benefit of credit enhancement in the form of shifting interest in prepayments.

See *"Description of the Certificates—Subordination of Payments to the Subordinate Certificates," "—Allocation of Net Interest Shortfalls and Realized Losses" and "—Distributions of Principal" in this offering memorandum supplement.*

THE TRUSTEE

Wilmington Trust, National Association ("WTNA") — also referred to herein as the "trustee"—is a national banking association with trust powers incorporated under the federal laws of the United States. The trustee's principal place of business is located at 1100 North Market Street, Wilmington, Delaware 19890. WTNA is an affiliate of Wilmington Trust Company and both WTNA and Wilmington Trust Company are subsidiaries of M&T Bank Corporation. Since 1998, Wilmington Trust Company has served as trustee in numerous asset-backed securities transactions involving mortgage and mortgage-related receivables.

WTNA is subject to various legal proceedings that arise from time to time in the ordinary course of business. WTNA does not believe that the ultimate resolution of any of these proceedings will have a materially adverse effect on its services as trustee.

WTNA has provided the above information and has not participated in the preparation of, and is not responsible for, any other information contained in this offering memorandum supplement.

THE ISSUING ENTITY

On the closing date, and until the termination of the issuing entity pursuant to the pooling and servicing agreement, Sequoia Mortgage Trust 2023-1, the issuing entity, will be a common law trust formed under the laws of the State of New York. The depositor is the settlor of the issuing entity. The issuing entity will be created under the pooling and servicing agreement by the depositor for the sole purpose of issuing the certificates and its assets will consist of the trust fund. None of the depositor, Redwood Trust, Inc. or any of their respective affiliates has guaranteed or is otherwise obligated with respect to payment of the certificates and no person or entity other than the issuing entity will be obligated to pay the certificates.

On the closing date, the assets included in the trust fund will be the only assets of the issuing entity. The issuing entity's assets will consist almost entirely of the mortgage loans conveyed to the trustee. The issuing entity will not have any liabilities as of the closing date, other than as provided in the pooling and servicing agreement. The fiscal year end of the issuing entity will be December 31 of each year.

The issuing entity will not have any employees, officers or directors. The trustee, the master servicer, the securities administrator, the depositor, the servicer, the servicing administrator, the distributed ledger agent and the custodian will act on behalf of the issuing entity, and may only perform those actions on behalf of the issuing entity that are specified in the pooling and servicing agreement, the servicing agreement or the custodial agreement, as set forth in this offering memorandum supplement.

The trustee, on behalf of the issuing entity, is only permitted to take such actions as are specifically provided in the pooling and servicing agreement. Under the pooling and servicing agreement, the trustee on behalf of the issuing entity will not have the power to issue additional certificates representing interests in the issuing entity, borrow money on behalf of the issuing entity or make loans from the assets of the issuing entity to any person or entity without the amendment of the pooling and servicing agreement by certificateholders and the other parties thereof as described in the accompanying offering memorandum under "*The Agreements—The Pooling and Servicing Agreement—Amendment*."

The only source of cash available to make interest and principal payments on the certificates will be the assets of the issuing entity. The issuing entity will have no source of cash other than collections and recoveries on the mortgage loans through insurance or otherwise and monthly advances funded by the servicing administrator, the master servicer and the securities administrator, as applicable, or funded by a reduction in the servicing rights strip otherwise distributable to the Class A-IO-S Certificates, which are reimbursable to the servicing administrator, the master servicer, the securities administrator and the Class A-IO-S Certificates. The amount of funds available to pay the certificates may be affected by, among other things, realized losses incurred on defaulted mortgage loans.

If the assets of the issuing entity are insufficient to pay the certificateholders all principal and interest owed, holders of some or all classes of certificates will not receive their expected payments of interest and principal and will suffer a loss. The risk of loss to holders of Subordinate Certificates is greater than to holders of Senior Certificates. See "*Risk Factors—Potential Inadequacy of Credit Enhancement*" in this offering memorandum supplement. The issuing entity, as a common law trust, may not be eligible to be a debtor in a bankruptcy proceeding. In the event of a bankruptcy of the seller, the depositor or an originator, it is not anticipated that the issuing entity would become part of the bankruptcy estate of such entity.

FEES AND EXPENSES OF THE ISSUING ENTITY

In consideration of their duties on behalf of the trust fund, the servicer, the master servicer, the securities administrator, the servicing administrator, the trustee, the distributed ledger agent and the custodian will receive from the assets of the issuing entity certain fees as set forth in the following table:

Fee Payable to:	Frequency of Payment:	Amount of Fee:	How and When Fee Is Payable:
Servicer	Monthly	A monthly fee paid to the servicer, from amounts that would otherwise be distributed to certificateholders in respect of interest, calculated on the Stated Principal Balance of each mortgage loan serviced by the servicer, *provided* that, in the case of any Stop Advance Mortgage Loan, such fee will accrue on the Assumed Stated Principal Balance thereof, as of the first day of the related Due Period for such distribution date, at a per annum rate of 0.10000% plus all income earned on amounts on deposit in the custodial account maintained by the servicer; *provided, further*, that such fee will be allocated among the servicer, the servicing administrator and the servicing rights strip, as described below. The servicer will be entitled to a fee of $1,250 in connection with the disposition of any mortgage loan in accordance with the servicing agreement. From the aggregate servicing fees described above, the servicer will generally receive monthly servicing fees in an amount ranging from $10.00 to $115.00 per loan, subject to a minimum monthly servicing fee of $3,000. Such fees vary on a loan-by-loan basis generally depending upon whether the loan is a fixed rate loan or an adjustable-rate loan, whether a mortgage loan is subject to a homeowner association assessment and the delinquency status of the loan. The issuing entity will generally not have any obligation to pay aggregate monthly servicing and servicing administrator fees to SPS, as servicer, and RRAC, as servicing administrator, or another servicing administrator, in excess of 0.10000% per annum of the Stated Principal Balance of the mortgage loans or, in the case of a Stop Advance Mortgage Loan, the Assumed Stated Principal Balance thereof.	Withdrawn from the custodial account in respect of each mortgage loan before distribution of any amounts to certificateholders.

Fee Payable to:	Frequency of Payment:	Amount of Fee:	How and When Fee Is Payable:
Servicing Administrator	Monthly	A monthly fee paid to the servicing administrator, from amounts that would otherwise be distributed to certificateholders in respect of interest, equal to the product of (i) one-twelfth, (ii) 0.00500% and (iii) the aggregate Stated Principal Balance of the mortgage loans, *provided* that, in the case of any Stop Advance Mortgage Loan, such fee will accrue on the Assumed Stated Principal Balance thereof, as of the first day of the related Due Period for such distribution date, such fee to be paid out of the aggregate servicing fee paid with respect to the mortgage loans.	Withdrawn from the custodial account in respect of each mortgage loan before distribution of any amounts to certificateholders.
Master Servicer	Monthly	A monthly fee paid to the master servicer, from amounts that would otherwise be distributed to certificateholders in respect of interest, calculated as one-twelfth of the product of (a) the master servicing fee rate and (b) the aggregate Stated Principal Balance of the mortgage loans, where the master servicing fee rate will be a per annum rate equal to the greater of (i) 0.01200% and (ii) the product of (x) a fraction, expressed as a percentage, the numerator of which is $1,500 and the denominator of which is the aggregate Stated Principal Balance of the mortgage loans as of the first day of the related due period for such distribution date and (y) 12, *provided* that, in the case of any Stop Advance Mortgage Loan, such fee will accrue on the Assumed Stated Principal Balance thereof, in each case, as of the first day of the related Due Period for such distribution date.	Retained by the master servicer from the master servicer collection account before distribution of any amounts to certificateholders.
	Monthly	All interest earned and investment earnings on amounts on deposit in the master servicer collection account.	Retained by the master servicer from the master servicer collection account before distribution of any amounts to certificateholders.
Securities Administrator	Monthly	A monthly fee paid to the securities administrator, from amounts that would otherwise be distributed to certificateholders in respect of interest, calculated one-twelfth of the product of (a) the securities administrator fee rate and (b) the aggregate Stated Principal Balance of the mortgage loans, where the securities administrator fee rate will be a per annum rate equal to the greater of (i) 0.01760% and (ii) the product of (x) a fraction, expressed as a percentage, the numerator of which is $1,500 and the denominator of which is the aggregate Stated Principal Balance of the mortgage loans as of the first day of the related due period for such distribution date and (y) 12, *provided* that, in the case of any Stop Advance Mortgage Loan, such fee will accrue on the Assumed Stated Principal Balance thereof, in each case, as of the first day of the related Due Period for such distribution date.	Retained by the securities administrator from the distribution account before distribution of any amounts to certificateholders.
	Monthly	All investment earnings on amounts on deposit in the distribution account.	Retained by the securities administrator from the distribution account before

Fee Payable to:	Frequency of Payment:	Amount of Fee:	How and When Fee Is Payable:
			distribution of any amounts to certificateholders.
Trustee	Monthly	A monthly fee paid to the trustee, from amounts that would otherwise be distributed to certificateholders in respect of interest, calculated as one-twelfth of the product of (a) the trustee fee rate and (b) the aggregate Stated Principal Balance of the mortgage loans, where the trustee fee rate will be a per annum rate equal to the greater of (i) 0.00160% and (ii) a fraction, expressed as a percentage, the numerator of which is $2,500 and the denominator of which is the aggregate Stated Principal Balance of the mortgage loans as of the first day of the related Due Period for such distribution date, *provided* that in the case of any Stop Advance Mortgage Loan, such fee will accrue on the Assumed Stated Principal Balance thereof, in each case, as of the first day of the related Due Period for such distribution date. The depositor will also pay the trustee an initial acceptance fee of $3,000.	Paid by the securities administrator from the distribution account before distribution of any amounts to certificateholders.
Custodian	Monthly	A monthly fee paid to the custodian, from amounts that would otherwise be distributed to certificateholders in respect of interest, calculated at a rate of 0.00250% per annum on the Stated Principal Balance of the mortgage loans, *provided* that, in the case of any Stop Advance Mortgage Loan, such fee will accrue on the Assumed Stated Principal Balance thereof, in each case, as of the first day of the related Due Period for such distribution date.	Paid by the securities administrator from the distribution account before distribution of any amounts to certificateholders.
Distributed Ledger Agent	Monthly	A monthly fee paid to the distributed ledger agent, from amounts that would otherwise be distributed to certificateholders in respect of interest, calculated at a rate of 0.01000% per annum on the Stated Principal Balance of the mortgage loans, *provided* that, in the case of any Stop Advance Mortgage Loan, such fee will accrue on the Assumed Stated Principal Balance thereof, in each case, as of the first day of the related Due Period for such distribution date.	Paid by the securities administrator from the distribution account before distribution of any amounts to certificateholders.

The custodian's fees set forth in the table above may not be increased without amendment of the custodial agreement. The distributed ledger agent's fees set forth in the table above may not be increased without amendment of the distributed ledger agent agreement. The servicing fees set forth in the table above may not be increased without amendment of the servicing agreement as described under "*The Agreements—Mortgage Loan Servicing—Amendment of the Servicing Agreement and Pooling and Servicing Agreement*" in this offering memorandum supplement, *provided* that under certain circumstances if the master servicer is required to engage a successor servicer, the servicing fee may be increased as necessary to engage a successor servicer. The fees of the master servicer, the securities administrator and the trustee set forth in the table above may not be increased without amendment of the pooling and servicing agreement as described under "*The Agreements—Mortgage Loan Servicing—Amendment of the Servicing Agreement and Pooling and Servicing Agreement*" in this offering memorandum supplement. See also "*The Agreements—Mortgage Loan Servicing—Servicing Compensation and Payment of Expenses*."

Certain expenses of the servicer, the master servicer, the securities administrator, the trustee, the custodian and the distributed ledger agent will be reimbursed before distributions are made on the certificates. Amounts payable to the trustee include fees for investigating and enforcing breaches of mortgage loan representations and warranties under certain circumstances. Expenses of the master servicer, the securities administrator, the trustee, the distributed ledger agent and the custodian will be reimbursed up to $300,000 annually before distributions of interest and principal are made on the certificates (subject to, (i) in the case of the trustee, an aggregate limit of $125,000 annually and (ii) in the case of the distributed ledger agent, an aggregate limit of $10,000 annually).

SPONSOR MATERIAL LEGAL PROCEEDINGS

At the date of this offering memorandum supplement, other than litigation in the ordinary course of business, such as litigation involving foreclosures or other exercise of its rights as a creditor, and other than as described below, there were no material pending legal proceedings to which any of the sponsor, the seller, the depositor or the issuing entity was a party or of which any of their property was subject, and, other than as described below, the depositor is not aware of any material pending legal proceedings known to be contemplated by governmental authorities against the sponsor, the seller, the depositor or the issuing entity.

On or about December 23, 2009, the Federal Home Loan Bank of Seattle, as plaintiff, filed a complaint in the Superior Court for the State of Washington (case number 09-2-46348-4 SEA) against the depositor, Redwood Trust, Inc., Morgan Stanley & Co. LLC, and Morgan Stanley Capital I, Inc. (collectively, the “Washington Defendants”) alleging that the Washington Defendants made false or misleading statements in offering materials for a mortgage pass-through certificate (the “Washington Certificate”) issued in the Sequoia Mortgage Trust 2005-4 securitization transaction (the “2005-4 RMBS”) and purchased by the plaintiff. Specifically, the complaint alleges that the alleged misstatements concern the (1) loan-to-value ratio of mortgage loans and the appraisals of the properties that secured loans supporting the 2005-4 RMBS, (2) occupancy status of the properties, (3) standards used to underwrite the loans, and (4) ratings assigned to the Washington Certificate. The plaintiff alleged claims under the Securities Act of Washington (Section 21.20.005, et seq.) and sought to rescind the purchase of the Washington Certificate and to collect interest on the original purchase price at the statutory interest rate of 8% per annum from the date of original purchase (net of interest received) as well as attorneys’ fees and costs. The Washington Certificate was issued with an original principal amount of approximately $133 million, and, at December 31, 2019, the plaintiff had received approximately $128 million of principal and $12 million of interest payments in respect of the Washington Certificate. At December 31, 2019, the Washington Certificate had a remaining outstanding principal amount of approximately $6 million. The matter was subsequently resolved and the claims were dismissed as to all of the Washington Defendants. At the time the Washington Certificate was issued, the depositor and Redwood Trust agreed to indemnify the underwriters of the 2005-4 RMBS, which underwriters were also named as defendants in this action, for certain losses and expenses they might incur as a result of claims made against them relating to this RMBS, including, without limitation, certain legal expenses. Regardless of the resolution of this litigation, the depositor and Redwood Trust could incur a loss as a result of these indemnities.

On or about July 15, 2010, The Charles Schwab Corporation (“Schwab”), as plaintiff, filed a complaint in the Superior Court for the State of California in San Francisco (case number CGC-10-501610) against the depositor and 26 other defendants (collectively, the “Schwab Defendants”) alleging that the Schwab Defendants made false or misleading statements in offering materials for various residential mortgage-backed securities sold or issued by the Schwab Defendants. Schwab alleged only a claim for negligent misrepresentation under California state law against the depositor and sought unspecified damages and attorney’s fees and costs from the depositor. Schwab claimed that the depositor made false or misleading statements in offering materials for a mortgage pass-through certificate (the “Schwab Certificate”) issued in the 2005-4 RMBS and purchased by Schwab. Specifically, the complaint alleged that the misstatements for the 2005-4 RMBS concerned the (1) loan-to-value ratio of mortgage loans and the appraisals of the properties that secured loans supporting the 2005-4 RMBS, (2) occupancy status of the properties, (3) standards used to underwrite the loans, and (4) ratings assigned to the Schwab Certificate. The Schwab Certificate was issued with an original principal amount of approximately $15 million and, at December 31, 2019, approximately $14 million of principal and $1 million of interest payments had been made in respect of the Schwab Certificate. As of December 31, 2019, the Schwab Certificate had a remaining outstanding principal amount of approximately $1 million. On November 14, 2014, the plaintiff voluntarily dismissed with prejudice its negligent misrepresentation claim, which resulted in the dismissal with prejudice of the depositor from the action. Subsequently, the matter was resolved and Schwab dismissed its claims against the lead underwriter of the 2005-4 RMBS. At the time the Schwab Certificate was issued, the depositor and Redwood Trust agreed to indemnify the underwriters of the 2005-4 RMBS, which underwriters were also named as defendants in this action, for certain losses and expenses they might incur as a result of claims made against them relating to this RMBS, including, without limitation, certain legal expenses. Regardless of the resolution of this litigation, the depositor and Redwood Trust could incur a loss as a result of these indemnities.

In the ordinary course of any litigation matter, including certain of the above-referenced matters, the sponsor, the depositor, and Redwood Trust have engaged and may continue to engage in formal or informal settlement communications with the plaintiffs. Settlement communications may result in settlement agreements, which may be subject to the satisfaction of conditions, contingencies, or approvals and the final dismissal of the complaint by the court.

The business of the sponsor, the depositor, the seller and their affiliates has included, and continues to include, activities relating to the acquisition and securitization of residential mortgage loans. In addition, the business of the sponsor has, in the past, included activities relating to the acquisition and securitization of debt obligations and other assets through the issuance of collateralized debt obligations (commonly referred to as CDO transactions). Because of their involvement in the securitization and CDO businesses, the sponsor, the depositor, the seller and their affiliates could become the subject of litigation relating to these businesses, including additional litigation of the type described above, and could also become the subject of governmental investigations, enforcement actions, or lawsuits and governmental authorities could allege that these entities violated applicable law or regulation in the conduct of their business. As an example, a complaint was filed by the State of California on April 1, 2016 against Morgan Stanley & Co. LLC and certain of its affiliates alleging, among other things, that there were misleading statements contained in offering materials for 28 different mortgage pass-through certificates purchased by various California investors, including various California public pension systems, from Morgan Stanley & Co. LLC and alleging that Morgan Stanley & Co. LLC made false or fraudulent claims in connection with the sale of those certificates. Of the 28 mortgage pass-through certificates that were the subject of the complaint, two were Sequoia mortgage pass-through certificates issued in 2004 and two were Sequoia mortgage pass-through certificates issued in 2007, with respect to each of which certificates RWT Holdings, Inc. was the sponsor and Sequoia Residential Funding, Inc. was the depositor. The plaintiffs subsequently withdrew from the litigation their claims based on eight (8) of the 28 mortgage pass-through certificates, including one (1) of the Sequoia mortgage pass-through certificates issued in 2004. We believe this matter was subsequently resolved and the plaintiffs withdrew their remaining claims. At the time these Sequoia mortgage pass-through certificates were issued, the depositor and Redwood Trust agreed to indemnify the underwriters of these certificates for certain losses and expenses they might incur as a result of claims made against them relating to these certificates, including, without limitation, certain legal expenses. Regardless of the outcome of this litigation, the depositor and Redwood Trust could incur a loss as a result of these indemnities.

THE SPONSOR, THE SELLER AND THE SERVICING ADMINISTRATOR

RWT Holdings, Inc. ("RWT Holdings") is a Delaware corporation and indirect wholly-owned subsidiary of Redwood Trust, Inc. and is headquartered in Mill Valley, California. RWT Holdings has acquired residential mortgage loans, directly or indirectly, from originators since it was organized in February 1998. RWT Holdings has been a sponsor in the securitization market since 2002. As a sponsor, RWT Holdings acquires, directly or indirectly through its subsidiaries, residential mortgage loans in the secondary mortgage market and initiates the securitization of these loans by having them transferred to the depositor, which ultimately transfers them to the related trustee or other issuing entity for the related securitization.

As of January 1, 2023, RWT Holdings has sponsored the securitization of approximately $56.41 billion of residential mortgage loans ($4,077,538,500 in 2002, $6,198,200,700 in 2003, $10,199,107,364 in 2004, $1,440,123,400 in 2005, $1,035,362,200 in 2006, $2,833,909,600 in 2007, $237,838,333 in 2010, $670,664,551 in 2011, $1,972,280,986 in 2012, $5,578,298,816 in 2013, $1,324,419,171 in 2014, $1,375,531,335 in 2015, $1,025,698,000 in 2016, $3,199,136,485 in 2017, $4,929,872,588 in 2018, $2,929,585,641 in 2019, $2,503,686,997 in 2020, $4,189,496,447 in 2021 and $687,192,486 in 2022). RWT Holdings acquires, directly or indirectly through its subsidiaries, residential mortgage loans secured by first and second liens on single family detached properties and two- to four-family residential properties under several loan purchase agreements from mortgage loan originators or sellers nationwide that meet its seller/servicer eligibility requirements. We refer you to "*Loan Program—Qualifications of Sellers*" in the offering memorandum for a general description of the characteristics used to determine eligibility of collateral sellers. Prior to acquiring the mortgage loans, RWT Holdings conducts a review of the related mortgage loan seller and of the mortgage loans. We refer you to "*Risk Factors—Appraisals May Not Accurately Reflect the Value or Condition of a Mortgaged Property*" and "*—Pre-Offering Review of the Mortgage Loans Underlying the Certificates May Not Reveal Aspects of the Mortgage Loans Which Could Lead to Losses*" and

"*Pre-Offering Review of the Mortgage Loans*" in this offering memorandum supplement for a discussion of the pre-offering review procedures conducted by the sponsor with respect to the mortgage loans. No assurance can be made that the mortgage pool does not contain mortgage loans as to which there may be breaches of the original representations and/or warranties or that the mortgage loans will not default for other reasons.

The sponsor filed its most recent Form ABS-15G pursuant to SEC Rule 15Ga-1 on February 11, 2022. The sponsor's CIK number is 0001530239.

Redwood Residential Acquisition Corporation ("RRAC"), is a Delaware corporation and wholly-owned subsidiary of RWT Holdings and indirect wholly-owned subsidiary of Redwood Trust, Inc. and is headquartered in Mill Valley, California. Descriptions of, and references to, RWT Holdings' acquisition of residential mortgage loans include the acquisition of such loans by RRAC (and the assignment of its rights with respect to certain of such mortgage loans (other than the servicing rights related thereto and the rights as "Purchaser" under the purchase agreement with the related originator, as described below) to RRAC-NY). RRAC was organized in 2009 and commenced its business of acquiring residential mortgage loans for securitization in July 2010. On the closing date, RRAC and RRAC-NY, each as a seller, will sell all of their respective interests in the mortgage loans to the depositor. RWT Holdings and RRAC work in coordination with the underwriters or initial purchasers, as applicable, in structuring each securitization transaction. RWT Holdings and RRAC do not currently service mortgage loans but rather contract with third party servicers for servicing of the mortgage loans that they acquire. Third party servicers are assessed based upon the servicing rating and the credit quality of the servicing institution, as well as for their systems and reporting capabilities, review of collection procedures and confirmation of servicers' ability to provide detailed reporting on the performance of the securitization pool.

RRAC will act as the servicing administrator with respect to the mortgage loans. As the servicing administrator, RRAC's role is limited to (a) funding servicing advances and advances of delinquent scheduled interest and principal payments for the mortgage loans but only to the extent that such amounts are not funded by a reduction of the Servicing Rights Strip otherwise distributable to the Class A-IO-S Certificates, unless it determines that such amounts would not be recoverable, (b) paying Prepayment Interest Shortfalls that occur with respect to the mortgage loans, up to the amount of the aggregate of the servicer's servicing fee, the servicing administrator fee for such loans for the related Due Period and the Servicing Rights Strip for the related Due Period, (c) paying termination fees to the servicer if RRAC elects to terminate the servicer as servicer absent an event of default and appoint a successor, with the consent of the master servicer and (d) having the authority to remove the servicer if the servicer defaults in its servicing obligations and retaining a successor servicer, with the consent of the master servicer. No assurance can be given that RRAC will have the financial ability to effect such obligations, the risk of which may be further exacerbated by the negative impacts of the COVID-19 Outbreak, which have negatively affected the earnings and operations of RRAC and its affiliates. See "*—The COVID-19 Outbreak Has and May Continue to Adversely Affect the Global Economy and May Adversely Affect the Performance of the Mortgage Loans and the Certificates.*" RRAC has previously acted as a servicing administrator with respect to 73 securitization transactions commencing in 2012.

As described herein under "*Acquisition of Mortgage Loans by the Seller*," beginning in April 2018, for mortgage loans secured by real property in the State of New York, RRAC began assigning the rights to such mortgage loans (other than the servicing rights related thereto and the rights as "Purchaser" under the purchase agreement with the related originator, as described below) to RRAC-NY, an affiliate of RRAC. The servicing rights with respect to any mortgage loans secured by properties in the State of New York and the rights as "Purchaser" under the purchase agreement with the related originator, including all rights with respect to the representations and warranties related to such mortgage loans made by the related originator, were retained by RRAC and not assigned to RRAC-NY. Unless otherwise specified herein, all references to RRAC as a "seller" in this offering memorandum supplement with respect to the sale of the mortgage loans by RRAC to the depositor will be deemed to refer to RRAC or RRAC-NY, as applicable, and, unless otherwise specified herein or therein, all references to RRAC as a "seller" in the offering memorandum or this offering memorandum supplement with respect to representations and warranties, including any enforcement rights or cure, repurchase or substitution obligations with respect thereto, will be deemed to refer only to RRAC. See "*Acquisition of Mortgage Loans by the Seller*" herein.

THE DEPOSITOR

Sequoia Residential Funding, Inc., a Delaware corporation and indirect wholly-owned subsidiary of Redwood Trust, Inc., was organized in September 1999 as a limited purpose finance company and is headquartered in Mill Valley, California. The depositor has been engaged since the end of 2001 in the securitization of mortgage loans of the types described in the accompanying offering memorandum. Since 2002, Sequoia Residential Funding, Inc. has been the depositor on 106 securitization transactions that have issued approximately $56.41 billion of residential mortgage securities ($1.7 billion in 2002, $10.8 billion in 2003, $8.3 billion in 2004, $0.80 billion in 2005, $0.80 billion in 2006, $2.9 billion in 2007, $0.23 billion in 2010, $0.67 billion in 2011, $1.97 billion in 2012, $5.74 billion in 2013, $1.33 billion in 2014, $1.38 billion in 2015, $1.02 billion in 2016, $3.13 billion in 2017, $4.80 billion in 2018, $2.85 billion in 2019, $2.49 billion in 2020, $4.19 billion in 2021 and $0.69 billion in 2022 prior to the date of the offering contemplated by this offering memorandum supplement).

The certificate of incorporation of the depositor limits its activities to those necessary or convenient to carry out its securitization activities. The depositor will have limited obligations with respect to a series of securities. The depositor will purchase the mortgage loans from the sponsor/seller and on the closing date will sell all of its interest in the mortgage loans to the trustee for the benefit of certificateholders. In addition, the depositor may have certain approval or consent rights as described in this offering memorandum supplement.

AFFILIATIONS AND RELATED TRANSACTIONS

RRAC (as both the seller and the servicing administrator), the sponsor and the depositor are each indirect wholly-owned subsidiaries of Redwood Trust, Inc. An affiliate of the sponsor owns a minority stake in (i) the distributed ledger agent and (ii) a consumer finance due diligence and third-party review firm that reviewed approximately 8.66% of the mortgage loans by aggregate stated principal balance as of the cut-off date in connection with the seller's acquisition of such mortgage loans from the related originator and the sponsor's securitization thereof. It is the sponsor's policy that services provided by the distributed ledger agent or such third-party review firm are performed in accordance with the terms of an arms-length contract.

The sponsor and its affiliates maintain secured lines of credit with the initial purchasers or their affiliates to finance their holdings of mortgage loans and securities, including certain of the mortgage loans in this transaction. The initial purchasers may enter into a repurchase agreement with an affiliate of the sponsor to finance any purchase by such affiliate of a portion of the offered certificates on the closing date. In addition, an affiliate of the seller maintains a warehouse line of credit to finance its purchase of commercial mortgage loans with Citibank, N.A., the securities administrator.

An affiliate of one of the originators from whom the seller acquires mortgage loans from time to time provides third-party due diligence services for the sponsor. As a general matter, it is the sponsor's policy that mortgage loans originated by the related originator will not be reviewed by the affiliated third-party reviewer, and none of any such mortgage loans originated by the related originator will have been reviewed by the affiliated third-party reviewer.

There is not currently, and there was not during the past two (2) years, any material business relationship, agreement, arrangement, transaction or understanding that is or was entered into outside the ordinary course of business or is or was on terms other than would be obtained in an arm's length transaction with an unrelated third party, between (a) any of the seller, the sponsor, the depositor and the issuing entity on the one hand and (b) any of the trustee, the servicer, the custodian, the master servicer, the distributed ledger agent or any originator of the mortgage loans on the other hand.

THE MASTER SERVICER, THE SECURITIES ADMINISTRATOR, THE CUSTODIAN, THE DISTRIBUTED LEDGER AGENT AND THE SERVICER

SPS (the "servicer") will service all of the mortgage loans. The servicer will initially have primary responsibility for servicing the mortgage loans, directly or through subservicers, including, but not limited to, all collection, loan-level reporting obligations, maintenance of escrow accounts, maintenance of insurance and enforcement of foreclosure proceedings with respect to the mortgage loans and related mortgaged properties. The master servicer will supervise the activities of the servicer but will not be responsible for supervising any subservicers.

No assurance can be given that the loss and delinquency experience of the mortgage loans included in the mortgage pool will be similar to the mortgage loan loss and delinquency experience described herein for the servicer.

Citibank, N.A.

The securities administrator is Citibank, N.A. ("Citibank"), a national banking association and wholly owned subsidiary of Citigroup Inc., a Delaware corporation. Citibank performs as securities administrator through the Agency and Trust line of business, a part of Issuer Services. Citibank has primary corporate trust offices located in both New York and London. Citibank is a leading provider of corporate trust services offering a full range of agency, fiduciary, tender and exchange, depositary and escrow services. As of the end of the fourth quarter of 2022, Citibank's Agency and Trust group manages in excess of $8 trillion in fixed income and equity investments on behalf of over 3,000 corporations worldwide. Since 1987, Citibank Agency and Trust has provided corporate trust services for asset-backed securities containing pool assets consisting of airplane leases, auto loans and leases, boat loans, commercial loans, commodities, credit cards, durable goods, equipment leases, foreign securities, funding agreement backed note programs, truck loans, utilities, student loans and commercial and residential mortgages. As of the end of the fourth quarter of 2022, Citibank acts as trustee and/or securities administrator for approximately 816 various residential mortgage-backed transactions.

Under the terms of the pooling and servicing agreement, Citibank is responsible for securities administration, which includes pool performance calculations, distribution calculations and the preparation of monthly distribution reports. As securities administrator, Citibank is responsible for the preparation and filing of all REMIC tax returns on behalf of the issuing entity and the preparation of monthly reports and annual reports that are required to be prepared on behalf of the issuing entity.

Nationstar Mortgage LLC

Nationstar Mortgage LLC ("Nationstar Mortgage") is a mortgage servicer and lender formed in 1994 originally under the name Nova Credit Corporation that engages in servicing activities for itself as well as various third parties, primarily as a "high touch" servicer and originating primarily conforming residential mortgage loans. On August 21, 2017, Nationstar Mortgage became known as Mr. Cooper, for its mortgage servicing and originations operations. On October 18, 2021, the master servicing operations became known as Mr. Cooper Master Servicing, a d/b/a of Nationstar Mortgage LLC.

In March 2012, Nationstar Mortgage's parent company, Nationstar Mortgage Holdings, Inc. ("NMHI"), completed an initial public offering and related reorganization transactions pursuant to which all of the equity interests in Nationstar Mortgage were transferred from FIF HE Holdings LLC to two direct, wholly-owned subsidiaries of NMHI. NMHI's common stock commenced trading on the New York Stock Exchange on March 8, 2012 under the symbol "NSM". On February 12, 2018, NMHI entered into an Agreement and Plan of Merger (the "Merger Agreement") with WMIH Corp., a Delaware corporation ("WMIH"), and Wand Merger Corporation, a Delaware corporation and a wholly-owned subsidiary of WMIH ("Merger Sub"). On July 31, 2018, pursuant to the Merger Agreement, Merger Sub was merged with and into NMHI with NMHI continuing as the surviving corporation and a wholly-owned subsidiary of WMIH. On October 9, 2018 WMIH changed its name to Mr. Cooper Group, Inc. ("Mr. Cooper"). The public financial reporting by Mr. Cooper, including financial information regarding Nationstar Mortgage, is available through the SEC EDGAR website at **www.sec.gov**. The common stock of Mr. Cooper is traded on the NASDAQ Global Select Market.

On June 28, 2012, Nationstar Mortgage acquired the master servicing business of Aurora Loan Services LLC. Nationstar Mortgage LLC d/b/a Mr. Cooper Master Servicing's ("Mr. Cooper Master Servicing") centralized master servicing facility that is currently located at 9135 Ridgeline Blvd., Suite 200, Highlands Ranch, Colorado 80129. Mr. Cooper Master Servicing as successor by assignment to Aurora Loan Services LLC has been engaged in the business of master servicing residential mortgage loans since 1998 and has been master servicing subprime residential mortgage loans since 2002.

Mr. Cooper Master Servicing's master servicer rating by Fitch of "RMS2+" was affirmed in August 2022. Mr. Cooper Master Servicing's master servicer rating by S&P was affirmed in June 2022 as "Above Average." Moody's upgraded Mr. Cooper Master Servicing's master servicer rating to "SQ2+" in April 2022.

As of September 30, 2022, Mr. Cooper had approximately $12,815,367,000 in assets, including $530,049,000 of cash, approximately $8,710,190,000 in liabilities and approximately $4,105,177,000 in equity. For the three months ended September 30, 2022, Mr. Cooper had net income of approximately $113,158,000.

At the date of this offering memorandum supplement, there was no material pending legal proceedings to which Mr. Cooper Master Servicing was a party or of which any of its property was subject, or any material pending legal proceedings known to be contemplated by governmental authorities against Mr. Cooper Master Servicing, in each case that is material to holders of the offered certificates.

Mr. Cooper Master Servicing, in its role as master servicer, will be responsible for the aggregation of the monthly servicer reports and remittances and for the oversight of the performance of each servicer under the terms of the servicing agreement. In particular, the master servicer will independently calculate monthly loan balances based on servicer data, compare its results to servicer loan-level reports and reconcile any discrepancies with the servicer. In addition, upon the occurrence of certain events of default regarding the servicer under the terms of the servicing agreement, the master servicer may be required to enforce, on behalf of the issuing entity, certain remedies against the servicer.

Mr. Cooper Master Servicing believes that there is not a material risk that its financial condition will have any adverse effect on any aspect of its master servicing that could have a material impact on the mortgage pool performance or the performance of the offered certificates.

As of September 30, 2022, Mr. Cooper Master Servicing was acting as master servicer for approximately 774 series of residential mortgage-backed securities with an aggregate outstanding principal balance of approximately $116 billion. The first table below sets forth the size and composition of the entire portfolio, including whole loans, for which Mr. Cooper Master Servicing has been acting as master servicer as of the last three years ending December 31st. The second table below sets forth the size and updated composition descriptions of the entire portfolio, including whole loans, for which Mr. Cooper Master Servicing has been acting as master servicer as of September 30, 2022.

	At December 31, 2019		At December 31, 2020		At December 31, 2021	
Type of Loan	Number of Loans	Principal (in millions)	Number of Loans	Principal (in millions)	Number of Loans	Principal (in millions)
Alt A	224,905	$55,362	221,609	$ 58,066	256,320	$80,371
Subprime	72,667	$10,335	65,506	$ 9,222	56,914	$7,978
Govt Insured or Guaranteed (1)	27,799	$ 3,098	24,205	$ 2,478	21,097	$2,108
Home Equity Lines of Credit	49	$ 2	36	$ 1	28	$1
Total Portfolio	325,420	$ 68,797	311,356	$69,767	334,359	$90,458

(1) "Government insured or guaranteed" means mortgage loans that were originated under the guidelines of the Federal Housing Administration, the Department of Veterans' Affairs or the Rural Housing and Community Development Service.

	At September 30, 2022	
Type of Loan	Number of Loans	Principal (in millions)
Pre 2014 - Alt A	38,292	$10,740
Pre 2014 - Seasoned	19,980	$2,350
Pre 2014 - Subprime	51,027	$7,072
Government	10,213	$1,970
Jumbo	40,135	$34,130
Non-QM	71,361	$32,712
Prime Investor	40,079	$13,510
Re-performing Loans	17,266	$2,737
Seasoned	59,369	$6,328
Whole Loan Assets	17,047	$1,507
Other	7,009	$4,605
Total Portfolio	371,778	$117,661

Computershare Trust Company, N.A.

Computershare Trust Company, N.A. ("Computershare Trust Company") will act as custodian under the custodial agreement. Computershare Trust Company is a national banking association and a wholly-owned subsidiary of Computershare Limited ("Computershare Limited"), an Australian financial services company with approximately $6.093 billion (USD) in assets as of June 30, 2022. Computershare Limited and its affiliates have been engaging in financial service activities, including stock transfer related services, since 1997, and corporate trust related services since 2000. Computershare Trust Company provides corporate trust, custody, securities transfer, cash management, investment management and other financial and fiduciary services, and has been engaged in providing financial services, including corporate trust services, since 2000. The transaction parties may maintain commercial relationships with Computershare Trust Company and its affiliates. Computershare Trust Company maintains corporate trust offices at 9062 Old Annapolis Road, Columbia, Maryland 21045-1951 (among other locations), and its office for correspondence related to certificate transfer services is located at 600 South 4th Street, 7th Floor, Minneapolis, Minnesota 55415.

On March 23, 2021, Wells Fargo Bank, N.A. ("Wells Fargo Bank") and Wells Fargo Delaware Trust Company, N.A. ("WFDTC" and collectively with Wells Fargo Bank and Wells Fargo & Company, "Wells Fargo") entered into a definitive agreement with Computershare Trust Company, Computershare Delaware Trust Company ("CDTC") and Computershare Limited (collectively, "Computershare") to sell substantially all of its Corporate Trust Services ("CTS") business. The sale to Computershare closed on November 1, 2021, and virtually all CTS employees of Wells Fargo, along with most existing CTS systems, technology, and offices transferred to Computershare as part of the sale. On November 1, 2021, for some of the transactions in its CTS business, Wells Fargo Bank transferred its roles, and the duties, rights, and liabilities for such roles, under the relevant transaction agreements to Computershare Trust Company. For other transactions in its CTS business, Wells Fargo Bank since November 1, 2021, has been transferring, and intends to continue to transfer such roles, duties, rights, and liabilities to Computershare Trust Company, in stages. WFDTC also intends to transfer its roles, duties, rights, and liabilities to CDTC in stages. For any transaction where the roles of Wells Fargo Bank or WFDTC, as applicable, have not already transferred to

Computershare Trust Company or CDTC, Computershare Trust Company or CDTC performs all or virtually all of the obligations of Wells Fargo Bank or WFDTC, respectively, as its agent as of such date.

Computershare Trust Company, through the CTS business acquired from Wells Fargo Bank, serves or may have served within the past two years as loan file custodian or the agent of the loan file custodian for various mortgage loans owned by the sponsor or an affiliate of the sponsor and anticipates that one or more of those mortgage loans may be included in the assets of the issuing entity. The terms of any custodial agreement under which those services are provided are customary for the mortgage-backed securitization industry and provide for the delivery, receipt, review, and safekeeping of mortgage loan files.

Computershare Trust Company, through the CTS business acquired from Wells Fargo Bank, serves or may have served within the past two years as warehouse master servicer or the agent of the warehouse master servicer for various mortgage loans owned by the sponsor or an affiliate of the sponsor and, to the extent this is the case, one or more of those mortgage loans may be included in the assets of the issuing entity. The terms of the warehouse master servicing agreement under which any such services are provided by Computershare Trust Company are customary for the mortgage-backed securitization industry.

Computershare Trust Company will act the custodian of the mortgage loan files pursuant to the custodial agreement. In that capacity, Computershare Trust Company is responsible to hold and safeguard the mortgage notes and other contents of the mortgage files on behalf of the issuing entity and the certificateholders. Computershare Trust Company maintains each mortgage loan file in a separate file folder marked with a unique bar code to assure loan-level file integrity and to assist in inventory management. Files are segregated by transaction or investor. With its acquisition of the CTS business from Wells Fargo Bank on November 1, 2021, Computershare Trust Company acquired a business that has been engaged in the mortgage document custody business for more than 25 years. As of June 30, 2022, Computershare Trust Company was acting in some cases as the custodian, and in most cases as agent for the custodian, for approximately 10 million residential mortgage loan files.

Other than the above five paragraphs, Computershare Trust Company has not participated in the preparation of, and is not responsible for, any other information contained in this Memorandum.

Liquid Mortgage, Inc.

Liquid Mortgage, Inc., a Delaware corporation in which Redwood Trust, Inc. owns a minority interest, will serve as the distributed ledger agent pursuant to the distributed ledger agent agreement. The distributed ledger agent will maintain a digital asset platform at **https://www.liquidmortgage.io/deals/** through which end users can view updated information on each business day relating to payments on the mortgage loans, which are mirrored through digital asset accounts on a blockchain.

Select Portfolio Servicing

Select Portfolio Servicing ("SPS" or the "servicer") was incorporated on February 24, 1989 under the laws of the State of Utah. SPS commenced mortgage servicing operations in 1989 for its own accounts and has managed and serviced third-party residential mortgage loan portfolios since 1994. On June 30, 2004, SPS changed its name from Fairbanks Capital Corp. to Select Portfolio Servicing, Inc. On October 4, 2005, Credit Suisse First Boston (USA), Inc., acquired all of the outstanding stock of SPS's parent from the prior shareholders. SPS's corporate offices are located at 3217 S Decker Lake Drive, Salt Lake City, UT 84119. SPS conducts operations in Salt Lake City, Utah and Jacksonville, Florida. SPS will provide customary servicing functions with respect to the mortgage loans in its portfolio.

SPS maintains a "Strong" ranking for subprime, special, and subordinate-lien servicing with S&P Global Ratings, a division of the McGraw-Hill Companies, Inc. ("S&P"). SPS maintains an "SQ2+" rating for subprime servicing and "SQ2" for second lien servicing with Moody's. SPS' special servicer rating was upgraded by Moody's to "SQ2+" in December 2019. Fitch has given SPS the following residential primary servicer ratings: "RPS1-" for subprime, Specialty Closed-End Second Lien, and Alt-A products and "RSS1-" for special servicing. On March 27, 2020 Fitch revised all U.S. RMBS servicer Outlooks to "Negative," including SPS', citing concerns about the evolving economic stresses and operating conditions caused by the COVID-19 pandemic. On December 10, 2020, Fitch affirmed SPS' servicer rating and revised its outlook from "Negative" to "Stable".

SPS is approved by HUD as a non-supervised mortgagee with servicing approval, and is a Fannie Mae-approved seller/servicer and a Freddie Mac-approved servicer engaged in the servicing of senior and junior lien mortgage loans.

SPS has been a participant in the United States Treasury's MHA program, which includes HAMP and HAFA, and will continue to service loans modified under such programs.

To SPS's knowledge, during the past three years, no prior securitizations of mortgage loans serviced by SPS of a type similar to the assets included in the current transaction have experienced an event of default or an early amortization or other performance triggering event under the related securitization servicing agreement, because of SPS's servicing.

In the past three years, SPS has not failed to make any required advance with respect to any securitization of mortgage loans. In the past three years, SPS has not been terminated as servicer in a residential mortgage loan securitization, due to a servicing default or application of a servicing performance test or trigger under the related securitization servicing agreement.

SPS believes that there is not a material risk that its financial condition will have any adverse effect on any aspect of its servicing that could have a material impact on the mortgage loans or the performance of the certificates.

SPS's Response to the COVID-19 Pandemic

SPS has in place a Business Continuity Plan to respond to potential disruption caused by or resulting from the COVID-19 pandemic. SPS is closely monitoring rules, regulations, guidance and recommendations issued by federal, state and local governments, regulators, and clients and will ensure compliance with such rules and guidance as required.

SPS's Portfolio

As of December 31, 2022, SPS serviced a portfolio of over 935,000 non-performing, re-performing, and performing loans with an unpaid principal balance of over $179 billion. Below is the historical and current composition of SPS' residential mortgage loan portfolio categorized as (i) current, (ii) 30 days delinquent, (iii) 60 days delinquent, (iv) 90+ days delinquent, (v) in bankruptcy, (vi) in foreclosure, or (vii) real estate owned ("REO"):

Delinquency as of December 31, 2021	Number of Loans	% of Loans	Unpaid Principal Balance (millions)	% of Unpaid Principal Balance
Current	811,829	84.8%	$149,114	84.8%
30 Days	46,626	4.9%	$7,404	4.2%
60 Days	16,395	1.7%	$2,719	1.5%
90+ Days	49,719	5.2%	$10,019	5.7%
Bankruptcy(1)	15,806	1.7%	$2,596	1.5%
Foreclosure	14,292	1.5%	$3,485	2.0%
REO	2,118	0.2%	$531	0.3%
Total	**956,785**	**100.0%**	**$175,868**	**100.0%**

Delinquency as of December 31, 2022	Number of Loans	% of Loans	Unpaid Principal Balance (millions)	% of Unpaid Principal Balance
Current	801,837	85.7%	$155,701	86.9%
30 Days	47,486	5.1%	$7,463	4.2%
60 Days	16,964	1.8%	$2,800	1.6%
90+ Days	33,684	3.6%	$5,780	3.2%
Bankruptcy(1)	14,191	1.5%	$2,337	1.3%
Foreclosure	19,323	2.1%	$4,410	2.5%
REO	2,437	0.3%	$620	0.3%
Total	**935,922**	**100.0%**	**$179,111**	**100.0%**

(1) Bankruptcies include both non-performing and performing loans in which the related borrower is in bankruptcy. Amounts included for contractually current bankruptcies for the total servicing portfolio for December 31, 2021 and December 31, 2022 are $788 (millions) and $581 (millions) respectively.

SPS's Policies and Procedures

The following summary describes certain of SPS's relevant and current servicing operations and procedures and is included for informational purposes. SPS expects that from time to time its servicing operations and procedures will be modified and changed to address applicable legal and regulatory developments, as well as other economic and social factors that impact its servicing operations and procedures. There can be no assurance, and no representation is made, that the general servicing operations and procedures of SPS described below will apply to each mortgage loan in the mortgage pool during the term of such mortgage loan.

SPS posts mortgage loan payments on a daily basis. Funds are typically posted to a payment clearing account on the business day they are received. SPS transfers funds from the payment clearing account to individual custodial accounts within two business days of deposit into the payment clearing account.

SPS uses two methods of determining delinquencies, depending on whether the related servicing agreement requires (expressly or by implication) application of the "MBA delinquency method" or the "OTS delinquency method." The MBA delinquency method treats a loan as 30-59 days delinquent when a payment is contractually past due 30 to 59 days. For example, a loan due on the first of the month is considered 30 days delinquent at close of business on the last day of the same month. The OTS delinquency method includes a one month grace period for the purpose of reporting delinquencies. This method treats a loan as 30-59 days delinquent when a payment is contractually past due 60 to 89 days. For example, a loan due on the first of the month is considered 30 days delinquent at close of business on the last day of the following month.

SPS uses equity valuation and management experience to determine the point at which an asset should be charged off, unless different criteria are called for by the related servicing agreement. This evaluation considers the length of the delinquency, time elapsed since the last contact with the customer, any loss of security to the property, and the projected economic valuation of the asset. SPS uses multiple methods for determining the point of charge off, depending on the lien position of the related asset.

All SPS employees responsible for collection efforts are fully trained in all the loss mitigation solutions that SPS offers its borrowers (reinstatement, repayment plan, forbearance plan, loan modification, short sale, deed-in-lieu, and deferral) and use the same system, tools, and technology.

Based on loan specific risk scores, customer calling campaigns may start as early as the first day of delinquency and continue until the default has been resolved. SPS has a high degree of flexibility in structuring outbound customer calling campaigns to manage collection efforts and maximize loss mitigation efforts.

SPS also utilizes letter campaigns to contact customers who may be candidates for workout options.

All collections employees receive specialized training in various loss mitigation strategies and applicable state and federal laws and regulations. These employees are trained to identify potential causes for delinquency. Once contact with the customer is established, the staff will attempt to determine the customer's willingness and ability to pay using a proprietary loss mitigation model developed by SPS. SPS evaluates all loss mitigation options available to its customers consistent with applicable regulations and servicing agreement requirements. These options may include reinstatement, repayment plan, forbearance agreement, loan modification, deferral, short sale, and deed-in-lieu of foreclosure.

In connection with handling delinquencies, losses, bankruptcies and recoveries, SPS has developed a model, based upon updated property values, for projecting the anticipated net recovery on each asset. Property valuations are generally ordered starting at the 63rd day of the default recovery process of the delinquent loan and then at least every six (6) months thereafter. The frequency of valuations may increase based on loss mitigation activity, foreclosure sale bid processing, or stop advance decisions. The projected “net present value” is part of SPS’s proprietary loss mitigation automation and assists staff with determining an appropriate and reasonable strategy to resolve each defaulted loan on the basis of the information then available. For junior lien loans, SPS tracks the status and outstanding balances of any senior liens and incorporates this information into the model.

Before SPS refers any loan to foreclosure (or resumes foreclosure activity after a delay), the loan undergoes an extensive audit to ensure compliance with all state and federal laws and regulations, ensure that each loan has exhausted loss mitigation opportunities if the customer has a hardship, and identify any potential servicing errors or disputes. SPS utilizes automation tools to identify new bankruptcy filings.

SPS is responsible for property marketing and disposition, and coordinates property valuations, property inspections, and preservation work. Once a property has been acquired as REO and is in possession, a minimum of two property valuations are obtained to determine the asset value. All valuations are reviewed and reconciled by valuation specialists prior to listing the property. These specialists set the suggested sales price and make recommendations for property repairs. SPS asset managers have delegated approval to accept offers within pre-defined authority levels.

SPS has internal control governance to ensure that company policies and procedures are followed and that SPS operations are compliant with applicable laws and regulations. These include internal audits and compliance testing reviews conducted independent of loan servicing departments, reporting of audit and test results, and undertaking corrective action as appropriate. SPS has a risk assessment process wherein all loan servicing departments are responsible for identifying operational and financial risks and implementing and documenting controls relative to the identified risks, which process is reported and approved on an ongoing basis. The entire program is overseen by the senior management team.

SPS is not the document custodian of most of the loans that it services. SPS has an internal department which manages all document requests from staff and vendors. The Document Control department works closely with the foreclosure and bankruptcy units and with third party custodians to clear assignments and document exceptions.

In connection with the servicing of mortgage loans, SPS outsources certain tasks and business processes related to the following loan servicing functions to companies within the United States:

- Some print and mail services
- Title processing
- Tax payments and processing
- Insurance payments and claims processing
- Flood zone determination and tracking
- Property preservation and valuation services

In addition, SPS typically outsources certain non-customer contact tasks and business processes related to certain loan servicing functions to an outsourcing company operating in India. This outsourcing company has no direct contact with SPS’s customers.

Acquisition of Rushmore

On September 19, 2022, SPS announced that it had entered into a definitive asset purchase agreement ("Rushmore Purchase Agreement") with Rushmore Loan Management Services, LLC ("Rushmore") and certain of its affiliates, pursuant to which SPS will acquire certain Rushmore assets upon satisfaction of the related conditions to closing. In connection with the purchase of such assets, SPS agreed to assume Rushmore's servicing contracts and hire Rushmore servicing personnel.

Rushmore currently operates as a privately held financial services company primarily engaged in the servicing of residential mortgage loans (both conventional mortgage loans and home equity loans and lines of credit) and of REO properties and is a correspondent lender. Rushmore has business operations in California, Oklahoma and Texas. Rushmore was formed in 2008 and commenced operations in 2010 when it acquired the residential servicing business of another financial institution.

Rushmore is an approved servicer for Fannie Mae, Freddie Mac, Ginnie Mae, HUD/FHA, VA, USDA and he Federal Home Loan Bank of Indianapolis. Rushmore is rated "Above Average" as a Residential Special Servicer and "Above Average" as a Residential Prime Servicer by S&P Global Ratings. Rushmore is rated "RSS1-" as a residential special servicer and "RPS1-" as a residential primary servicer for both prime product and subservicing by Fitch. Rushmore is rated "SQ3+" as a special servicer and rated "SQ3+" as a prime servicer of residential mortgage loans by Moody's Investors Service, Inc. Rushmore has the licenses necessary to service mortgage loans in all fifty states, the District of Columbia, Puerto Rico and the United States Virgin Islands.

Following the acquisition by SPS of the Rushmore assets pursuant to the Rushmore Purchase Agreement, SPS will service the loans, REO and related assets acquired from Rushmore in accordance with its servicing standards, policies and procedures.

ADMINISTRATION OF THE ISSUING ENTITY

Servicing and Administrative Responsibilities

The servicer, the servicing administrator, the master servicer, the securities administrator, the trustee, the distributed ledger agent and the custodian will have the following responsibilities with respect to the issuing entity:

Servicer. Performing the servicing functions with respect to the mortgage loans and the mortgaged properties in accordance with the provisions of the servicing agreement, including, but not limited to:

- collecting monthly remittances of principal of and interest on the mortgage loans from the borrowers, depositing such amounts (net of the servicing fees) in the custodial account, and delivering all amounts on deposit in the custodial account to the master servicer for deposit in the master servicer collection account on the Servicer Remittance Date;

- collecting amounts in respect of taxes and insurance from the borrowers for mortgage loans subject to escrows, depositing such amounts in the related escrow account, and paying such amounts to the related taxing authorities and insurance providers, as applicable;

- providing monthly loan-level reports to the master servicer;

- maintaining certain insurance policies relating to the mortgage loans; and

- initiating foreclosure proceedings and other methods of default resolution.

We refer you to "The Agreements—Mortgage Loan Servicing" below.

Servicing Administrator. Performing the servicing administrator functions with respect to the mortgage loans, which include:

- funding servicing advances in respect of reasonable and customary "out of pocket" costs and expenses and advances of delinquent scheduled interest and principal payments on the mortgage loans that are not

120 days or more delinquent to the extent that such amounts are not funded by a reduction in the servicing rights strip otherwise distributable to the Class A-IO-S Certificates but only to the extent the servicing administrator believes these monthly advances will be recoverable;

- paying prepayment interest shortfalls, up to the amount of the aggregate of the servicing fee, the Servicing Administrator Fee actually received for the related due period and the servicing rights strip for the related due period;

- paying termination fees to the servicer if the servicing administrator elects to terminate the servicer absent an event of default and appointing a successor, with the consent of the master servicer;

- having the authority to remove the servicer if the servicer defaults in its servicing obligations and appointing a successor servicer, with the consent of the master servicer;

- subject to satisfaction of the conditions described herein, providing instruction to the master servicer in connection with the exercise of an optional purchase of the mortgage loans; and

- overseeing certain matters relating to the servicing of defaulted mortgage loans including, but not limited to, approving certain loan modifications, reviewing environmental reports relating to foreclosed properties to determine whether to proceed with a foreclosure, approving certain actions relating to the management of REO property and approving the release of the original borrower in connection with mortgage loan assumptions.

Master Servicer. Performing the master servicing functions in accordance with the provisions of the pooling and servicing agreement, including but not limited to:

- monitoring the servicer's and servicing administrator's performance and enforcing the servicer's and servicing administrator's obligations under the servicing agreement;

- gathering the monthly loan-level reports delivered by the servicer and providing a comprehensive loan-level report to the securities administrator with respect to the mortgage loans;

- terminating the rights and obligations of the servicer and the servicing administrator, if in the master servicer's judgment it determines that the servicer or servicing administrator should be terminated in accordance with the servicing agreement, giving notice thereof to the trustee and the rating agencies and taking such other action as it deems appropriate;

- upon the termination of the servicer or the servicing administrator, appointing a successor servicer or successor servicing administrator or servicing the mortgage loans itself, as provided in the pooling and servicing agreement;

- collecting monthly remittances from the servicer for deposit in the master servicer collection account for transfer by the master servicer to the distribution account;

- upon the failure of the servicing administrator to fund monthly advances with respect to a mortgage loan in accordance with the servicing agreement, funding those monthly advances, to the extent provided in the pooling and servicing agreement; and

- upon the failure of the servicing administrator to pay prepayment interest shortfalls as required by the servicing agreement, paying such shortfalls, up to the amount of the master servicing fee for the related period to the extent and subject to the terms and conditions provided in the pooling and servicing agreement. The amount of such prepayment interest shortfall payments required to be made by the servicing administrator will not exceed the aggregate of the servicing fee and the servicing administrator fee actually received for the related Due Period and the servicing rights strip for the related Due Period. In such cases when the amount of such prepayment interest shortfall payments required to be made by the servicing administrator is insufficient to cover the shortfall in interest payments on the certificates, and the servicing administrator has made the required payments under the servicing agreement, the master servicer will not be required to make any payments related to such prepayment interest shortfalls.

We refer you to "The Agreements—Mortgage Loan Servicing" below.

Securities Administrator. Performing the securities administrator functions in accordance with the provisions of the pooling and servicing agreement, including but not limited to:

- acting as authentication agent, calculation agent, paying agent and certificate registrar with respect to the certificates;
- receiving the monthly remittance from the master servicer, depositing it in the distribution account and distributing all amounts on deposit in the distribution account to the certificateholders, in accordance with the priorities described under "*Description of the Certificates—Priority of Distributions and Allocation of Shortfalls*" on each distribution date;
- effecting exchanges of the Initial Exchangeable Certificates and the Exchangeable Certificates as described under "*Description of the Certificates—Exchangeable Certificates;*"
- preparing and distributing to certificateholders the monthly distribution date statement based on mortgage loan data provided by the servicer and the master servicer;
- preparing and distributing annual investor reports necessary to enable certificateholders to prepare their tax returns;
- preparing and filing annual federal and (if required) state tax returns on behalf of the issuing entity; and
- upon the failure of the servicing administrator and the master servicer to fund monthly advances with respect to a mortgage loan in accordance with the servicing agreement or the pooling and servicing agreement, as applicable, funding those monthly advances, to the extent provided in the pooling and servicing agreement.

We refer you to "The Agreements—Reports to Certificateholders" below.

Trustee. Performing the trustee functions in accordance with the provisions of the pooling and servicing agreement, including but not limited to:

- after an Event of Default has occurred of which a responsible officer of the trustee has actual knowledge, giving written notice thereof to the master servicer and the rating agencies;
- after an Event of Default has occurred of which a responsible officer of the trustee has actual knowledge, until a successor master servicer is appointed, acting as successor master servicer in the event the master servicer resigns or is removed by the trustee; and
- in certain circumstances as described herein, pursuing an action against an originator in respect of an alleged breach of a representation and warranty, or against RRAC if RRAC has an obligation to cure a breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to any mortgage loan as described herein.

We refer you to "The Agreements—Reports to Certificateholders" and "—Representations and Warranties" below.

Custodian. Performing the custodial functions in accordance with the provisions of the custodial agreement, including but not limited to holding and maintaining the mortgage loan documents related to the mortgage loans on behalf of the trustee.

We refer you to "The Agreements—The Custodial Agreement" below.

Distributed Ledger Agent. Performing the distributed ledger agent functions in accordance with the provisions of the distributed ledger agent agreement, including but not limited to, making available to end users certain information related to daily payments of principal and/or interest on the digital mortgage assets created on its digital asset platform and corresponding to each actual mortgage loan included in the trust fund.

We refer you to "The Agreements—The Distributed Ledger Agent Agreement" below.

Issuing Entity Accounts

All amounts in respect of principal and interest received from the borrowers or other recoveries in respect of the mortgage loans will, at all times before payment thereof to the certificateholders, be deposited in the custodial account, the master servicer collection account and the distribution account (collectively, the "issuing entity accounts"). The custodial account will be established in the name of the servicer in trust, or as trustee and/or bailee, for the trustee as trustee of the trust, the master servicer collection account will be established at a depository institution satisfying the requirements of the rating agencies, and the distribution account will be established in the name of the securities administrator in trust for the benefit of the certificateholders. Funds on deposit in the issuing entity accounts will be invested in eligible investments. The issuing entity accounts will be established by the applicable parties listed below, and any investment income earned on each issuing entity account will be retained or distributed as follows:

Issuing Entity Account	Responsible Party:	Application of any Investment Earnings:
Custodial Account	Servicer	Any investment earnings (net of any losses realized) will be paid as compensation to the servicer and will not be available for payments to certificateholders.
Master Servicer Collection Account	Master Servicer	Any investment earnings (net of any losses realized) will be paid as compensation to the master servicer and will not be available for payments to certificateholders.
Distribution Account	Securities Administrator	Any investment earnings (net of any losses realized) will be paid as compensation to the securities administrator and will not be available for payments to certificateholders.

If funds deposited in the custodial account, the master servicer collection account or the distribution account are invested by the responsible party identified in the table above, the amount of any net losses incurred in respect of any such investments will be deposited in the related issuing entity account by such responsible party, out of its own funds, without any right of reimbursement therefor.

Example of Payments

The following sets forth an example of collection of payments from borrowers on the mortgage loans, transfers of amounts among the issuing entity accounts and payments on the certificates for the distribution date in March 2023:

February 2 through March 1	Due Period:	Payments due during the related Due Period (February 2 through March 1) from borrowers will be deposited in the custodial account as received and will include scheduled principal and interest payments due during the related Due Period.
February 1 through February 28 (for partial prepayments on the mortgage loans), or February 15	Prepayment Period for partial and full	Partial principal prepayments and principal prepayments in full received by the servicer during the related Prepayment Period (February 1 through February 28, for partial principal prepayments

through March 14 (for full prepayments on the mortgage loans)	prepayments received from mortgage loans:	on the mortgage loans, or February 15 through March 14, for full principal prepayments on the mortgage loans) will be deposited into the custodial account for remittance to the master servicer on the servicer remittance date (March 20, 2023).
February 28	Record Date:	Distributions will be made to certificateholders of record for all classes of certificates as of the last business day of the calendar month preceding the month of the related distribution date.
March 20	Servicer Remittance Date:	The servicer will remit collections and recoveries in respect of the mortgage loans to the master servicer for deposit into the master servicer collection account on or prior to the 20th day of each month (or if the 20th day is not a business day, the immediately preceding business day).
March 24	Master Servicer Remittance Date:	The master servicer will remit the collections and recoveries it receives from the servicer to the securities administrator for deposit into the distribution account the business day prior to the distribution date.
March 27	Distribution Date:	On the 25th day of each month (or if the 25th day is not a business day, the next business day), the securities administrator will make payments from amounts on deposit in the distribution account to certificateholders.

Succeeding months follow the same pattern.

THE AGREEMENTS

General

The following summary describes certain terms of the "pooling and servicing agreement," the mortgage loan purchase agreement, the purchase agreements, the servicing agreement and the custodial agreement. The summary does not purport to be complete and is subject to, and qualified in its entirety by reference to, all the provisions of the agreements. The following summary supplements, and to the extent inconsistent with, replaces, the description of the general terms and provisions of the agreements under the heading "*The Agreements*" in the accompanying offering memorandum.

The certificates will be issued pursuant to the pooling and servicing agreement, dated as of January 1, 2023, among the depositor, the master servicer, the securities administrator and the trustee. Reference is made to the accompanying offering memorandum for information in addition to that set forth in this offering memorandum supplement regarding the terms and conditions of the pooling and servicing agreement and the offered certificates. Certificates in certificated form will be transferable and exchangeable at the corporate trust office of the securities administrator, which will also serve as certificate registrar and paying agent. The securities administrator will provide to a prospective or actual certificateholder, without charge, on written request, an electronic copy (without exhibits) of the pooling and servicing agreement. Requests should be addressed to Citibank, N.A., 388 Greenwich St., New York, New York, 10013, Attention: Agency & Trust - Sequoia Mortgage Trust 2023-1.

Assignment of the Mortgage Loans

Under the mortgage loan purchase agreement, RRAC and RRAC-NY, each as a seller, will sell the mortgage loans to the depositor. Pursuant to the pooling and servicing agreement, on the closing date the depositor will sell, transfer, assign, set over and otherwise convey without recourse to the trustee all of its right, title and interest to the mortgage loans. Under the purchase agreements, the originators have made certain representations, warranties and covenants relating to, among other things, certain characteristics of the mortgage loans. The representations and warranties of the originators under the purchase agreements generally will include the representations and warranties set forth under "*—Representations and Warranties*" below and "*Loan Program—Representations and Warranties; Repurchases*" in the offering memorandum and, generally will be assigned to the depositor and then to the trustee pursuant to the assignment, assumption and recognition agreement and the omnibus assignment of representations and warranties agreement. Subject to the limitations described below, the originator under the applicable purchase agreement will be directly or indirectly obligated as described herein to cure, repurchase, substitute a similar mortgage loan for or make an indemnification payment with respect to any mortgage loan as to which there has been an uncured breach of any such representation or warranty that materially and adversely affects the value of such mortgage loan or the interests of the certificateholders in such mortgage loan.

Under the mortgage loan purchase agreement, RRAC will be obligated as described herein to cure the breach in respect of, or repurchase, substitute for any mortgage loan or make an indemnification payment as to which there has been an uncured breach of representations and/or warranties made by the originators and assigned to the trustee that materially and adversely affects the value of such mortgage loan or the interests of the certificateholders in such mortgage loan, but generally only if the respective originator is unable to cure such breach in respect of, or repurchase, substitute for such mortgage loan or make an indemnification payment because it is subject to a bankruptcy or insolvency proceeding or no longer in existence.

The representations and warranties regarding the characteristics of each mortgage loan that were made by the respective originator and assigned to the trustee were made by the originator as of the date on which the originator sold that mortgage loan. The dates of sale range between two (2) and fourteen (14) months prior to the closing date. It is possible that some representations and/or warranties that were true and correct on the date a mortgage loan was sold by the originator are not true and correct as of the closing date. RRAC will agree to cure a breach in respect of, substitute a similar mortgage loan for, make an indemnity payment or repurchase from the trust fund any mortgage loan as to which a representation and warranty made by the originator was true and correct as of the date made by the originator but not true and correct as of the closing date, or if RRAC itself made a representation and warranty as to which there has been a breach, in any such case, if such breach materially and adversely affects the value of the mortgage loan or the interests of the certificateholders in that mortgage loan. Other than as described in the preceding paragraph, RRAC generally will not repurchase any mortgage loan or provide any remedy with respect to any breach of a representation and warranty as of the date made by the originator.

Also under the mortgage loan purchase agreement, RRAC will have certain repurchase obligations described herein in respect of any mortgage loan identified therein (if applicable) as having an escrow holdback amount greater than ten percent (10%) of the amount of such mortgage loan. In the event that any related escrow funds are not disbursed with respect to any such mortgage loan, such that the escrow holdback amount related to such mortgage loan is less than 10% of the original principal balance of such mortgage loan within six (6) months of the closing date, RRAC, pursuant to the mortgage loan purchase agreement, will be required to repurchase such mortgage loan on or before the date that is six (6) months after the closing date at the applicable repurchase price. To the extent that any such mortgage loan is secured by real property in the State of New York, RRAC will assign the rights to such mortgage loan (other than the servicing rights related thereto which will remain with RRAC) to RRAC-NY.

Pursuant to the assignment, assumption and recognition agreement and the omnibus assignment of representations and warranties agreement, the Controlling Holder will have the right to enforce the obligation of the originators under the purchase agreements to cure, repurchase or substitute for or make an indemnification payment with respect to a mortgage loan. The obligations of the originators under the purchase agreements that are assigned to the trustee for the benefit of the certificateholders are limited to the obligation to repurchase, substitute for or make an indemnification payment with respect to defective mortgage loans. If the Class Principal Amount of the Class B-5 Certificates has been reduced to zero, then no entity will have any rights as a Controlling Holder. In this circumstance, all of the rights of the Controlling Holder described in this offering memorandum supplement would revert to the trustee on behalf of the certificateholders. Pursuant to the pooling and servicing agreement, the trustee will also have the right to enforce the obligation of RRAC, if any, under the mortgage loan purchase agreement to cure the breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to the related mortgage loan for which a breach has occurred.

In connection with such transfer and assignment of the mortgage loans, pursuant to a custodial agreement dated as of the closing date, among the depositor, the seller, the master servicer, the trustee and the custodian, the depositor will deliver or cause to be delivered to Computershare Trust Company, as custodian, on behalf of the trustee, among other things, the original promissory note, or mortgage note (or a lost note affidavit in lieu thereof), and any modification or amendment thereto endorsed in blank without recourse, the original instrument creating a first lien on the related mortgaged property, or mortgage, with evidence of recording indicated thereon, an assignment in recordable form of the mortgage for each non-MERS mortgage loan, the title policy with respect to the related mortgaged property and, if applicable, all recorded intervening assignments of the mortgage and any riders or modifications to such mortgage note and mortgage, except for any such document not returned from the public recording office, which is required to be delivered by the originators under the servicing agreement to the trustee or custodian as soon as the same is available. These documents are referred to, collectively, as the mortgage loan documents.

With respect to mortgage loans that are not recorded in the name of MERS, assignments of the mortgage loans to the trustee (or its nominee) will be recorded by the depositor in the appropriate public office for real property records. With respect to mortgage loans that are recorded in the name of MERS, the depositor will cause the trustee (or its nominee) to be recorded as the beneficial owner of the mortgage loans pursuant to the MERS rules for electronically tracking changes in ownership rights.

With respect to mortgage loans that are recorded in the name of MERS, if a monthly payment has not been received within ninety (90) days of its due date, a court of competent jurisdiction in a particular state rules that MERS is not an appropriate system for transferring ownership of mortgage loans in that state, or MERS goes into bankruptcy or becomes the subject of a receivership or conservatorship, the servicer will prepare and submit an assignment to remove the mortgage loan from MERS within fifteen (15) business days of the occurrence of such event.

The custodian will review the mortgage loan documents with respect to a mortgage loan generally within one business day of the later of its receipt of the mortgage loan documents or the mortgage loan schedule. If an originator does not cure any material defect or omission in the mortgage loan documents within the applicable cure period, it will be required to repurchase the mortgage loan. In the case of documents that are required to be recorded, such as an original mortgage or an original assignment of mortgage, the originator is permitted to deliver a copy of that document pending return of the original or a file stamped copy from the recording office. If the recorded documents are not returned from the recording office within approximately one year after the date that the originator sold the mortgage loan to the seller, the Controlling Holder may, but is not obligated to, request the originator or RRAC, as applicable, to repurchase the mortgage loan.

In lieu of repurchasing a mortgage loan as provided above, during the period that ends two years after the date the seller acquired such mortgage loan, in some cases the originator may remove that mortgage loan, or a deleted mortgage loan, from the trust fund and substitute in its place another mortgage loan, or a replacement mortgage loan. Any replacement mortgage loan generally will, on the date of substitution, among other characteristics set forth in the servicing agreement, (i) have a principal balance, after deduction of all scheduled payments due in the month of substitution (or in the case of a substitution of more than one mortgage loan for a deleted mortgage loan, an aggregate stated principal balance), not in excess of the stated principal balance of the deleted mortgage loan, (ii) have a mortgage rate not less than and not more than one percentage point greater than that of the deleted mortgage loan, (iii) have a remaining term to maturity not greater than (and not more than one year less than) that of the deleted mortgage loan, (iv) have a loan-to-value ratio at origination no greater than that of the deleted mortgage loan and (v) be in material compliance with all of the representations and warranties set forth in the servicing agreement as of the date of substitution. This cure, repurchase or substitution obligation constitutes the sole remedy available to certificateholders or the trustee for omission of, or a material defect in, a mortgage loan document.

Representations and Warranties

Except as described below, the representations and warranties made by each originator with respect to each mortgage loan sold by it include the representations and warranties substantially in the form set forth under "*Loan Program—Representations and Warranties; Repurchases*" in the offering memorandum, as well as the following representations and warranties, among others, in substantially the following form and generally as follows, and in each case as of the sale of the applicable mortgage loans:

- Each mortgage loan either (i) was underwritten in substantial conformance with the eligibility criteria applicable to the originator in effect at the time of origination without regard to any underwriter discretion or (ii) if not underwritten in conformance with the eligibility criteria applicable to the originator, has reasonable and documented compensating factors. The methodology used in underwriting the extension of credit for the mortgage loan includes objective mathematical principles that relate to the relationship between the borrower's income, assets and liabilities and the proposed payment.

- The originator has given due consideration to factors, including but not limited to, other real estate owned by a borrower, commuting distance to work, appraiser comments and notes, the location of the property and any difference between the mailing address active in the servicing system and the subject property address to evaluate whether the occupancy status of the property as represented by the borrower is reasonable.

- With respect to each mortgage loan, the originator verified the borrower's income, employment, and assets and employed procedures designed to authenticate the documentation supporting the income, employment and assets in accordance with its written underwriting guidelines. This verification may include the transcripts received from the Internal Revenue Service pursuant to a filing of IRS Form 4506-C and, in some cases, may include public and/or commercially available information acceptable to the purchaser.

- Each mortgage file contains a written appraisal prepared by an appraiser licensed or certified by the applicable governmental body in the jurisdiction in which the mortgaged property is located and in accordance with the applicable requirements of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, as amended. The appraisal was written, in form and substance, to (i) customary Fannie Mae or Freddie Mac standards or forms for mortgage loans of the same type as the related mortgage loans and (ii) Uniform Standards of Professional Appraisal Practice standards, and satisfies applicable legal and regulatory requirements. The appraisal was made and signed prior to the final approval of the mortgage loan application. The person performing any property valuation (including an appraiser) received no benefit from, and that person's compensation or flow of business from the originator was not affected by, the approval or disapproval of the mortgage loan. The selection of the person performing the property valuation was made independently of the broker (where applicable) and the originator's loan sales and loan production personnel. The selection of the appraiser met the criteria of Fannie Mae and Freddie Mac for selecting an independent appraiser.

- Any and all requirements of any federal, state or local law including, without limitation, usury, truth-in-lending, real estate settlement procedures, consumer credit protection, equal credit opportunity, or disclosure laws applicable to origination and servicing of the mortgage loans at origination have been complied with in all material respects or any such noncompliance was cured subsequent to origination as permitted by applicable law.

- Each mortgage loan satisfies the "ability-to-repay" rules codified at 12 C.F.R. § 1026 under the Truth in Lending Act (Regulation Z), including, without limitation, the provisions of Regulation Z set forth in 12 C.F.R. § 1026.43(c).

- Each mortgaged property is undamaged by waste, vandalism, fire, hurricane, earthquake or earth movement, windstorm, flood, tornado or other casualty adversely affecting the value of a mortgaged property or the use for which the premises were intended, and each mortgaged property is in substantially the same condition it was at the time the most recent Appraised Value was obtained. There is no proceeding pending or threatened for the total or partial condemnation of any mortgaged property.

In lieu of the representation and warranty regarding fraud set forth in the offering memorandum, each originator has made a representation and warranty in its purchase agreement regarding fraud with respect to each mortgage loan that it sold, in substantially the following form:

- With respect to each mortgage loan purchased from certain originators, no fraud, material misrepresentation or negligence has taken place in connection with the origination or servicing of the mortgage loan on the part of (1) the originator, (2) the borrower, (3) any broker or correspondent, (4) any appraiser, escrow agent, closing attorney or title company involved in the origination of the mortgage loan or (5) the servicer.

- With respect to each mortgage loan purchased from certain originators or sellers, no fraud, error, omission, misrepresentation, negligence or similar occurrence with respect to the mortgage loan has taken place on the part of the mortgagor, the seller, the servicer or any other person, including, without limitation, any appraiser, title company, closing or settlement agent, realtor, builder or developer or any other party involved in the origination or sale of the mortgage loan or the sale of the mortgaged property, that would impair in any way the rights of the purchaser in the mortgage loan or mortgaged property or that violated applicable law.

In lieu of certain other representations and warranties set forth in the offering memorandum, certain of the originators have made representations and warranties in their purchase agreements with respect to each mortgage loan sold, in substantially the following form:

- As of the closing date, there is no default, breach, violation or event of acceleration existing under the mortgage or the mortgage note and no event which, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a default, breach, violation or event permitting acceleration, and neither the seller nor any prior mortgagee has waived any default, breach, violation or event permitting acceleration.

- The mortgage is a valid, subsisting, enforceable and perfected first lien on the mortgaged property (subject, as to enforceability, to bankruptcy and other creditor rights laws), including all improvements on the mortgaged property, subject only to (i) the lien of nondelinquent current real property taxes and assessments not yet due and payable; (ii) covenants, conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording which are acceptable to mortgage lending institutions generally, (iii) any lien of any related homeowners' association not yet due and payable, (iv) liens created pursuant to any federal, state or local law, regulation or ordinance affording liens for the costs of clean-up of hazardous substances or hazardous waste or for other environmental protection purposes, and (v) other matters to which like properties are commonly subject that do not materially interfere with the benefits of the security intended to be provided by the mortgage or the use, enjoyment, value or marketability of the related mortgaged property.

- No mortgage loan is thirty (30) days or more delinquent on the closing date, and no mortgage loan has been thirty (30) days or more delinquent in the twelve-month period prior to the cut-off date.

- The terms of the mortgage loan have not been modified since origination, the mortgage loan was secured by a first lien at the time of origination, and using the appraised value, and taking into account only the value of the land and permanent structures on the land (but not the value of any personal property or any actual or potential business use of the land and structures), the loan-to-value ratio of the mortgage loan on the closing date was no greater than 125%.

- The mortgage note is "principally secured by an interest in real property" within the meaning of Section 860G(a)(3)(A) of the Code.

No mortgage loan is subject to a primary mortgage insurance policy even if its loan-to-value ratio at origination was in excess of 80%.

If the originator under a purchase agreement cannot cure a breach of a representation and warranty made by it and assigned to the trustee, which breach materially and adversely affects the value of, or the interest of the certificateholders in, that mortgage loan, within ninety (90) days of the originator's discovery or receipt of notice of that breach, then such originator or RRAC, as applicable, will be obligated to repurchase or substitute a replacement mortgage loan for the mortgage loan or, in some cases, make an indemnification payment in the amount of the reduction in value resulting from such breach. With respect to certain breaches of the representations and/or warranties, an indemnification payment may be required to be made by the originator in addition to repurchase of or substitution for the mortgage loan. This cure, repurchase, substitution or indemnification obligation constitutes the sole remedy available to certificateholders or the trustee for these breaches. Other than as described above, neither RRAC nor the depositor has any obligation to cure a breach or repurchase or substitute for a mortgage loan or make an indemnification payment if the originator fails to do so, other than the obligation of RRAC to cure the breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to a mortgage loan originated by any originator if there has been an uncured breach of a representation or warranty by such originator that materially and adversely affects the value of such mortgage loan or the interests of the certificateholders in such mortgage loan if the applicable originator is unable to cure such breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to such mortgage loan pursuant to the terms of the applicable purchase agreement because it is subject to a bankruptcy or insolvency proceeding or no longer in existence.

In addition, RRAC will agree to cure a breach or to repurchase from the trust fund, substitute for or make an indemnification payment with respect to any mortgage loan as to which a representation and warranty made by the originator was true and correct as of the date made by the originator but not true and correct as of the closing date, or if RRAC itself made a representation and warranty as to which there has been a breach, in any such case, if such breach materially and adversely affects the value of the mortgage loan or the interests of the certificateholders in that mortgage loan.

Pursuant to the purchase agreements, the assignment, assumption and recognition agreement, the omnibus assignment of representations and warranties agreement and the pooling and servicing agreement, the Controlling Holder will have the right to enforce the obligations of the originators under the purchase agreements to cure any breach of a representation and warranty which materially and adversely affects the value of, or the interest of the certificateholders in, any mortgage loan, or to repurchase, substitute for or make an indemnification payment with respect to, such mortgage loan if such breach is not cured.

The trustee will be obligated to pursue an action against an originator in respect of any alleged breach of a representation and/or warranty by an originator, or against RRAC if RRAC has an obligation to cure a breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to any mortgage loan as described herein, upon its receipt of (i) (a) written direction to do so by the holders of more than 50% of the aggregate voting interests of the Senior Certificates, if there is a Controlling Holder under the pooling and servicing agreement or (b) written direction to do so by the holders of more than 50% of the aggregate voting interests of the certificates, if there is no longer a Controlling Holder under the pooling and servicing agreement and (ii) an agreement by holders directing the trustee to take such action to provide in advance to the trustee funds to pay for any fees, costs and expenses incurred by the trustee, and provide any indemnification reasonably requested by the trustee. However, certificateholders will not have the right to require the trustee to pursue any action with respect to any mortgage loan as to which a final and binding decision by an arbitrator has already been issued. Prior to taking any action at the direction of certificateholders, the trustee will notify the Controlling Holder, if any. In connection with any such action, the trustee will seek to recover its fees, costs and expenses from the originator under the terms of the applicable purchase agreement or from RRAC under the terms of the mortgage loan purchase agreement if directed to do so by the certificateholders that provided such funds to the trustee as described above. If the trustee recovers any such fees, costs and expenses, it will be obligated to pay such amounts to such certificateholders. To the extent not reimbursed by the originator or RRAC, as applicable, or the applicable certificateholders, the trustee will be reimbursed by the trust fund, subject to the annual expense limits as described in the definition of Available Distribution Amount.

In addition, if the trustee receives written notice, from a person in a position to have knowledge of the facts and circumstances stated in such notice, of any breach of a representation or warranty regarding a mortgage loan made by an originator or RRAC, which would give rise to an obligation to cure such breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to any related mortgage loan as described herein, then, unless a final and binding decision by an arbitrator has been issued with respect to such mortgage loan, the trustee in reliance on such notice will (i) demand that the applicable originator or RRAC, if RRAC has such an obligation, cure such breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to the related mortgage loan, and (ii) notify the certificateholders of the trustee's receipt of such notice and of the trustee's submission of such demand. If the originator or RRAC, as applicable, responds to the demand within sixty (60) days of the date of the demand, the trustee will negotiate with such party so long as such party is pursuing negotiations in good faith. If the originator or RRAC does not respond within sixty (60) days of the date of the demand, or if the demand is not resolved within 180 days of such date, then the trustee will not be required to pursue further action in connection with such demand unless it has received (i) (a) written direction to do so by the holders of more than 50% of the aggregate voting interests of the Senior Certificates, if there is a Controlling Holder under the pooling and servicing agreement or (b) written direction to do so by the holders of more than 50% of the aggregate voting interests of the certificates, if there is no longer a Controlling Holder under the pooling and servicing agreement and (ii) an agreement by holders directing the trustee to take such action to provide in advance to the trustee funds to pay for any fees, costs and expenses incurred by the trustee, and provide any indemnification reasonably requested by the trustee. Prior to taking any action at the direction of certificateholders, the trustee will notify the Controlling Holder, if any. The trustee will seek to recover its fees, costs and expenses from the originator under the terms of the applicable purchase agreement or from RRAC under the terms of the mortgage loan purchase agreement if directed to do so by the certificateholders that provided such funds to the trustee as described above. If the trustee recovers any such fees, costs and expenses, it will be obligated to pay such amounts to such certificateholders.

To the extent not reimbursed by the originator or RRAC, as applicable, or the applicable certificateholders, the trustee will be reimbursed by the trust fund, subject to the annual expense limits as described in the definition of Available Distribution Amount.

In addition, the Controlling Holder (at its own expense) or, if (x) there is no longer a Controlling Holder or (y) the Controlling Holder fails to engage a third party to perform a review within sixty (60) days of the receipt of such notice, the trustee (at the expense of the trust fund, subject to the annual expense limits as described in the definition of Available Distribution Amount), will engage a third party to review each mortgage loan that has been delinquent for more than 120 days, other than any such mortgage loan that was the subject of a previous arbitration proceeding under the related purchase agreement, to review whether any breaches of the representations and/or warranties given by the originator under the related purchase agreement have occurred or if RRAC has an obligation to cure a breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to any mortgage loan as described herein. Such third-party reviewer is required to be a recognized third party with experience performing due diligence on residential mortgage loans and may not be the same party that performed the pre-offering review of the mortgage loans. Such third-party reviewer must report its findings and provide an attestation to the Controlling Holder or the trustee, as applicable, that its review and report were not influenced or affected by interested parties. Any such review will include, at a minimum, a review as to whether the mortgage loan was underwritten in accordance with the originator's underwriting standards in effect at the time of origination, whether the mortgage loan was originated in accordance with all applicable laws and regulations, and whether any fraud may have occurred in connection with the origination of the mortgage loan. If, as a result of such review, there is evidence that a breach of a representation or warranty may have occurred requiring the originator or RRAC to cure such breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to the related mortgage loan, then the Controlling Holder or the trustee, as applicable, will enforce such obligation, including participating in an arbitration proceeding pursuant to the related purchase agreement, if necessary. If the Controlling Holder is the same entity as or an affiliate of the party against which an enforcement action is to be taken, then the trustee will enforce the remedy obligation of such party. If the trustee is obligated to take such an action, the trustee is required to first (i) demand that the applicable originator or RRAC, if RRAC has such an obligation, cure such breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to the related mortgage loan, and (ii) notify the certificateholders of the trustee's submission of such demand. If the originator or RRAC, as applicable, responds to the demand within sixty (60) days of the date of the demand, the trustee will negotiate with such party so long as such party is pursuing negotiations in good faith. If the originator or RRAC does not respond within sixty (60) days of the date of the demand, or if the demand is not resolved within 180 days of such date, then the trustee will not be required to pursue further action in connection with such demand unless it has received (i) (a) written direction to do so by the holders of more than 50% of the aggregate voting interests of the Senior Certificates, if there is a Controlling Holder under the pooling and servicing agreement or (b) written direction to do so by the holders of more than 50% of the aggregate voting interests of the certificates, if there is no longer a Controlling Holder under the pooling and servicing agreement and (ii) an agreement by holders directing the trustee to take such action to provide in advance to the trustee funds to pay for any fees, costs and expenses incurred by the trustee in pursuing such further action, and provide any indemnification reasonably requested by the trustee. In connection with any such action against an originator or RRAC, the trustee will pursue reimbursement for its fees, costs and expenses from such originator under the terms of the purchase agreement or from RRAC under the terms of the mortgage loan purchase agreement, if directed to do so by the certificateholders that provided such funds to the trustee as described above. If the trustee recovers any such fees, costs and expenses, it will be obligated to pay these amounts to such certificateholders. To the extent not reimbursed by the originator or RRAC, as applicable, or the applicable certificateholders, the trustee will be reimbursed by the trust fund, subject to the annual expense limits as described in the definition of Available Distribution Amount.

If, as a result of a review of a mortgage loan that has been delinquent for more than 120 days, the Controlling Holder or the trustee, as applicable, concludes that a breach of a representation or warranty that would require the originator or RRAC to cure, repurchase or substitute for or make an indemnification payment with respect to the related mortgage loan has not occurred, then the certificateholders will be notified of this decision and provided details of the review. The certificateholders may direct the trustee to pursue a remedy obligation despite such a determination by either the Controlling Holder or the trustee, as applicable, if, within thirty (30) days of notification of the certificateholders, (i) the trustee receives written direction to do so by the holders of more than 50% of the aggregate voting interests of the certificates and (ii) the holders directing the trustee to pursue the remedy obligation agree to provide in advance to the trustee funds to pay for any fees, costs and expenses incurred by the trustee and to provide any indemnification reasonably requested by the trustee. In connection with any such action against an originator or RRAC, the trustee will pursue reimbursement for its fees, costs and expenses from such originator under the terms of the purchase agreement or from RRAC under the terms of the mortgage loan purchase agreement, if directed to do so by the certificateholders that provided such funds to the trustee as described above. If the trustee recovers any such fees, costs and expenses, it will be obligated to pay such amounts to the certificateholders that provided such funds to the trustee as described above. To the extent not reimbursed by the originator or RRAC, as applicable, or the applicable certificateholders, the trustee will be reimbursed by the trust fund, subject to the annual expense limits as described in the definition of Available Distribution Amount.

As of the closing date, RRAC, RRAC-NY and the depositor will each represent and warrant that immediately prior to its transfer of the mortgage loans, it will own and have good and marketable title to the mortgage loans free and clear of any lien, claim or encumbrance of any person. In addition, RRAC will represent and warrant that (i) each mortgage loan on the closing date is a "qualified residential mortgage," as defined in the U.S. Risk Retention Rules, codified at 17 C.F.R. Sections 246.1-246.22, (ii) as of the closing date, no mortgage loan will be subject to a forbearance plan, loan modification and/or other loss mitigation relief related to the COVID-19 Outbreak and (iii) with respect to each mortgage where, on the closing date, a lost note affidavit has been delivered to the custodian in place of the related mortgage note, the related mortgage note is no longer in existence or cannot be located after a diligent search and the enforcement of the mortgage loan will not be materially and adversely affected by the absence of the original mortgage note. If RRAC cannot cure a breach of any of its representations and/or warranties within ninety (90) days of RRAC's discovery or receipt of notice of that breach, then the trustee will enforce RRAC's obligation under the mortgage loan purchase agreement to repurchase or substitute for that mortgage loan or make an indemnification payment with respect thereto. The representation and warranty regarding clear title is the only representation and warranty concerning the mortgage loans made by the depositor, and one of a limited number of representations and warranties concerning the mortgage loans made by RRAC; all other representations and warranties concerning the mortgage loans are made by the originators. However, RRAC will be obligated to cure the breach, or repurchase from the trustee any mortgage loan as to which a representation and warranty made by an originator was true and correct as of the date made by such originator but not true and correct as of the closing date, or if RRAC itself made a representation and warranty as to which there has been a breach, in any such case, if such breach materially and adversely affects the value of the mortgage loan or the interests of the certificateholders in that mortgage loan. In addition, with respect to representations and/or warranties made by each originator assigned to the trustee, if such originator is obligated to cure a breach, repurchase or substitute for or make an indemnification payment with respect to a mortgage loan because of a breach of any such representation and warranty but is unable to do so pursuant to the terms of the applicable purchase agreement because it is subject to a bankruptcy or insolvency proceeding or no longer in existence, RRAC will be obligated to cure the breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to such mortgage loan under the mortgage loan purchase agreement.

Pursuant to the purchase agreements, the assignment, assumption and recognition agreement, the omnibus assignment of representations and warranties agreement, the mortgage loan purchase agreement and the pooling and servicing agreement, if an allegation of a breach of a representation or warranty is not resolved to the satisfaction of the party pursuing an action and the applicable originator or RRAC, as the case may be, either party may initiate an arbitration proceeding to resolve the dispute. Arbitration will be conducted in accordance with the rules of the American Arbitration Association. Each party to the arbitration will bear its own costs of arbitration, except that the cost of the arbitrator will be shared equally. The finding of the arbitrator will be final and binding upon all parties, including RRAC, the certificateholders and the trustee.

There can be no assurance that the procedures described above will be adequate to identify all breaches of representations and/or warranties or to enforce the obligations of an originator or RRAC to cure a breach in respect of, or repurchase, substitute for or make an indemnification payment with respect to a mortgage loan if such breach is not cured. In addition, any actions to enforce a breach of a representation or warranty may be limited by the applicable statute of limitations. See "*Risk Factors—Actions to Enforce Breaches of Representations and/or Warranties Relating to Mortgage Loan Characteristics May Take a Significant Amount of Time or Cause Delays or Reductions in the Amount of Payments Made to Certificateholders and May Become Barred by the Statute of Limitations*."

Obligations in Respect of Proposed Eminent Domain Mortgage Loan Acquisition

The master servicer or the trustee will promptly notify the Controlling Holder (if any), and the master servicer or the trustee, as applicable, if one of its respective responsible officers has received notice that any governmental entity intends to acquire a mortgage loan through the exercise of its power of eminent domain. The Controlling Holder will obtain or cause to be obtained or, if there is no longer a Controlling Holder, the trustee will cause the servicer to obtain, a valuation on the related property in the form of a broker's price opinion or another valuation method that it deems appropriate.

The Controlling Holder, if any, may also engage a third party to review each such mortgage loan to determine whether the payment offered by such governmental entity for the mortgage loan is the fair market value of such mortgage loan. Any such third-party reviewer must be a recognized third party with experience performing valuations of residential mortgage loans. The Controlling Holder, if any, also may engage legal counsel to assess the legality of such governmental entity's proposed exercise of its power of eminent domain to acquire the mortgage loan to determine whether there are bona fide legal grounds for contesting such acquisition (without regard to issues relating to the amount of compensation to be paid) (each such determination referred to in this offering memorandum supplement as a "legality determination"). If, as a result of such review, the Controlling Holder determines that the offered payment does not constitute the fair market value of the mortgage loan or that there may be bona fide legal grounds to contest such proposed acquisition, then the Controlling Holder may contest such acquisition through appropriate legal proceedings.

If, as a result of a review to determine whether there are bona fide legal grounds for contesting a governmental entity's proposed exercise of its power of eminent domain to acquire a mortgage loan or whether the offered payment constitutes the fair market value of a mortgage loan, the Controlling Holder concludes that it will not contest the proposed acquisition, then the Controlling Holder will notify the master servicer, the securities administrator and the trustee in writing and the securities administrator will forward to the certificateholders a copy of this decision. After such notification has been delivered, notwithstanding such a determination by the Controlling Holder, the certificateholders may direct the trustee to contest an acquisition of a mortgage loan through exercise of the power of eminent domain or the amount of the offered payment for such mortgage loan, if, within thirty (30) days of notification of the certificateholders, (i) the trustee receives written direction to do so by the holders of more than 50% of the aggregate voting interests of the certificates and (ii) the holders directing the trustee to take such action agree to provide in advance to the trustee funds to pay for any fees, costs and expenses incurred by the trustee and to provide any indemnification reasonably requested by the trustee. In connection with any such action, the trustee will pursue reimbursement for its fees, costs and expenses from the governmental entity, if directed to do so by the certificateholders that provided such funds to the trustee as described above. If the trustee recovers any such fees, costs and expenses, it will be obligated to pay such amounts to such certificateholders unless the certificateholders directing the trustee have not satisfied their obligations to pay the fees, costs, expenses and indemnities of the trustee in taking such action, in which case such amounts will be retained by the trustee for such purposes. To the extent not reimbursed by the governmental entity or the certificateholders, the trustee will be reimbursed by the trust fund, subject to the annual expense limits as described in the definition of Available Distribution Amount.

If there is no longer a Controlling Holder, the trustee will notify the master servicer and the certificateholders that it has received notice that a governmental entity intends to acquire a mortgage loan through the exercise of its power of eminent domain and of the results of the valuation on the related property obtained. The trustee will take such other actions with respect to the action of the governmental authority as are consistent with the instructions of the certificateholders, provided the trustee will have no duty or obligation to take such actions except (i) in accordance with the written direction by the holders of more than 50% of the aggregate voting interests of the certificates and (ii) an agreement by holders directing the trustee to take such action to provide in advance to the trustee funds to pay for any fees, costs and expenses incurred by the trustee, and provide any indemnification reasonably requested by the trustee. In connection with any such action, the trustee will pursue reimbursement for its fees, costs and expenses from such governmental entity if directed to do so by the certificateholders that provided such funds to the trustee as described above. If the trustee recovers any such fees, costs and expenses, it will be obligated to reimburse such amounts to such certificateholders unless the certificateholders directing the trustee have not satisfied their obligations to pay the fees, costs, expenses and indemnities of the trustee in taking such action, in which case such amounts will be retained by the trustee for such purposes. To the extent not reimbursed by the governmental entity or the certificateholders, the trustee will be reimbursed by the trust fund, subject to the annual expense limits as described in the definition of Available Distribution Amount.

Neither the Controlling Holder nor the trustee will be liable for any legality determination or fair value determination made as described above, or any actions taken by them with respect to or in reliance on such determinations.

Mortgage Loan Servicing

The servicer will service the mortgage loans pursuant to an existing servicing agreement, as modified pursuant to the assignment, assumption and recognition agreement, together referred to as the "servicing agreement." The rights of the seller under the servicing agreement will be assigned to the depositor, and the depositor, in turn, will assign such rights to the trustee for the benefit of certificateholders. Any transfer of servicing to a successor servicer will be subject to the conditions set forth in the servicing agreement and the pooling and servicing agreement.

The servicer will have primary responsibility for servicing the mortgage loans, including, but not limited to, all collection and loan-level reporting obligations, maintenance of custodial and escrow accounts, maintenance of insurance and enforcement of foreclosure proceedings with respect to the mortgage loans and the mortgaged properties, in accordance with the provisions of the servicing agreement.

The master servicer will have the authority to terminate the servicer for certain events of default which indicate that either the servicer is not performing, or is unable to perform, its duties and obligations under the servicing agreement. If the master servicer terminates the servicer, the master servicer will be required to appoint a successor servicer as provided in the pooling and servicing agreement. The master servicer will have the right to increase the Servicing Fee Rate if it determines that an increase is necessary and appropriate in order to engage a successor servicer. Any increase in the Servicing Fee Rate to engage a successor servicer will reduce the Net Mortgage Rate for purposes of calculating Net WAC, and may thus reduce the Certificate Interest Rate payable to the Certificateholders.

In addition, the servicing administrator will have the authority to terminate the servicer under the servicing agreement, with or without cause, and appoint a successor servicer, with the consent of the master servicer (which may not be unreasonably withheld or delayed).

The servicer may not transfer the servicing to a successor servicer or resign without the consent of the master servicer (which consent may not be unreasonably withheld) and the servicing administrator.

Waiver or Modification of Mortgage Loan Terms. The servicer will proceed diligently to collect all payments due under the mortgage loans and will follow such collection procedures as are customary with respect to mortgage loans that are comparable to the mortgage loans. Consistent with the above, the servicer may waive, modify or vary the term of any mortgage loan so long as the modifications are consistent with the servicing agreement and subject to the REMIC Provisions; *provided* that the servicer may not enter into a payment plan or agreement to modify payments with a borrower lasting more than six (6) months or permit a modification with respect to a mortgage loan that would change the mortgage rate, agree to the capitalization of arrearages, including interest, fees or expenses owed under a mortgage loan, make any future advances or extend the final maturity date with respect to a mortgage loan, or accept substitute or additional collateral or release any collateral for a mortgage loan unless the borrower is in default with respect to its mortgage loan or where default is, in the judgment of the servicer, imminent or, in some cases, reasonably foreseeable, and the servicing administrator has approved the modification. Such modifications must also be in accordance with the customary procedures of the servicer, which may change from time to time, or industry-accepted programs. The applicable monthly advancing obligations will reflect the new payment terms of the modified mortgage loans.

Due-on-Sale Clauses; Assumptions. Under the servicing agreement, when any mortgaged property has been conveyed by the borrower, the servicer will, to the extent it has knowledge of the conveyance, exercise its rights on behalf of the trustee to accelerate the maturity of the mortgage loan under any "due-on-sale" clause applicable to the mortgage loan, if any, unless the servicer is prohibited by law from exercising those rights. Under certain circumstances, the servicer is authorized to take or enter into an assumption and modification agreement or substitution of liability agreement, as specified in the servicing agreement, from or with the person to whom such mortgaged property has been or is about to be conveyed, pursuant to which that person becomes liable under the mortgage note. In connection with any such assumption or substitution of liability, the monthly payment and mortgage interest rate and the lifetime cap (if applicable) of the related mortgage note will not be changed, and the term of the mortgage loan will not be increased or decreased. See "*Certain Legal Aspects of the Mortgage Loans—Due-on-Sale Clauses*" in the offering memorandum.

Prepayment Interest Shortfalls. When a borrower prepays a mortgage loan in full between Due Dates, the borrower is required to pay interest on the amount prepaid only to the date of prepayment and not thereafter. In general, partial prepayments are treated as having been paid on the most recent Due Date, so no interest on the partial prepayment amount will accrue. Principal prepayments by borrowers received by the servicer during the related Prepayment Period for a distribution date will be distributed to certificateholders on the related distribution date. Thus, less than one month's interest may have been collected on mortgage loans that have been prepaid in full or in part with respect to any distribution date which could result in Prepayment Interest Shortfalls with respect to such mortgage loans. Pursuant to the servicing agreement, (i) the servicing administrator fee and the servicing rights strip for any month will be reduced (but not below zero) by the amount of any Prepayment Interest Shortfall for the related Due Period and (ii) to the extent such Prepayment Interest Shortfall exceeds the servicing administrator fee and servicing rights strip described in clause (i), the servicing administrator will be required to make payments in respect of Prepayment Interest Shortfalls from its own funds up to the amount of the aggregate of the primary servicing fee paid to the servicer, the servicing administrator fee actually received by the servicing administrator for the related Due Period and the servicing rights strip for the related Due Period. The amount of interest available to be paid to certificateholders will be reduced by any uncompensated Prepayment Interest Shortfalls.

Advances. Subject to the limitations described in the following paragraph, the servicing administrator will be required to advance prior to each distribution date, from its own funds, subject to the proviso below, an amount equal to the scheduled payment of interest at the related mortgage rate (less the Servicing Fee Rate) and scheduled principal payments on each mortgage loan which were due on the related Due Date and which were not received prior to the related determination date (any such advance, a monthly advance); *provided*, *however*, that the servicing rights strip otherwise distributable to the Class A-IO-S Certificates for the related Due Period will be reduced, but not below zero, to fund such monthly advances prior to the servicing administrator using its own funds or funds in the custodial account that are not otherwise required to be remitted to the distribution account for such distribution date.

Monthly advances are intended to maintain a regular flow of scheduled interest and principal payments on the certificates rather than to guarantee or insure against losses. The servicing administrator is obligated to fund (to the extent that any amounts remain to be advanced after allocations in reduction of the servicing rights strip for the related Due Period to zero) monthly advances with respect to delinquent payments of interest and principal on each mortgage loan to the extent that such monthly advances are, in its reasonable judgment, recoverable from future payments and collections or insurance payments or proceeds of liquidation of the related mortgage loans; *provided* that the servicing administrator (and, as described below, the master servicer and the securities administrator) is not required or permitted to advance, and the servicing rights strip for the related Due Period will not be reduced to fund, scheduled payments of principal and interest with respect to any mortgage loan that is 120 days or more delinquent. Any failure by the servicing administrator to fund a monthly advance as required under the servicing agreement will constitute a default thereunder, and the master servicer or the successor servicing administrator appointed by the master servicer will be required to make a monthly advance in accordance with the terms of the pooling and servicing agreement; *provided further* that, to the extent that the servicing administrator and the master servicer fail in their obligations to make such a required monthly advance, the securities administrator will be required to make a monthly advance in accordance with the terms of the pooling and servicing agreement; *provided, however*, that in no event will the master servicer, the securities administrator or the servicing administrator be required to make, and the servicing rights strip for the related Due Period will not be reduced to fund, a monthly advance that is not, in its reasonable judgment recoverable from future payments and collections or insurance payments or proceeds of liquidation of the related mortgage loans or a monthly advance with respect to any mortgage loan that is 120 days or more delinquent. We refer you to *"—COVID-19 Outbreak-related Forbearance Mortgage Loans*" and "*Risk Factors—Risks Relating to Forbearance Programs and Servicing Modifications Related to COVID-19 and the Related Effects on the Servicer and Advancing Parties*" in this offering memorandum supplement for further discussion regarding the impact of the COVID-19 Outbreak on monthly advances. If the servicing administrator, the master servicer or the securities administrator determines on any determination date to make a monthly advance, such monthly advance will be included with the payment to certificateholders on the related distribution date. To the extent that the servicing administrator uses funds in the custodial account that are not otherwise required to be remitted to the distribution account for such distribution date to fund monthly advances, the servicing administrator is required to replenish those funds prior to the remittance date on which those funds are to be distributed.

The servicing administrator, the master servicer, the securities administrator and the Class A-IO-S Certificates may be reimbursed from collections on the related mortgage loans for which a monthly advance was made with its own funds or allocated as a reduction in the servicing rights strip, as applicable, or was made with funds held for a future distribution and replenished with its own funds.

The servicing administrator, the master servicer, the securities administrator and the Class A-IO-S Certificates may be reimbursed for monthly advances from amounts in the custodial account to the extent those monthly advances are nonrecoverable from collections on the related mortgage loan for which the monthly advance was made, *provided* that the mortgage loan is not required to be repurchased by the master servicer or the servicing administrator as a result of a breach of a representation or warranty relating to that mortgage loan.

The servicing administrator, the master servicer, the securities administrator (in the case of monthly advances) and the Class A-IO-S Certificates may also be reimbursed for monthly advances and servicing advances at the time of a servicing modification where the servicer adds those amounts to the stated principal balance of the mortgage loans as part of the modification.

Servicing Compensation and Payment of Expenses. The servicer will be entitled to receive, from interest actually collected on each mortgage loan, a servicing fee equal to the product of (1) the stated principal balance of the mortgage loans as of the first day of the related Due Period for such distribution date and (2) a per annum rate, or the Servicing Fee Rate, equal to 0.10000% annually, with such amount allocated among the servicer, the servicing administrator and the servicing rights strip. The servicer's portion of such fee, as applicable, will be determined as described under "*Fees and Expenses of the Issuing Entity*." The servicer will also be entitled to receive, to the extent provided in the servicing agreement, additional compensation in the form of any interest or other income earned on funds it has deposited in the custodial account pending remittance to the distribution account, as well as, in certain cases, assumption fees, late charges and certain fees paid by borrowers and, in certain cases, REO management fees. The amount of the servicing administrator fee is subject to adjustment with respect to prepaid mortgage loans, as described above under "*—Prepayment Interest Shortfalls*."

As compensation for its obligations to fund monthly advances and certain servicing advances with respect to the mortgage loans and to pay Prepayment Interest Shortfalls with respect to the mortgage loans, the servicing administrator will be entitled to receive, from interest actually collected on each mortgage loan, a monthly fee equal to the product of (i) one-twelfth, (ii) 0.00500% and (iii) the aggregate Stated Principal Balance of the mortgage loans, *provided* that in the case of any Stop Advance Mortgage Loan, such fee will accrue on the Assumed Stated Principal Balance thereof, as of the first day of the related Due Period for such distribution date.

As compensation for its services, the master servicer will be paid a monthly fee, or the master servicing fee, with respect to each mortgage loan, calculated as one-twelfth of the product of (a) the master servicing fee rate and (b) the aggregate Stated Principal Balance of the mortgage loans, where the master servicing fee rate will be a per annum rate equal to the greater of (i) 0.01200% and (ii) the product of (a) a fraction, expressed as a percentage, the numerator of which is $1,500 and the denominator of which is the aggregate Stated Principal Balance of the mortgage loans as of the first day of the related Due Period for such distribution date and (b) 12, *provided* that, in the case of any Stop Advance Mortgage Loan, such fee will accrue on the Assumed Stated Principal Balance thereof, as of the first day of the related Due Period for such distribution date.

The amount of the master servicing fee is subject to adjustment with respect to prepaid mortgage loans, as described above under "*—Prepayment Interest Shortfalls*."

Evidence as to Compliance. The servicing agreement will require the servicer and the servicing administrator to deliver to the master servicer, on or before the date in each year specified in the servicing agreement, the following documents:

- a report on its assessment of compliance during the preceding calendar year with all applicable servicing criteria with respect to asset-backed securities transactions taken as a whole involving the servicer that are backed by the same types of assets as those backing the offered securities, as well as similar reports on assessment of compliance received from certain other parties participating in the servicing function;

- with respect to each assessment report described in the immediately preceding bullet point, a report by a registered public accounting firm that attests to, and reports on, the assessment made by the asserting party; and

- a statement of compliance from the servicer and the servicing administrator, and similar statements from certain other parties involved in servicing the mortgage loans, signed by an authorized officer, to the effect that: (a) a review of the servicer's or the servicing administrator's activities during the reporting period and of its performance under the servicing agreement has been made under such officer's supervision; and (b) to the best of such officer's knowledge, based on such review, the servicer or the servicing administrator has fulfilled all of its obligations under the servicing agreement in all materials respects throughout the reporting period or, if there has been a failure to fulfill any such obligation in any material respect, specifying each such failure known to such officer and the nature and status thereof.

Events of Default. Events of default or servicer termination events with respect to the servicer under the servicing agreement include (i) any failure of the servicer to remit to the master servicer any required payment which continues unremedied for a specified grace period; (ii) any failure by the servicer duly to observe or perform in any material respect any of its other covenants or agreements in the servicing agreement which continues unremedied for a specified grace period; and (iii) certain events of insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceeding and certain actions by or on behalf of the servicer indicating its insolvency, reorganization or inability to pay its obligations.

If an event of default has occurred involving the failure of the servicing administrator to fund (i) a monthly advance prior to the related distribution date or (ii) a servicing advance in accordance with the servicing agreement, the master servicer is required to terminate the servicing administrator and, at the master servicer's option, the servicer and either appoint a successor servicer or successor servicing administrator in accordance with the servicing agreement and the pooling and servicing agreement or succeed to the responsibilities of the terminated servicer or servicing administrator, unless 100% of the certificateholders waive the default of the servicing administrator. If an event of default by the servicer under the servicing agreement has occurred, the master servicer may, at its option, and will, if it determines such action to be in the best interests of certificateholders, terminate the defaulting servicer. The servicing administrator will not be terminated as a result of such an event of default by the servicer. In the event that the master servicer removes the servicer or the servicing administrator, the master servicer will, in accordance with the pooling and servicing agreement, act as successor servicer or successor servicing administrator under the servicing agreement or will appoint a successor servicer or successor servicing administrator in accordance with the pooling and servicing agreement. Upon termination of the servicer, there will be a period of transition of not more than ninety (90) days before the servicing functions of the servicer can be fully transferred to a successor servicer (including the master servicer as successor servicer). In connection with the appointment of a successor servicer, the master servicer may make arrangements for the compensation of the successor servicer as the master servicer and successor servicer agree. The master servicer will have the right to agree to compensation of a successor servicer in excess of that permitted to the servicer under the servicing agreement if, in its good faith judgment, an increase is necessary or advisable to engage a successor servicer. To the extent a successor servicer is paid a servicing fee in excess of that permitted to the servicer under the servicing agreement, any resulting shortfall will be allocated to the certificates by operation of the payment priorities.

An "Event of Default" with respect to the master servicer under the pooling and servicing agreement includes (i) subject to receipt by the master servicer from the servicer of certain mortgage loan data, any failure by the master servicer to furnish the securities administrator such mortgage loan data which continues unremedied for one business day after the date upon which written notice of such failure has been given as required under the pooling and servicing agreement; (ii) any failure on the part of the master servicer duly to observe or perform in any material respect any other of certain covenants or agreements on the part of the master servicer contained in the pooling and servicing agreement which continues unremedied for a period of thirty (30) days after the date on which written notice of such failure has been given as required under the pooling and servicing agreement; (iii) any failure of the master servicer to make any advances when such advances are due, which failure continues unremedied for one (1) business day; and (iv) certain events of insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceeding and certain actions by or on behalf of the master servicer indicating its insolvency, reorganization or inability to pay its obligations.

If an Event of Default involving the failure of the master servicer to make a monthly advance prior to the related distribution date occurs, the trustee is required to terminate the master servicer and either appoint a successor master servicer or succeed to the responsibilities of the terminated master servicer in accordance with the pooling and servicing agreement, unless 100% of the certificateholders waive the default of the master servicer. If any other Event of Default by the master servicer has occurred, the trustee may, at its option, and will, if it has been directed to do so by either (a) certificateholders holding more than 50% of the Class Principal Amount (or Class Notional Amount) of each class of certificates, or (b) certificateholders holding 50% of the aggregate Class Principal Amount of the Subordinate Certificates, terminate the defaulting master servicer and either appoint a successor master servicer in accordance with the pooling and servicing agreement or succeed to the responsibilities of the terminated master servicer. However, in the event of (b) above, the trustee will provide written notice to all of the certificateholders within two (2) business days of receiving such direction prior to terminating the master servicer and will not terminate the master servicer if, within thirty (30) days of sending such written notice, the trustee has received contrary instructions from certificateholders holding more than 50% of the aggregate voting interests of the certificateholders. If the same entity is acting as both the securities administrator and the master servicer, the trustee will direct the depositor to remove the securities administrator in accordance with the pooling and servicing agreement. Upon termination of the master servicer, the trustee, unless a successor master servicer is appointed by the trustee, will succeed to all responsibilities, duties and liabilities of the master servicer under the pooling and servicing agreement, and will be entitled to reasonable servicing compensation not to exceed the master servicing fee, together with other compensation as provided in the pooling and servicing agreement. Notwithstanding the foregoing, the trustee may, if it is unwilling so to act, or will, if it is legally unable to act, appoint or petition a court of competent jurisdiction to appoint, a successor master servicer in accordance with the pooling and servicing agreement. If an Event of Default has occurred and has not otherwise been cured or waived, the trustee will be required to exercise such of the rights and powers as are vested in it by the pooling and servicing agreement and use the same degree of care and skill in their exercise as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

To the extent that the costs and expenses incurred by the trustee in connection with any alleged or actual default by the master servicer, the termination of the master servicer, any appointment of a successor master servicer and/or any transfer and assumption of master servicing by the trustee or any successor master servicer are not fully and timely reimbursed by the terminated master servicer, then (a) the successor master servicer will deduct these amounts from any amounts that it otherwise would have paid to the predecessor master servicer in reimbursement of outstanding advances, and the successor master servicer will reimburse itself and the trustee for any unreimbursed costs and expenses, and (b) if the trustee is not required to be reimbursed by the master servicer or if those costs and expenses are not satisfied pursuant to clause (a) within ninety (90) days, then the trustee and successor master servicer will be entitled to reimbursement of such costs and expenses from the distribution account, subject to an aggregate annual limit of $300,000, and further subject to (i) an annual cap of $125,000 with respect to the aggregate amount reimbursable to the trustee and (ii) an annual cap of $10,000 with respect to aggregate amounts reimbursable to the distributed ledger agent, each as described in the definition of Available Distribution Amount.

Limitation on Liability of the Servicer and Master Servicer. The servicer generally will have no obligation to appear with respect to, prosecute or defend any legal action that is not incidental to its duties to service the mortgage loans in accordance with its servicing agreement.

The pooling and servicing agreement provides that neither the master servicer nor any of its directors, officers, employees or agents will be under any liability to the trustee or the certificateholders for any action taken or for refraining from the taking of any action in good faith pursuant to the pooling and servicing agreement, or for errors in judgment; *provided*, *however*, that this provision does not protect the master servicer or any such person against any liability that would otherwise be imposed by reason of willful misfeasance, bad faith or negligence in its performance of its duties or by reason of reckless disregard for its obligations and duties under the pooling and servicing agreement. The master servicer and any director, officer, employee or agent of the master servicer may rely in good faith on any document of any kind prima facie properly executed and submitted by any person respecting any matters arising under the pooling and servicing agreement. The master servicer generally will have no obligation to appear with respect to, prosecute or defend any legal action that is not incidental to its duties to master service the mortgage loans in accordance with the pooling and servicing agreement.

The pooling and servicing agreement further provides that the master servicer will not be liable for any acts or omissions of any servicer except to the extent that damages or expenses are incurred as a result of such act or omissions and such damages and expenses would not have been incurred but for the negligence, willful misfeasance, bad faith or recklessness of the master servicer in supervising, monitoring and overseeing the obligations of the servicer under the pooling and servicing agreement.

Resignation of the Servicer and the Master Servicer. Each of the master servicer and the servicer may not resign from its obligations and duties under the pooling and servicing agreement or the servicing agreement or assign or transfer its rights, duties or obligations except upon a determination that its duties thereunder are no longer permissible under applicable law and the incapacity cannot be cured. No such resignation will become effective until a successor has assumed the master servicer's or the servicer's obligations and duties under the pooling and servicing agreement or the servicing agreement, as the case may be.

Any person into which the master servicer or the servicer may be merged or consolidated, any person resulting from any merger or consolidation to which the master servicer or the servicer is a party, any person succeeding to the business of the master servicer or the servicer or any person to whom the master servicer or the servicer assigns or transfers its duties and obligations, will be the successor of the master servicer or the servicer, as the case may be, under the pooling and servicing agreement or the servicing agreement; *provided, however*, that any successor to the master servicer whose primary business is the servicing of conventional residential mortgage loans must be qualified and approved to service mortgage loans for Fannie Mae or Freddie Mac and is required to have a net worth of not less than $15,000,000.

Limitation on Rights of Certificateholders. No certificateholder will have any right under the pooling and servicing agreement to institute any suit, action or proceeding with respect to the pooling and servicing agreement unless (1) that certificateholder previously gave written notice to the trustee of an event of default, (2) certificateholders evidencing not less than 25% of the Class Principal Amount or Class Notional Amount of certificates of each class affected by the event of default have made written request to the trustee to institute proceedings in its own name as trustee and have offered to the trustee reasonable indemnity, (3) the trustee, for sixty (60) days after its receipt of such notice, request and offer of indemnity, has failed to institute any proceeding and (4) no direction inconsistent with such written request has been given to the trustee during that 60-day period by certificateholders evidencing not less than 25% of the Class Principal Amount or Class Notional Amount of certificates of each affected class.

Amendment of the Servicing Agreement and Pooling and Servicing Agreement. The servicing agreement may generally be amended by written agreement between the parties thereto without notice to or consent of the certificateholders. The pooling and servicing agreement may be amended by written agreement between the depositor, the master servicer, the securities administrator and the trustee, without notice to or consent of the certificateholders, (i) to cure any ambiguity or mistake, (ii) to cause the provisions of the pooling and servicing agreement to conform to or be consistent with or in furtherance of the statements made with respect to the certificates, the trust fund or the pooling and servicing agreement in this offering memorandum supplement and the accompanying offering memorandum, or to correct any error, (iii) to make any other provisions with respect to matters or questions arising under the pooling and servicing agreement, (iv) to add, delete or amend any provisions to the extent necessary or desirable to comply with any requirements imposed by the Code and the REMIC Provisions or (v) if necessary in order to avoid a violation of any applicable law or regulation.

The pooling and servicing agreement may also be amended by the trustee, the master servicer, the securities administrator and the depositor with the consent of the holders of certificates of each class affected by the amendment, in each case evidencing not less than 66 2/3% of the aggregate percentage interests constituting that class, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the pooling and servicing agreement or of modifying in any manner the rights of the certificateholders; *provided, however*, that no amendment may (i) reduce in any manner the amount of or delay the timing of, collections of payments on the mortgage loans or distributions that are required to be made on a certificate of any class without the consent of the holder of that certificate or (ii) reduce the percentage of certificates of any class the holders of which are required to consent to that amendment unless the holders of all certificates of that class have consented to the change in percentage. The trustee will not be entitled to consent to an amendment to the pooling and servicing agreement without having first received an opinion of counsel to the effect that the proposed amendment will not cause the issuing entity to fail to qualify as a REMIC, and the trustee and securities administrator prior to executing such an amendment may require an opinion of counsel stating that the execution of such amendment is duly authorized and permitted under the pooling and servicing agreement.

Duties of the Trustee and the Securities Administrator. Each of the securities administrator and the trustee will be required to perform only those duties specifically required of it under the pooling and servicing agreement unless, in the case of the trustee, a master servicer event of default has occurred, whereupon the trustee may take such additional actions as described above under "—*Events of Default*." Upon receipt of the various certificates, statements, reports or other instruments required to be furnished to it, each of the trustee and the securities administrator will be required to examine them to determine whether they are in the form required by the pooling and servicing agreement; however, neither the trustee nor the securities administrator will be responsible for the accuracy or content of any documents furnished to such party by any other party; in addition, neither will be required to verify or recompute any mortgage loan data received from the servicer or the master servicer, but will be entitled to rely conclusively on such information.

Neither the trustee nor the securities administrator will have any liability arising out of or in connection with the pooling and servicing agreement, except that such party may be held liable for its own negligent action or failure to act, or for its own willful misconduct; *provided*, *however*, that the trustee will not be personally liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the certificateholders during a master servicer event of default. The trustee will not be deemed to have notice of any master servicer event of default unless an officer of the trustee has actual knowledge of the master servicer event of default or written notice of a master servicer event of default is received by the trustee at its corporate trust office. Except when the master servicer is the securities administrator, the securities administrator generally will not be deemed to have notice of any master servicer event of default unless an officer of the securities administrator has actual knowledge of the master servicer event of default or written notice of a master servicer event of default is received by the securities administrator at the address specified in the pooling and servicing agreement. Neither the trustee nor the securities administrator is required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the pooling and servicing agreement, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of those funds or adequate indemnity against risk or liability is not reasonably assured to it.

The trustee will have no duties under the pooling and servicing agreement with respect to any claim, notice or other document (other than a claim or notice relating to the obligation of the trustee to enforce a remedy for a breach of a representation or warranty) it may receive or which may be alleged to have been delivered to or served upon it by the parties as a consequence of the assignment of any mortgage loan under the pooling and servicing agreement; however, the trustee will remit to the servicer, with a copy to the master servicer, any claim, notice or other document it may receive which is delivered to the trustee's corporate trust office, of which an officer of the trustee has actual knowledge and which contains information sufficient to permit the trustee to make a determination that the real property to which such document relates is a mortgaged property. None of the provisions in the pooling and servicing agreement will in any event require the trustee or the securities administrator to perform, or be responsible for the manner of performance of, any of the obligations of the master servicer, the servicer or any other party under the pooling and servicing agreement, the servicing agreement or the custodial agreement, except during such time as the trustee is the successor to, and is vested with the rights, duties, powers and privileges of, the master servicer. Neither the trustee nor the securities administrator will be responsible for any act or omission of the master servicer, the depositor or any other party; however, if the master servicer is the securities administrator, the securities administrator will be responsible for any act or omission of the master servicer.

Neither the trustee nor the securities administrator will be responsible for (a) any recording, filing or depositing of any agreement or of any financing statement or continuation statement evidencing a security interest, or the maintenance of any such recording or filing or depositing or any rerecording, refiling, or redepositing, (b) the payment of any insurance, (c) the payment or discharge of any tax, assessment, or other governmental charge or penalty or any lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of the trust fund, other than from funds available in the distribution account, or (d) confirming or verifying the contents of any reports or certificates of the master servicer or the servicer delivered to the trustee or the securities administrator pursuant to the pooling and servicing agreement or the servicing agreement believed by the trustee or the securities administrator, as applicable, to be genuine and properly signed or presented. Neither the trustee nor the securities administrator is responsible for the validity of the pooling and servicing agreement or the certificates or the validity, priority, perfection or sufficiency of the security for the certificates.

Expenses and Indemnities of the Trustee and the Securities Administrator. Each of the trustee and the securities administrator will be entitled to reimbursement of all reasonable expenses, disbursements and advances incurred or made by such party in accordance with the pooling and servicing agreement, except for expenses, disbursements and advances incurred by such party in the routine administration of its duties under the pooling and servicing agreement and other transaction documents and except for any expenses arising from its negligence or willful misconduct. The trustee and the securities administrator will also be entitled to indemnification from the issuing entity for any loss, liability or expense arising out of, or incurred in connection with, the acceptance or administration of the trusts created under the pooling and servicing agreement or in connection with the performance of their duties under the pooling and servicing agreement, including the costs and expenses of defending themselves against any claim in connection with the exercise or performance of any of their powers or duties under the pooling and servicing agreement and the costs and expenses of enforcing their rights to indemnification under the pooling and servicing agreement, except for any expenses arising from the such party's negligence or willful misconduct.

The trustee and the securities administrator will be entitled to reimbursement for its expenses and indemnification amounts as described above from collections (subject to the aggregate annual cap of $300,000, and further subject to (i) an annual cap of $125,000 with respect to the trustee and (ii) an annual cap of $10,000 with respect to the distributed ledger agent, in each case as further described elsewhere in this offering memorandum supplement), prior to distribution of any amounts to certificateholders.

Resignation of Trustee and Securities Administrator. Each of the trustee and securities administrator may, upon written notice to the other party, the depositor and the master servicer, resign at any time, in which event the depositor will appoint a successor trustee or successor securities administrator. If no successor trustee or successor securities administrator has been appointed and has accepted the appointment within thirty (30) days after the notice of resignation is given by the trustee or the securities administrator, the resigning party may petition any court of competent jurisdiction for appointment of a successor trustee or successor securities administrator.

Each of the trustee and the securities administrator may be removed at any time by the depositor if (a) such party ceases to be eligible to continue to act as trustee or securities administrator under the pooling and servicing agreement, (b) with respect to the securities administrator only, the securities administrator fails to perform its obligations under the pooling and servicing agreement to make distributions to the certificateholders, which failure continues unremedied for one business day after receipt of notice from the trustee or the depositor, (c) with respect to the securities administrator only, any failure of the securities administrator to make any advances when such advances are due, which failure continues unremedied for a period of one business day, (d) with respect to the securities administrator only, the securities administrator fails to provide certain certificates as required pursuant to the pooling and servicing agreement, (e) the trustee or the securities administrator becomes incapable of acting, or is adjudged bankrupt or insolvent, or a receiver of the trustee or the securities administrator is appointed, (f) with respect to the trustee only, a tax is imposed or threatened with respect to the issuing entity by any state in which the trustee or the trust fund held by the trustee is located or (g) the continued use of the trustee or the securities administrator would result in a downgrading of the rating by any rating agency of any class of certificates. In addition, each of the trustee and the securities administrator may be removed at any time by holders of more than 50% of the class principal amount (or percentage interest) of each class of certificates upon thirty (30) days' written notice to the depositor and the trustee or the securities administrator, as applicable. If the same person is acting as both the securities administrator and the master servicer, then, in the event of the removal of the securities administrator, the depositor will direct the trustee to remove the master servicer in accordance with the terms of the pooling and servicing agreement.

Any resignation or removal of the trustee or the securities administrator, as applicable, and appointment of a successor trustee or successor securities administrator will not become effective until acceptance of the appointment by the successor trustee or the securities administrator, as applicable, whereupon the predecessor trustee or predecessor securities administrator, as applicable, will mail notice of the succession of the successor trustee or the successor securities administrator, as applicable, to all certificateholders; the expenses of the mailing are to be borne by such predecessor party; *provided*, if such party has been removed without cause, such expenses will be borne by the trust fund.

The predecessor trustee will be required to deliver to the successor trustee (or assign to the successor trustee its interest under the custodial agreement, to the extent permitted) all mortgage files, and will be required to assign, transfer, deliver and pay over to the successor trustee the entire trust fund, together with all necessary instruments of transfer and assignment or other documents properly executed necessary to effect that transfer. In addition, the master servicer and the predecessor trustee or predecessor securities administrator will be required to execute and deliver such other instruments and do such other things as may reasonably be required to vest in the successor trustee or successor securities administrator, as applicable, all such rights, powers, duties and obligations.

COVID-19 Outbreak-related Forbearance Mortgage Loans. As of the cut-off date, no borrower under any mortgage loan has entered into a COVID-19 Outbreak-related forbearance plan with the servicer. In the event a borrower requests or enters into a COVID-19 Outbreak-related forbearance plan after the cut-off date but prior to the closing date, the seller will remove such mortgage loan from the mortgage pool and remit the related Closing Date Substitution Amount. In order to qualify for a COVID-19 Outbreak-related forbearance plan, the servicer will evaluate the related mortgage loan pursuant to applicable law and servicing guidelines to ascertain a qualifying hardship. Eligibility for these programs is continuously developing but generally requires an attestation of a financial hardship due to the COVID-19 Outbreak.

In the event the servicer enters into a COVID-19 Outbreak-related forbearance plan with a COVID-19 impacted borrower, it is anticipated that the holder of the Class A-IO-S Certificates (through a reduction of such holder's entitlement to the servicing rights strip) or the servicing administrator (to the extent that such monthly advances exceed the servicing rights strip for the related due period) generally will be required to fund monthly advances made by the servicer on such mortgage loan, notwithstanding the fact that the related payments of principal and interest may not be due by the borrower at such time as a result of the related forbearance program (unless, as further described herein, the party funding such monthly advance determines any such monthly advances would be nonrecoverable). The master servicer will be obligated to fund any required monthly advance if the servicing administrator fails in its obligation to do so, to the extent described in this offering memorandum supplement. The securities administrator will be obligated to fund any required monthly advance if the servicing administrator and the master servicer fail in their obligations to do so, to the extent described in this offering memorandum supplement.

At the end of the forbearance period of the COVID-19 Outbreak-related forbearance plan, to the extent the related COVID-19 impacted borrower is not able to make a lump sum payment of the forborne amount, the servicer may offer such borrower a repayment plan, enter into a modification with the borrower, or an agreement to defer the forborne amounts as a non-interest bearing payment that is due upon the maturity or payoff of such mortgage loan, or utilize any loss mitigation option permitted under the servicing agreement. Further, in the event that the borrower continues to experience financial hardship following the end of the forbearance period and the servicer elects to pursue loss mitigation strategies with respect to of the related mortgage loan, any Principal Forbearance Amount created in connection with a servicing modification will be treated as a Realized Loss and in the event the Principal Forbearance Amount is later received or recovered by the servicer, such amount will be treated as a Subsequent Recovery as further described under "*Description of the Certificates—Allocation of Net Interest Shortfalls and Realized Losses.*" We refer you to "*Risk Factors—Risks Relating to Forbearance Programs and Servicing Modifications Related to COVID-19 and the Related Effects on the Servicer and Advancing Parties*" in this offering memorandum supplement for further discussion regarding the impact of the COVID-19 Outbreak on monthly advances.

In the event the servicer enters into a forbearance plan with a COVID-19 impacted borrower, it is anticipated that the holder of the Class A-IO-S Certificates or the servicing administrator, or the master servicer or the securities administrator, as applicable, will be reimbursed at the end of the forbearance period for any advances funded by it with respect to such mortgage loan, whether that be from any lump sum payments made by the related borrower, from any increased payments received with respect to any repayment plan entered into by the borrower, or, if modified and capitalized in connection therewith, at the time of such modification as a reimbursement of such capitalized advance from principal collections on all of the mortgage loans, in each case in the manner provided for by the servicing agreement. Each advancing party also has the right to reimbursement from all collections on the mortgage loans for any advance that it deems to be nonrecoverable (which may be the case with respect to monthly advances made on a mortgage loan for which an agreement is entered into with the borrower or where the forborne amount is deferred as a non-interest bearing payment due at maturity or payoff as described in the preceding paragraph).

See "*The Agreements—The Pooling and Servicing Agreement and the Trustee*" in the offering memorandum.

Reports to Certificateholders

On each distribution date, the securities administrator will make available on the securities administrator's website at **www.sf.citidirect.com**, to any interested party who completes the required registration, a distribution statement containing certain of the items set forth under "*The Agreements—Reports to Certificateholders*" in the offering memorandum and as specified in the pooling and servicing agreement, based solely on information received from the servicer. Such distribution statements will include information regarding any determination during the related period that a mortgage loan is not a Qualified Residential Mortgage. For purposes of any electronic version of this offering memorandum supplement, the preceding uniform resource locator, or URL, is an inactive textual reference only. The depositor has taken steps to ensure that this URL reference was inactive at the time the electronic version of this offering memorandum supplement was created. This URL can be accessed in an internet browser at https:// followed by the URL.

Voting Rights

Voting rights under the pooling and servicing agreement will be allocated as follows:

- 90% to the classes of certificates, other than the Interest-only Certificates, the Class A-IO-S Certificates and the Residual Certificates, in proportion to their respective outstanding Class Principal Amounts; and

- 1% to each of the Class A-IO1, Class A-IO9, Class A-IO10, Class A-IO12, Class A-IO13, Class A-IO18, Class A-IO19, Class A-IO21, Class A-IO22 and Class A-IO-S Certificates,

provided, however, that to the extent any of the Initial Exchangeable Certificates are not outstanding due to an exchange, the voting rights with respect to any such class will be allocated to the certificates of the related class of Exchangeable Certificates.

Termination of the Issuing Entity

The issuing entity will terminate upon the payment to the holders of all classes of certificates of all amounts required to be paid to the holders and upon the last to occur of:

- the final payment or other liquidation, or any related advance, of the last mortgage loan;

- the disposition of all property acquired in respect of any mortgage loan remaining in the trust fund; and

- exercise by the master servicer of its right to purchase the mortgage loans and other property of the trust as described under "*Description of the Certificates—Optional Purchase of the Mortgage Loans*" in this offering memorandum supplement.

The Custodial Agreement

In connection with the sale of the mortgage loans by the depositor to the trustee for the benefit of the certificateholders on the closing date, the depositor will be required to deliver a loan file to the custodian with respect to each mortgage loan consisting of, as to each mortgage loan that is not a cooperative loan:

- the original mortgage note endorsed in blank, or a lost note affidavit in lieu thereof, with a copy of the original mortgage note attached and with all prior and intervening endorsements or certified copies thereof;

- the original recorded mortgage or a certified copy thereof, or, if the original mortgage has not yet been returned from the applicable public recording office, a certified copy of the original mortgage;

- for any mortgage loan not recorded with MERS® System, the original assignment of the mortgage in blank, in recordable form;

- each original recorded intervening assignment of the mortgage, or if any assignment has been submitted for recordation but has not been returned from the applicable public recording office or is otherwise not available, a certified copy thereof;

- the original title insurance policy, note of title insurance or written commitment, or a copy of such policy;

- the original or copies of each assumption agreement and modification agreement, if any; and

- the original or copies of each power of attorney, if any.

As to each cooperative loan, the depositor will be required to deliver a loan file to the custodian consisting of:

- the original mortgage note (or a lost note affidavit in lieu thereof, with a copy of the original mortgage note attached and with all prior and intervening endorsements or certified copies thereof), together with any applicable riders, endorsed in blank, with all prior and intervening endorsements as may be necessary to show a complete chain of endorsements;

- the original security agreement;

- the original stock certificate representing the shares of stock issued by a cooperative corporation and allocated to a co-operative unit (or the "Cooperative Shares") and original stock power in blank;

- the original lease on a co-operative unit evidencing the possessory interest of the owner of the Cooperative Shares in such co-operative unit (or the "Proprietary Lease") and an original assignment of the Proprietary Lease in blank;

- the original recognition agreement;

- the original UCC-1 financing statement with evidence of filing; and

- the original UCC-3 assignment in blank.

The depositor will also be required to deliver to the custodian an electronic version of each loan file which may be accessed by the trustee in connection with mortgage loan repurchase requests.

Limitation on Liability of Custodian. The custodial agreement provides, among other privileges and protections, that neither the custodian nor any of its directors, officers, agents or employees will be liable for any action taken or omitted to be taken in good faith pursuant to the custodial agreement and believed to be within the purview of the custodial agreement.

Resignation and Removal of Custodian. The custodian may resign from its obligations and duties under the custodial agreement upon sixty (60) days' prior written notice to the trustee, and the trustee may remove the custodian upon sixty (60) days' prior written notice to the custodian, whereupon the trustee will either take custody of the mortgage files itself or appoint a successor custodian. If the trustee has neither taken custody of the mortgage files nor appointed a successor custodian within thirty (30) days after notice of resignation or removal was given, the custodian may petition any court of competent jurisdiction for the appointment of a successor custodian.

Any entity into which the custodian may be merged or converted or with which it may be consolidated, or any entity resulting from any merger, conversion, or consolidation to which the custodian is a party, or any entity succeeding to all or substantially all of the business of the custodian, whether through sale, merger, consolidation or otherwise, will be the successor of the custodian under the custodial agreement.

See "*The Agreements—The Custodial Agreement*" in the offering memorandum.

The Distributed Ledger Agent Agreement

Under the distributed ledger agent agreement, the distributed ledger agent will make available to end users (including Certificateholders), via its patented digital asset platform, certain information relating to daily payments of principal and interest made with respect to the mortgage loans. On or before the closing date, the distributed ledger agent will create, using its distributed ledger technology, (i) digital mortgage assets corresponding to each mortgage loan, with each digital mortgage asset's stated principal balance as of the closing date reflecting the stated principal balance as of the closing date of each mortgage loan included in the trust fund and (ii) an aggregate portfolio containing all of the digital mortgage assets corresponding to mortgage loans included in the trust fund. Based solely on daily reports that the distributed ledger agent receives from the servicer, the distributed ledger agent will, on each business day, update the digital mortgage assets on its digital asset platform to reflect payments of principal and/or interest received by the servicer with respect to the corresponding mortgage loan. The stated principal balance for each digital mortgage asset corresponding to each actual mortgage loan included in the trust fund will be updated only on a monthly basis in accordance with the final monthly reporting information relating to each mortgage loan received by the distributed ledger agent from the servicer (which final monthly reporting information is also provided by the servicer to the master servicer in connection with the preparation of reporting to the securities administrator, who then prepares the distribution statement relating thereto). In the event of a data discrepancy between the information set forth on the distributed ledger agent's digital asset platform and the information included in the distribution statement made available to investors by the securities administrator as set forth above under "*The Agreements—Reports to Certificateholders*", the distribution statement made available to investors by the securities administrator will control in all respects. In the event that the distributed ledger agent becomes aware of any inconsistency or other data discrepancy included in the reporting it receives from the servicer, the distributed ledger agent will notify the servicing administrator for investigation and potential resolution of such discrepancies and/or inconsistencies. Investors are encouraged to rely on the distribution statements made available to investors by the securities administrator as the official source for all information regarding the mortgage loans and the certificates.

The ability of certificateholders and other end users to access information available on distributed ledger agent's digital asset platform may be subject to certain terms and conditions, such as certification regarding such holder's identity and certain agreements regarding confidentiality and agreements restricting use of such information. The continued availability of such daily payment information is subject to the compliance of the distributed ledger agent with its obligations under the distributed ledger agent agreement and the provision of mortgage loan information to the distributed ledger agent and no assurance can be made that certain information related to the daily payments on the digital mortgage assets corresponding to the mortgage loans will be updated or available following any distribution date.

The distributed ledger agent will be entitled to receive on each distribution date a monthly fee as compensation for its activities under the distributed ledger agent agreement calculated as 0.01000% per annum on the aggregate stated principal balance of the mortgage loans as of the first day of the related due period for such distribution date, *provided* that, in the case of any stop advance mortgage loan, such fee will accrue on the assumed stated principal balance thereof, as of the first day of the related due period for such distribution date.

The distributed ledger agent agreement will terminate upon the termination of the pooling and servicing agreement. The distributed ledger agent agreement provides that the sponsor or the servicing administrator may terminate the distributed ledger agent agreement or remove the distributed ledger agent immediately upon written notice if the distributed ledger agent materially breaches the distributed ledger agent agreement as reasonably concluded by the sponsor or the servicing administrator in good faith and the distributed ledger agent fails to cure such material breach within 10 business days following receipt of notice thereof. The distributed ledger agent may resign its duties thereunder by providing the sponsor, the servicing administrator and the trustee with at least 90 days' prior written notice, subject to the agreement by a successor electronic platform data provider, reasonably acceptable to the sponsor or the servicing administrator, to assume all of the obligations and duties of the resigning distributed ledger agent under the distributed ledger agent agreement.

The distributed ledger agent will be entitled to indemnification from the issuing entity, subject to an annual cap as described below, for any loss, liability, damage, cost or expense, including without limitation, any reasonable and documented out-of-pocket legal fees and expenses, incurred or expended, in all cases resulting from or arising out of any claims brought against the distributed ledger agent by any third party due to its role under the distributed ledger agent agreement or any action taken or omitted to be taken by the distributed ledger agent under the distributed ledger agent agreement, but solely to the extent that such loss, liability, damage, cost or expense does not arise or result from any act or omission on the part of the distributed ledger agent that constitutes gross negligence, bad faith or willful misconduct.

The distributed ledger agent will be entitled to reimbursement for its indemnification amounts as described above from collections (subject to the aggregate annual cap of $300,000 and further subject to the annual cap of $10,000 with respect to aggregate amounts reimbursable to the distributed ledger agent, as further described elsewhere in this offering memorandum supplement), prior to distribution of any amounts to certificateholders.

U.S. CREDIT RISK RETENTION

The sponsor is relying on an exemption in the U.S. Risk Retention Rules that is available if: (1) all the assets that collateralize the asset-backed securities are Qualified Residential Mortgages or servicing assets; (2) none of the assets that collateralize the asset-backed securities are asset-backed securities; (3) as of the cut-off date, each Qualified Residential Mortgage is currently performing; and (4) the depositor certifies that it has, within 60 days of the cut-off date, evaluated the effectiveness of its internal supervisory controls with respect to the process for ensuring that all assets that collateralize the asset-backed security are Qualified Residential Mortgages or servicing assets and has concluded that its internal supervisory controls are effective, and the sponsor provides, or causes to be provided, a copy of such certification to potential investors as set forth in the rules. A copy of such certification for this transaction is attached hereto as Annex C.

As described under "*The Agreements—Representations and Warranties*" in this offering memorandum supplement, the originators have represented generally to the Seller that each mortgage loan satisfies the definition of a "qualified mortgage" under Section 1026.43(e)(2) or Section 1026.43(e)(4) of Regulation Z. The U.S. Risk Retention Rules generally align the definition of a Qualified Residential Mortgage with that of a "qualified mortgage" under section 129C of TILA and its implementing regulations.

Under the U.S. Risk Retention Rules, a sponsor that has relied on the exemption described above will not lose this exemption if, after the closing of the securitization transaction, it is determined that one or more of the residential mortgage loans collateralizing the asset-backed securities does not meet all of the criteria to be a Qualified Residential Mortgage *provided* that: (1) the depositor complied with the certification requirement described above; (2) the sponsor repurchases the loan(s) from the issuing entity at a price at least equal to the remaining aggregate unpaid principal balance and accrued interest on the loan(s) no later than 90 days after the determination that the loans do not satisfy the requirements to be a Qualified Residential Mortgage; and (3) the sponsor promptly notifies, or causes to be notified, the holders of the asset-backed securities of certain information with respect to such mortgage loan (for a discussion of the representation and warranty of the seller that each mortgage loan is a Qualified Residential Mortgage, see "*The Agreements—Representations and Warranties*"). For purposes of the U.S. Risk Retention Rules, a "Qualified Residential Mortgage" is a mortgage loan that satisfies the requirements to be a "qualified mortgage" under the ATR Rules, as described under "*Risk Factors—Financial Regulatory Reforms and Additional Proposed Regulations Could Have a Significant Impact on the Sponsor, the Depositor, the Servicing Administrator, the Master Servicer, the Servicer or Any Successor Servicers or on the Performance, Liquidity and Market Value of the Certificates*." Please also refer to "*Risk Factors—Risks Relating to U.S. Risk Retention Rules; Qualified Residential Mortgages*."

EU RISK RETENTION REQUIREMENT AND UK RISK RETENTION REQUIREMENT

None of the issuing entity, the sponsor, the seller, the initial purchasers, the depositor, their respective affiliates nor any other party to the transactions described in this offering memorandum supplement, as an originator, sponsor, original lender or otherwise, is required or intends to retain a material net economic interest with respect to this transaction or to provide any additional information that would satisfy the EU Risk Retention Requirement or the UK Risk Retention Requirement or to take any other action which may be required by EU Institutional Investors or UK Institutional Investors for the purposes of their compliance with the EU Due Diligence Requirements or the UK Due Diligence Requirements, and no such person assumes any liability whatsoever in connection with any investor's non-compliance with the EU Due Diligence Requirements or the UK Due Diligence Requirements.

Failure on the part of EU Institutional Investors to comply with the EU Due Diligence Requirements or UK Institutional Investors to comply with the UK Due Diligence Requirements may result in various regulatory sanctions or penalties including, in the case of those investors subject to regulatory capital requirements, the imposition of a punitive capital charge in respect of the investment in the securitization acquired by the relevant investor. Aspects of the requirements and what is or will be required to demonstrate compliance to national regulators remain unclear.

For more information regarding the EU Securitization Regulation and the UK Securitization Regulation, see "*Risk Factors—Financial Regulatory Reforms and Additional Proposed Regulations Could Have a Significant Impact on the Sponsor, the Depositor, the Servicing Administrator, the Master Servicer, the Servicer or Any Successor Servicers or on the Performance, Liquidity and Market Value of the Certificates—EU Securitization Regulation and UK Securitization Regulation* " in this offering memorandum supplement.

YIELD, PREPAYMENT AND WEIGHTED AVERAGE LIFE

General

The yields to maturity (or to early termination) of the offered certificates will be affected by the rate of principal payments (including prepayments, which may include amounts received by virtue of purchase, condemnation, insurance or foreclosure) on the mortgage loans to reduce the Class Principal Amounts or Class Notional Amounts, as applicable, of the certificates. Yields may also be affected by the extent to which mortgage loans bearing higher mortgage rates prepay at a more rapid rate than mortgage loans with lower mortgage rates, the amount and timing of borrower delinquencies and defaults resulting in Realized Losses, the purchase price paid by investors for the offered certificates, and other factors.

Yields on the offered certificates will be affected by the rate of principal payments on the mortgage loans. Principal prepayments may be influenced by a variety of economic, geographic, demographic, social, tax, legal and other factors, including the credit quality of the mortgage loans. In general, if prevailing interest rates fall below the interest rates on the mortgage loans, the mortgage loans are likely to be subject to a higher rate of prepayments than if prevailing rates remain at or above the interest rates on the mortgage loans. Conversely, if prevailing interest rates rise above the interest rates on the mortgage loans, the rate of prepayment would be expected to decrease. Other factors affecting prepayment of the mortgage loans include such factors as changes in borrowers' housing needs, job transfers, unemployment, wage reductions, political gridlock on United States federal budget matters including full or partial government shutdowns, trade wars, borrowers' net equity in the mortgaged properties, changes in the values of mortgaged properties, mortgage market interest rates and servicing decisions, as well as refinancings resulting from solicitations by mortgage lenders. The severe reduction in economic output as a result of the COVID-19 Outbreak has led to a reduction in interest rates. Such a low interest rate environment could result in a significant increase in prepayments by borrowers who take advantage of the opportunity to refinance their existing mortgage loan. The mortgage loans generally have due-on-sale clauses. In addition, none of the mortgage loans require prepayment charges as described under "*Description of the Mortgage Pool—Prepayment Charges*."

In addition, the rate of principal prepayments may also be influenced by programs offered by the servicer and its affiliates or by other lenders. Many mortgage lenders solicit borrowers to refinance their loans. These refinancings may increase the rate of prepayment of the mortgage loans.

In recent years, modifications and other default resolution procedures other than foreclosure, such as deeds in lieu of foreclosure and short sales, have become more common and those servicing decisions, rather than foreclosure, may affect the rate of principal prepayments on the mortgage loans.

The rate of principal payments on the mortgage loans will also be affected by the amortization schedules of the mortgage loans, the rate and timing of prepayments thereon by the borrowers, liquidations of defaulted mortgage loans and repurchases of mortgage loans due to certain breaches of representations and/or warranties. The timing of changes in the rate of prepayments, liquidations, purchases of and indemnification payments with respect to the mortgage loans may, and the timing of Realized Losses will, significantly affect the yield to an investor, even if the average rate of principal payments experienced over time is consistent with an investor's expectation. Because the rate and timing of principal payments on the mortgage loans will depend on future events and on a variety of factors (as described more fully herein and in the offering memorandum under "*Yield and Prepayment Considerations*"), no assurance can be given as to such rate or the timing of principal payments on the offered certificates. In general, the earlier a prepayment of principal of the mortgage loans, the greater will be the effect on an investor's yield. The effect on an investor's yield of principal payments occurring at a rate higher (or lower) than the rate anticipated by the investor during the period immediately following the issuance of the certificates may not be offset by a subsequent like decrease (or increase) in the rate of principal payments.

Prepayments, liquidations, purchases of and indemnification payments with respect to mortgage loans will result in payments to holders of certificates of principal amounts that would otherwise be paid over the remaining terms of such mortgage loans. The rate of defaults on the mortgage loans will also affect the rate and timing of principal payments on the mortgage loans. In general, defaults on mortgage loans are expected to occur with greater frequency in their early years (particularly defaults relating to the impact of the COVID-19 Outbreak), and after the initial interest-only period, if any, as increases in monthly payments may result in a default rate higher than on level payment mortgage loans. Furthermore, the rate of default on mortgage loans with high original loan-to-value ratios may be higher than for other mortgage loans.

Certain characteristics of the mortgage loans that may influence the rate of defaults or losses are described under "*Risk Factors*" and "*Description of the Mortgage Pool*."

The yields on the offered certificates may be adversely affected by Net Prepayment Interest Shortfalls on the mortgage loans.

If the purchaser of an offered certificate (other than an Interest-only Certificate) offered at a discount from its initial principal amount calculates its anticipated yield to maturity (or early termination) based on an assumed rate of payment of principal that is faster than that actually experienced on the mortgage loans, the actual yield may be lower than that so calculated. Conversely, if the purchaser of an offered certificate offered at a premium or an interest-only certificate calculates its anticipated yield based on an assumed rate of payment of principal that is slower than that actually experienced on the mortgage loans, the actual yield may be lower than that so calculated. For this purpose, prepayments of principal include not only voluntary prepayments made by the borrower, but also Liquidation Proceeds and repurchases of mortgage loans by an originator or RRAC due to breaches of representations and/or warranties.

Subordination of the Subordinate Certificates

As described herein, certificates having a relatively higher priority of distribution will have a preferential right to receive payments of interest and principal. As a result, the yields of the Subordinate Certificates will be more sensitive, in varying degrees, to delinquencies and losses on the mortgage loans than the yields of more Senior Certificates.

Weighted Average Life

Weighted average life refers to the average amount of time that will elapse from the date of issuance of a security to the date of payment to the investor of each dollar paid in net reduction of principal of such security (assuming no losses). The weighted average lives of the offered certificates will be influenced by, among other things, the rate at which principal of the mortgage loans is paid, which may be in the form of scheduled amortization, prepayments or liquidations.

Prepayments on mortgage loans are commonly measured relative to a constant prepayment standard or model. The model used in this offering memorandum supplement for the mortgage loans is a Constant Prepayment Rate (or "CPR"). CPR assumes that the outstanding principal balance of a pool of mortgage loans prepays at a specified constant annual rate. In projecting monthly cash flows, this rate is converted to an equivalent monthly rate.

CPR does not purport to be either a historical description of the prepayment experience of the mortgage loans or a prediction of the anticipated rate of prepayment of any mortgage loans, including the mortgage loans to be owned by the issuing entity. The percentages of CPR in the tables below do not purport to be historical correlations of relative prepayment experience of the mortgage loans or predictions of the anticipated relative rate of prepayment of the mortgage loans. Variations in the prepayment experience and the principal balance of the mortgage loans that prepay may increase or decrease the percentages of initial Class Principal Amounts (and weighted average lives) shown in the following table. Such variations may occur even if the average prepayment experience of all such mortgage loans equals any of the specified percentages of CPR.

The tables below were prepared based on the following assumptions (collectively, the "Modeling Assumptions"): (1) the initial Class Principal Amounts and initial Class Notional Amounts of the offered certificates are as set forth in the table beginning on page S-1; (2) each monthly scheduled payment of principal and interest is timely received on the first day of each month commencing in February 2023 and are computed prior to giving effect to any prepayments received in the prior month; (3) principal prepayments are received in full on the last day of the month preceding the related distribution date, commencing in January 2023 and include thirty (30) days of interest, and there are no Net Prepayment Interest Shortfalls; (4) there are no modifications, defaults or delinquencies on the mortgage loans and no shortfalls are incurred due to the application of the Relief Act; (5) distribution dates occur on the 25th day of each month commencing in February 2023 regardless of whether such day is a business day; (6) there are no purchases, repurchases or substitutions of mortgage loans (except in the case of an optional termination of the issuing entity); (7) there is no optional termination of the issuing entity (except in the case of Weighted Average Life in Years (to Call)); (8) the certificates are issued on January 27, 2023; (9) the servicing fee rate, the securities administrator fee rate, the custodian fee rate, the master servicing fee rate, the distributed ledger agent fee rate and the trustee fee rate for any mortgage loan (in the aggregate) are each equal to the rate for such mortgage loan as shown below and all other fees and expenses are assumed to be zero; (10) none of the mortgage loans has prepayment fees or charges; (11) no exchanges occur after the Closing Date; (12) the Certificate Interest Rates on the offered certificates are as set forth in the table beginning on page S-1 of this offering memorandum supplement; (13) the mortgage loans are aggregated into assumed mortgage loans having the following aggregate and weighted average characteristics; and (14) the Closing Date Substitution Amount and Principal balance Shortfall are assumed to be zero:

Assumed Characteristics of the Mortgage Loans

Product Type	Cut-off Date Stated Principal Balance ($)	Gross Mortgage Rate (%)	Aggregate Servicing, Securities Administrator, Distributed Ledger Agent, Custodian, Master Servicing and Trustee Fee Rate (%)	Net Mortgage Rate (%)	Original Term to Maturity (months)	Remaining Term to Maturity (months)
30 Year Fixed	1,895,159.80	2.87500	0.14370	2.73130	360	348
30 Year Fixed	10,902,160.65	3.30158	0.14370	3.15788	360	349
30 Year Fixed	24,074,593.80	3.82443	0.14370	3.68073	360	351
30 Year Fixed	12,716,000.75	4.43408	0.14370	4.29038	360	351
30 Year Fixed	86,094,231.22	4.83020	0.14370	4.68650	360	353
30 Year Fixed	51,894,636.28	5.37590	0.14370	5.23220	360	355
30 Year Fixed	94,632,264.43	5.75191	0.14370	5.60821	360	356
30 Year Fixed	26,254,629.89	6.31668	0.14370	6.17298	360	356
25 Year Fixed	1,107,084.76	6.62500	0.14370	6.48130	300	298
30 Year Fixed	13,677,063.94	6.80906	0.14370	6.66536	360	356
30 Year Fixed	5,764,952.31	7.21948	0.14370	7.07578	360	357
30 Year Fixed	3,584,201.50	7.79642	0.14370	7.65272	360	358

The actual characteristics and the performance of the mortgage loans will differ from the assumptions used in constructing the tables set forth below, which are hypothetical in nature and are provided only to give a general sense of how the principal cash flows might behave under varying prepayment scenarios. For example, it is not expected that the mortgage loans will prepay at a constant rate until maturity, that all of the mortgage loans will prepay at the same rate or that there will be no defaults or delinquencies on the mortgage loans. Moreover, the diverse remaining terms to maturity of the mortgage loans could produce slower or faster principal payments than indicated in the tables at the various percentages of CPR specified, even if the weighted average remaining term to maturity are as assumed. Any difference between such assumptions and the actual characteristics and performance of the mortgage loans, or the actual prepayment or loss experience, will cause the percentages of initial Class Principal Amounts outstanding over time and the weighted average lives of the offered certificates to differ (which difference could be material) from the corresponding information in the tables for each indicated percentage of CPR.

The mortgage loans are expected to have the approximate actual aggregate characteristics as of the cut-off date as set forth in Annex A attached to this offering memorandum supplement and incorporated by reference herein.

Subject to the foregoing discussion and assumptions, the following tables indicate the weighted average lives of the offered certificates and set forth the percentages of the initial Class Principal Amounts of the offered certificates that would be outstanding after each of the distribution dates shown at various percentages of CPR.

The weighted average life of a class of offered certificates is determined by (1) multiplying the net reduction, if any, of the applicable Class Principal Amount by the number of years from the date of issuance of the offered certificate to the related distribution date, (2) adding the results and (3) dividing the sum by the aggregate of the net reductions of Class Principal Amount described in (1) above.

Decrement Tables

The following tables indicate the percentages of the initial Class Principal Amounts of the offered certificates (other than the Interest-only Certificates) that would be outstanding after each of the dates shown at various CPRs and the corresponding weighted average lives of such classes. The tables have been prepared on the basis of the Modeling Assumptions. Significant discrepancies exist between the characteristics of the actual mortgage loans which will be conveyed to the trustee and characteristics of the mortgage loans assumed in preparing the tables herein. It is not likely that (i) all of the mortgage loans will prepay at the CPR specified in the tables or at any CPR or (ii) all of the mortgage loans will prepay at the same rate. Moreover, the diverse remaining terms to maturity of the mortgage loans could produce slower or faster principal payments than indicated in the tables at the specified CPRs, even if the weighted average remaining term to maturity of the mortgage loans is consistent with the remaining terms to maturity of the mortgage loans specified in the Modeling Assumptions.

Percentage of Initial Class Principal Amount of the Class A-1, Class A-2, Class A-3, Class A-19, Class A-20, Class A-21, Class A-22, Class A-23, Class A-24 and Class A-25 Certificates Outstanding at the Following Percentages of CPR

	Prepayment Assumption					
Distribution Date	**0%**	**5%**	**10%**	**15%**	**25%**	**35%**
Initial Percentage	100	100	100	100	100	100
January 2024	99	93	88	83	72	62
January 2025	97	87	78	69	52	38
January 2026	95	81	68	56	37	22
January 2027	94	75	60	46	26	12
January 2028	92	70	52	38	18	6
January 2029	90	65	46	31	12	3
January 2030	88	60	40	25	8	1
January 2031	86	56	35	21	6	*
January 2032	84	51	30	17	4	0
January 2033	81	48	27	14	3	0
January 2034	79	44	23	12	2	0
January 2035	76	40	20	10	2	0
January 2036	74	37	18	8	1	0
January 2037	71	34	15	6	*	0
January 2038	68	31	13	5	0	0
January 2039	65	28	11	4	0	0
January 2040	61	25	10	3	0	0
January 2041	58	22	8	2	0	0
January 2042	54	20	7	2	0	0
January 2043	50	17	5	1	0	0
January 2044	46	15	4	1	0	0
January 2045	42	13	3	*	0	0
January 2046	37	11	2	0	0	0
January 2047	32	9	2	0	0	0
January 2048	27	7	1	0	0	0
January 2049	22	5	*	0	0	0
January 2050	16	3	0	0	0	0
January 2051	9	1	0	0	0	0
January 2052	3	0	0	0	0	0
January 2053	0	0	0	0	0	0
Weighted Average Life in Years (to Maturity)†	18.46	11.01	7.18	5.05	2.94	1.93
Weighted Average Life in Years (to Call) †**	18.39	10.78	6.82	4.73	2.77	1.88

* Indicates a value between 0.0% and 0.5% as applicable.

† The weighted average life of a certificate of any class is determined by (i) multiplying the assumed reduction, if any, in the Class Principal Amount on each distribution date by the number of years from the date of issuance of the certificate to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the total assumed reduction.

** Assuming the mortgage loans are purchased on the first date permitted under "*Description of the Certificates—Optional Purchase of the Mortgage Loans*."

Percentage of Initial Class Principal Amount of the Class A-4, Class A-5 and Class A-6 Certificates Outstanding at the Following Percentages of CPR

	Prepayment Assumption					
Distribution Date	**0%**	**5%**	**10%**	**15%**	**25%**	**35%**
Initial Percentage	100	100	100	100	100	100
January 2024	98	91	84	77	63	49
January 2025	96	83	70	58	36	17
January 2026	94	75	57	42	16	0
January 2027	92	67	46	28	1	0
January 2028	89	60	36	17	0	0
January 2029	87	53	27	8	0	0
January 2030	84	47	20	*	0	0
January 2031	81	41	13	0	0	0
January 2032	78	35	7	0	0	0
January 2033	75	30	2	0	0	0
January 2034	72	25	0	0	0	0
January 2035	68	20	0	0	0	0
January 2036	65	16	0	0	0	0
January 2037	61	12	0	0	0	0
January 2038	57	7	0	0	0	0
January 2039	53	4	0	0	0	0
January 2040	48	0	0	0	0	0
January 2041	44	0	0	0	0	0
January 2042	39	0	0	0	0	0
January 2043	33	0	0	0	0	0
January 2044	28	0	0	0	0	0
January 2045	22	0	0	0	0	0
January 2046	16	0	0	0	0	0
January 2047	9	0	0	0	0	0
January 2048	3	0	0	0	0	0
January 2049	0	0	0	0	0	0
Weighted Average Life in Years (to Maturity)†	15.45	7.19	4.15	2.83	1.67	1.15
Weighted Average Life in Years (to Call) †**	15.45	7.19	4.15	2.83	1.67	1.15

* Indicates a value between 0.0% and 0.5% as applicable.

† The weighted average life of a certificate of any class is determined by (i) multiplying the assumed reduction, if any, in the Class Principal Amount on each distribution date by the number of years from the date of issuance of the certificate to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the total assumed reduction.

** Assuming the mortgage loans are purchased on the first date permitted under "*Description of the Certificates—Optional Purchase of the Mortgage Loans*."

Percentage of Initial Class Principal Amount of the
Class A-7, Class A-8 and Class A-9 Certificates
Outstanding at the Following Percentages of CPR

	Prepayment Assumption					
Distribution Date	0%	5%	10%	15%	25%	35%
Initial Percentage	100	100	100	100	100	100
January 2024	100	100	100	100	100	100
January 2025	100	100	100	100	100	100
January 2026	100	100	100	100	100	89
January 2027	100	100	100	100	100	49
January 2028	100	100	100	100	71	24
January 2029	100	100	100	100	49	10
January 2030	100	100	100	100	33	3
January 2031	100	100	100	83	23	*
January 2032	100	100	100	68	16	0
January 2033	100	100	100	56	12	0
January 2034	100	100	93	46	8	0
January 2035	100	100	81	38	6	0
January 2036	100	100	70	31	3	0
January 2037	100	100	61	26	1	0
January 2038	100	100	52	21	0	0
January 2039	100	100	45	16	0	0
January 2040	100	100	38	12	0	0
January 2041	100	89	32	9	0	0
January 2042	100	79	27	6	0	0
January 2043	100	70	22	4	0	0
January 2044	100	61	17	2	0	0
January 2045	100	52	13	1	0	0
January 2046	100	44	10	0	0	0
January 2047	100	35	7	0	0	0
January 2048	100	27	4	0	0	0
January 2049	86	20	2	0	0	0
January 2050	63	13	0	0	0	0
January 2051	37	6	0	0	0	0
January 2052	11	0	0	0	0	0
January 2053	0	0	0	0	0	0
Weighted Average Life in Years (to Maturity)†	27.51	22.49	16.27	11.72	6.74	4.29
Weighted Average Life in Years (to Call) †**	27.23	21.56	14.81	10.43	6.06	4.08

* Indicates a value between 0.0% and 0.5% as applicable.

† The weighted average life of a certificate of any class is determined by (i) multiplying the assumed reduction, if any, in the Class Principal Amount on each distribution date by the number of years from the date of issuance of the certificate to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the total assumed reduction.

** Assuming the mortgage loans are purchased on the first date permitted under "*Description of the Certificates—Optional Purchase of the Mortgage Loans*."

Percentage of Initial Class Principal Amount of the Class A-10, Class A-11 and Class A-12 Certificates Outstanding at the Following Percentages of CPR

	Prepayment Assumption					
Distribution Date	**0%**	**5%**	**10%**	**15%**	**25%**	**35%**
Initial Percentage	100	100	100	100	100	100
January 2024	98	89	80	72	54	37
January 2025	95	78	63	48	20	0
January 2026	92	68	47	27	0	0
January 2027	89	59	33	10	0	0
January 2028	86	50	20	0	0	0
January 2029	83	41	9	0	0	0
January 2030	80	34	0	0	0	0
January 2031	77	26	0	0	0	0
January 2032	73	19	0	0	0	0
January 2033	69	13	0	0	0	0
January 2034	65	6	0	0	0	0
January 2035	61	*	0	0	0	0
January 2036	56	0	0	0	0	0
January 2037	51	0	0	0	0	0
January 2038	46	0	0	0	0	0
January 2039	41	0	0	0	0	0
January 2040	35	0	0	0	0	0
January 2041	29	0	0	0	0	0
January 2042	23	0	0	0	0	0
January 2043	17	0	0	0	0	0
January 2044	10	0	0	0	0	0
January 2045	3	0	0	0	0	0
January 2046	0	0	0	0	0	0
Weighted Average Life in Years (to Maturity)†	13.33	5.37	3.04	2.08	1.23	0.85
Weighted Average Life in Years (to Call) †**	13.33	5.37	3.04	2.08	1.23	0.85

* Indicates a value between 0.0% and 0.5% as applicable.

† The weighted average life of a certificate of any class is determined by (i) multiplying the assumed reduction, if any, in the Class Principal Amount on each distribution date by the number of years from the date of issuance of the certificate to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the total assumed reduction.

** Assuming the mortgage loans are purchased on the first date permitted under "*Description of the Certificates—Optional Purchase of the Mortgage Loans*."

Percentage of Initial Class Principal Amount of the
Class A-13, Class A-14 and Class A-15 Certificates
Outstanding at the Following Percentages of CPR

	Prepayment Assumption					
	0%	5%	10%	15%	25%	35%
Distribution Date						
Initial Percentage	100	100	100	100	100	100
January 2024	100	100	100	100	100	100
January 2025	100	100	100	100	100	94
January 2026	100	100	100	100	93	55
January 2027	100	100	100	100	65	31
January 2028	100	100	100	94	44	15
January 2029	100	100	100	77	30	6
January 2030	100	100	99	63	21	2
January 2031	100	100	87	52	14	*
January 2032	100	100	76	43	10	0
January 2033	100	100	67	35	7	0
January 2034	100	100	58	29	5	0
January 2035	100	100	51	24	4	0
January 2036	100	92	44	20	2	0
January 2037	100	84	38	16	1	0
January 2038	100	77	33	13	0	0
January 2039	100	69	28	10	0	0
January 2040	100	62	24	8	0	0
January 2041	100	56	20	6	0	0
January 2042	100	50	17	4	0	0
January 2043	100	44	13	2	0	0
January 2044	100	38	11	1	0	0
January 2045	100	33	8	*	0	0
January 2046	92	27	6	0	0	0
January 2047	80	22	4	0	0	0
January 2048	67	17	2	0	0	0
January 2049	54	12	1	0	0	0
January 2050	39	8	0	0	0	0
January 2051	23	4	0	0	0	0
January 2052	7	0	0	0	0	0
January 2053	0	0	0	0	0	0
Weighted Average Life in Years (to Maturity)†	26.16	19.48	13.40	9.52	5.50	3.56
Weighted Average Life in Years (to Call) †**	25.99	18.90	12.48	8.71	5.07	3.43

* Indicates a value between 0.0% and 0.5% as applicable.

† The weighted average life of a certificate of any class is determined by (i) multiplying the assumed reduction, if any, in the Class Principal Amount on each distribution date by the number of years from the date of issuance of the certificate to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the total assumed reduction.

** Assuming the mortgage loans are purchased on the first date permitted under "*Description of the Certificates—Optional Purchase of the Mortgage Loans*."

Percentage of Initial Class Principal Amount of the Class A-16, Class A-17 and Class A-18 Certificates Outstanding at the Following Percentages of CPR

	Prepayment Assumption					
Distribution Date	**0%**	**5%**	**10%**	**15%**	**25%**	**35%**
Initial Percentage	100	100	100	100	100	100
January 2024	100	100	100	100	100	100
January 2025	100	100	100	100	100	85
January 2026	100	100	100	100	80	0
January 2027	100	100	100	100	6	0
January 2028	100	100	100	85	0	0
January 2029	100	100	100	40	0	0
January 2030	100	100	99	2	0	0
January 2031	100	100	65	0	0	0
January 2032	100	100	36	0	0	0
January 2033	100	100	11	0	0	0
January 2034	100	100	0	0	0	0
January 2035	100	100	0	0	0	0
January 2036	100	79	0	0	0	0
January 2037	100	58	0	0	0	0
January 2038	100	37	0	0	0	0
January 2039	100	18	0	0	0	0
January 2040	100	0	0	0	0	0
January 2041	100	0	0	0	0	0
January 2042	100	0	0	0	0	0
January 2043	100	0	0	0	0	0
January 2044	100	0	0	0	0	0
January 2045	100	0	0	0	0	0
January 2046	79	0	0	0	0	0
January 2047	47	0	0	0	0	0
January 2048	13	0	0	0	0	0
January 2049	0	0	0	0	0	0
Weighted Average Life in Years (to Maturity)†	23.92	14.46	8.61	5.84	3.43	2.34
Weighted Average Life in Years (to Call) †**	23.92	14.46	8.61	5.84	3.43	2.34

† The weighted average life of a certificate of any class is determined by (i) multiplying the assumed reduction, if any, in the Class Principal Amount on each distribution date by the number of years from the date of issuance of the certificate to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the total assumed reduction.

** Assuming the mortgage loans are purchased on the first date permitted under "*Description of the Certificates—Optional Purchase of the Mortgage Loans*."

Percentage of Initial Class Principal Amount of the
Class B-1 Certificates
Outstanding at the Following Percentages of CPR

	Prepayment Assumption					
Distribution Date	**0%**	**5%**	**10%**	**15%**	**25%**	**35%**
Initial Percentage	100	100	100	100	100	100
January 2024	98	98	98	98	98	98
January 2025	96	96	96	96	96	96
January 2026	95	95	95	95	95	95
January 2027	93	93	93	93	93	93
January 2028	90	90	90	90	90	90
January 2029	88	87	85	83	79	75
January 2030	86	82	78	75	67	59
January 2031	83	77	70	64	52	40
January 2032	81	71	61	52	36	18
January 2033	78	64	51	40	21	3
January 2034	75	57	42	30	8	0
January 2035	72	51	35	21	*	0
January 2036	69	45	28	13	*	0
January 2037	65	40	21	6	*	0
January 2038	62	35	15	*	0	0
January 2039	58	30	9	0	0	0
January 2040	54	25	4	0	0	0
January 2041	50	20	0	0	0	0
January 2042	46	15	0	0	0	0
January 2043	41	10	0	0	0	0
January 2044	36	6	0	0	0	0
January 2045	31	1	0	0	0	0
January 2046	25	0	0	0	0	0
January 2047	19	0	0	0	0	0
January 2048	12	0	0	0	0	0
January 2049	5	0	0	0	0	0
January 2050	0	0	0	0	0	0
Weighted Average Life in Years (to Maturity)†	16.61	12.39	10.24	9.08	7.88	7.19
Weighted Average Life in Years (to Call) †**	16.61	12.39	10.23	8.88	6.73	4.92

* Indicates a value between 0.0% and 0.5% as applicable.

† The weighted average life of a certificate of any class is determined by (i) multiplying the assumed reduction, if any, in the Class Principal Amount on each distribution date by the number of years from the date of issuance of the certificate to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the total assumed reduction.

** Assuming the mortgage loans are purchased on the first date permitted under "*Description of the Certificates—Optional Purchase of the Mortgage Loans*."

Percentage of Initial Class Principal Amount of the
Class B-2 Certificates
Outstanding at the Following Percentages of CPR

	Prepayment Assumption					
	0%	5%	10%	15%	25%	35%
Distribution Date						
Initial Percentage	100	100	100	100	100	100
January 2024	98	98	98	98	98	98
January 2025	96	96	96	96	96	96
January 2026	95	95	95	95	95	95
January 2027	93	93	93	93	93	93
January 2028	90	90	90	90	90	90
January 2029	88	87	85	83	79	75
January 2030	86	82	78	75	67	59
January 2031	83	77	70	64	52	40
January 2032	81	71	61	52	36	18
January 2033	78	64	51	40	21	3
January 2034	75	57	42	30	8	0
January 2035	72	51	35	21	*	0
January 2036	69	45	28	13	*	0
January 2037	65	40	21	6	*	0
January 2038	62	35	15	*	0	0
January 2039	58	30	9	*	0	0
January 2040	54	25	4	*	0	0
January 2041	50	20	0	*	0	0
January 2042	46	15	0	*	0	0
January 2043	41	10	0	*	0	0
January 2044	36	6	0	*	0	0
January 2045	31	1	0	*	0	0
January 2046	25	0	0	0	0	0
January 2047	19	0	0	0	0	0
January 2048	12	0	0	0	0	0
January 2049	5	0	0	0	0	0
January 2050	0	0	0	0	0	0
Weighted Average Life in Years (to Maturity)†	16.61	12.39	10.24	9.08	7.88	7.19
Weighted Average Life in Years (to Call) †**	16.61	12.39	10.23	8.88	6.73	4.92

* Indicates a value between 0.0% and 0.5% as applicable.

† The weighted average life of a certificate of any class is determined by (i) multiplying the assumed reduction, if any, in the Class Principal Amount on each distribution date by the number of years from the date of issuance of the certificate to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the total assumed reduction.

** Assuming the mortgage loans are purchased on the first date permitted under "*Description of the Certificates—Optional Purchase of the Mortgage Loans*."

Percentage of Initial Class Principal Amount of the
Class B-3 Certificates
Outstanding at the Following Percentages of CPR

	Prepayment Assumption					
Distribution Date	**0%**	**5%**	**10%**	**15%**	**25%**	**35%**
Initial Percentage	100	100	100	100	100	100
January 2024	98	98	98	98	98	98
January 2025	96	96	96	96	96	96
January 2026	95	95	95	95	95	95
January 2027	93	93	93	93	93	93
January 2028	90	90	90	90	90	90
January 2029	88	87	85	83	79	75
January 2030	86	82	78	75	67	59
January 2031	83	77	70	64	52	40
January 2032	81	71	61	52	36	18
January 2033	78	64	51	40	21	3
January 2034	75	57	42	30	8	0
January 2035	72	51	35	21	*	0
January 2036	69	45	28	13	*	0
January 2037	65	40	21	6	*	0
January 2038	62	35	15	*	0	0
January 2039	58	30	9	*	0	0
January 2040	54	25	4	*	0	0
January 2041	50	20	0	*	0	0
January 2042	46	15	0	*	0	0
January 2043	41	10	0	*	0	0
January 2044	36	6	0	*	0	0
January 2045	31	1	0	*	0	0
January 2046	25	0	0	0	0	0
January 2047	19	0	0	0	0	0
January 2048	12	0	0	0	0	0
January 2049	5	0	0	0	0	0
January 2050	0	0	0	0	0	0
Weighted Average Life in Years (to Maturity)†	16.61	12.39	10.24	9.08	7.88	7.19
Weighted Average Life in Years (to Call) †**	16.61	12.39	10.23	8.88	6.73	4.92

* Indicates a value between 0.0% and 0.5% as applicable.

† The weighted average life of a certificate of any class is determined by (i) multiplying the assumed reduction, if any, in the Class Principal Amount on each distribution date by the number of years from the date of issuance of the certificate to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the total assumed reduction.

** Assuming the mortgage loans are purchased on the first date permitted under "*Description of the Certificates—Optional Purchase of the Mortgage Loans*."

**Percentage of Initial Class Principal Amount of the
Class B-4 Certificates Outstanding
at the Following Percentages of CPR**

	Prepayment Assumption					
Distribution Date	0%	5%	10%	15%	25%	35%
Initial Percentage	100	100	100	100	100	100
January 2024	98	98	98	98	98	98
January 2025	96	96	96	96	96	96
January 2026	95	95	95	95	95	95
January 2027	93	93	93	93	93	93
January 2028	90	90	90	90	90	90
January 2029	88	87	85	83	79	75
January 2030	86	82	78	75	67	59
January 2031	83	77	70	64	52	40
January 2032	81	71	61	52	36	24
January 2033	78	64	51	40	25	24
January 2034	75	57	42	30	25	0
January 2035	72	51	35	25	25	0
January 2036	69	45	28	25	25	0
January 2037	65	40	25	25	25	0
January 2038	62	35	25	25	9	0
January 2039	58	30	25	25	0	0
January 2040	54	25	25	25	0	0
January 2041	50	25	25	25	0	0
January 2042	46	25	25	25	0	0
January 2043	41	25	25	25	0	0
January 2044	36	25	25	25	0	0
January 2045	31	25	25	25	0	0
January 2046	25	25	25	5	0	0
January 2047	25	25	25	0	0	0
January 2048	25	25	25	0	0	0
January 2049	25	25	25	0	0	0
January 2050	25	25	12	0	0	0
January 2051	25	25	0	0	0	0
January 2052	25	0	0	0	0	0
January 2053	0	0	0	0	0	0
Weighted Average Life in Years (to Maturity)†	17.74	14.72	13.11	11.46	8.91	7.41
Weighted Average Life in Years (to Call) †**	17.37	13.43	10.65	8.91	6.73	4.92

† The weighted average life of a certificate of any class is determined by (i) multiplying the assumed reduction, if any, in the Class Principal Amount on each distribution date by the number of years from the date of issuance of the certificate to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the total assumed reduction.

** Assuming the mortgage loans are purchased on the first date permitted under "*Description of the Certificates—Optional Purchase of the Mortgage Loans*."

Percentage of Initial Class Principal Amount of the
Class B-5 Certificates Outstanding
at the Following Percentages of CPR

	Prepayment Assumption					
Distribution Date	**0%**	**5%**	**10%**	**15%**	**25%**	**35%**
Initial Percentage	100	100	100	100	100	100
January 2024	100	100	100	100	100	100
January 2025	100	100	100	100	100	100
January 2026	100	100	100	100	100	100
January 2027	100	100	100	100	100	100
January 2028	100	100	100	100	100	100
January 2029	100	100	100	100	100	100
January 2030	100	100	100	100	100	100
January 2031	100	100	100	100	100	100
January 2032	100	100	100	100	100	100
January 2033	100	100	100	100	100	100
January 2034	100	100	100	100	100	81
January 2035	100	100	100	100	100	51
January 2036	100	100	100	100	100	32
January 2037	100	100	100	100	100	20
January 2038	100	100	100	100	100	12
January 2039	100	100	100	100	76	8
January 2040	100	100	100	100	54	5
January 2041	100	100	100	100	38	3
January 2042	100	100	100	100	27	2
January 2043	100	100	100	100	19	1
January 2044	100	100	100	100	13	1
January 2045	100	100	100	100	9	*
January 2046	100	100	100	100	6	*
January 2047	100	100	100	76	4	*
January 2048	100	100	100	54	2	*
January 2049	100	100	100	37	1	*
January 2050	100	100	100	23	1	*
January 2051	100	100	61	12	*	*
January 2052	100	94	20	4	*	*
January 2053	0	0	0	0	0	0
Weighted Average Life in Years (to Maturity)†	29.59	29.31	28.32	25.59	18.03	12.72
Weighted Average Life in Years (to Call) †**	27.99	23.74	17.16	12.49	7.58	5.16

* Indicates a value between 0.0% and 0.5% as applicable.

† The weighted average life of a certificate of any class is determined by (i) multiplying the assumed reduction, if any, in the Class Principal Amount on each distribution date by the number of years from the date of issuance of the certificate to the related distribution date, (ii) adding the results, and (iii) dividing the sum by the total assumed reduction.

** Assuming the mortgage loans are purchased on the first date permitted under "*Description of the Certificates—Optional Purchase of the Mortgage Loans*."

Interest-Only Certificates Yield Considerations

The following tables indicate the sensitivity of the respective pre-tax yields to maturity on the classes of Interest-only Certificates to various constant rates of prepayment on the mortgage loans by projecting the monthly aggregate distributions on the classes of Interest-only Certificates, and computing the corresponding pre-tax yields to maturity on a corporate bond equivalent basis ("CBE"), based on the Modeling Assumptions, including the assumptions regarding the characteristics and performance of the mortgage loans, which differ from their actual characteristics and performance, and assuming the aggregate purchase prices set forth below, plus accrued interest. Any differences between the assumptions and the actual characteristics and performance of the mortgage loans and any class of Interest-only Certificates may result in yields being different from those shown in the tables. Discrepancies between assumed and actual characteristics and performance underscore the hypothetical nature of the tables, which are provided only to give a general sense of the sensitivity of yields in varying prepayment scenarios.

The yields to investors in the classes of Interest-only Certificates will be sensitive to the rate and timing of principal payments (including prepayments, liquidations, repurchases, indemnification payments and defaults) on the mortgage loans, which may fluctuate significantly from time to time. An investor should fully consider the associated risks, including the risk that a relatively fast rate of principal payments (including prepayments, liquidations, repurchases and defaults) on the mortgage loans will have a material negative effect on the yields to investors in the classes of Interest-only Certificates and could result in the failure of investors in such certificates to recoup their initial investment.

The following tables were prepared on the basis of the Modeling Assumptions and demonstrate the sensitivity of the respective pre-tax yields on the classes of Interest-only Certificates to various constant rates of prepayment by projecting the aggregate payments of interest on such certificates and the corresponding pre-tax yields on a CBE basis, assuming payments on the mortgage loans are made as set forth in the pooling and servicing agreement.

PRE-TAX YIELD TO MATURITY OF THE CLASS A-IO1 CERTIFICATES AT THE FOLLOWING PERCENTAGES OF CPR

Price	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	45% CPR

Based upon the above assumptions, at approximately __._% CPR (at an assumed purchase price of _._____% of the Class Notional Amount of the Class A-IO1 Certificates, excluding accrued interest, but adding accrued interest to the price for purposes of calculating yield), the pre-tax yield to the Class A-IO1 Certificates will be approximately, but not less than, 0%. If the rate of prepayments on the mortgage loans were to exceed such prepayment level for as little as one month, while equaling such level for all other months, the Class A-IO1 Certificateholders would not fully recoup their initial investment.

PRE-TAX YIELD TO MATURITY OF THE CLASS A-IO2 CERTIFICATES AT THE FOLLOWING PERCENTAGES OF CPR

Price	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	45% CPR

Based upon the above assumptions, at approximately __._% CPR (at an assumed purchase price of _._____% of the Class Notional Amount of the Class A-IO2 Certificates, excluding accrued interest, but adding accrued interest to the price for purposes of calculating yield), the pre-tax yield to the Class A-IO2 Certificates will be approximately, but not less than, 0%. If the rate of prepayments on the mortgage loans were to exceed such prepayment level for as little as one month, while equaling such level for all other months, the Class A-IO2 Certificateholders would not fully recoup their initial investment.

PRE-TAX YIELD TO MATURITY OF THE CLASS A-IO3 AND CLASS A-IO4 CERTIFICATES AT THE FOLLOWING PERCENTAGES OF CPR

Price	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	45% CPR

Based upon the above assumptions, at approximately __._% CPR (at an assumed purchase price of _._____% of the Class Notional Amount of the Class A-IO3 and Class A-IO4 Certificates, excluding accrued interest, but adding accrued interest to the price for purposes of calculating yield), the pre-tax yield to the Class A-IO3 and Class A-IO4 Certificates will be approximately, but not less than, 0%. If the rate of prepayments on the mortgage loans were to exceed such prepayment level for as little as one month, while equaling such level for all other months, the Class A-IO3 and Class A-IO4 Certificateholders would not fully recoup their initial investment.

PRE-TAX YIELD TO MATURITY OF THE CLASS A-IO5 CERTIFICATES AT THE FOLLOWING PERCENTAGES OF CPR

Price	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	45% CPR

* Less than (99.999%)

Based upon the above assumptions, at approximately __._% CPR (at an assumed purchase price of _._____% of the Class Notional Amount of the Class A-IO5 Certificates, excluding accrued interest, but adding accrued interest to the price for purposes of calculating yield), the pre-tax yield to the Class A-IO5 Certificates will be approximately, but not less than, 0%. If the rate of prepayments on the mortgage loans were to exceed such prepayment level for as little as one month, while equaling such level for all other months, the Class A-IO5 Certificateholders would not fully recoup their initial investment.

PRE-TAX YIELD TO MATURITY OF THE CLASS A-IO6 AND CLASS A-IO7 CERTIFICATES AT THE FOLLOWING PERCENTAGES OF CPR

Price	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	45% CPR

* Less than (99.999%)

Based upon the above assumptions, at approximately __._% CPR (at an assumed purchase price of _._____% of the Class Notional Amount of the Class A-IO6 and Class A-IO7 Certificates, excluding accrued interest, but adding accrued interest to the price for purposes of calculating yield), the pre-tax yield to the Class A-IO6 and Class A-IO7 Certificates will be approximately, but not less than, 0%. If the rate of prepayments on the mortgage loans were to exceed such prepayment level for as little as one month, while equaling such level for all other months, the Class A-IO6 and Class A-IO7 Certificateholders would not fully recoup their initial investment.

PRE-TAX YIELD TO MATURITY OF THE CLASS A-IO8 CERTIFICATES AT THE FOLLOWING PERCENTAGES OF CPR

Price	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	45% CPR

Based upon the above assumptions, at approximately __._% CPR (at an assumed purchase price of _._____% of the Class Notional Amount of the Class A-IO8 Certificates, excluding accrued interest, but adding accrued interest to the price for purposes of calculating yield), the pre-tax yield to the Class A-IO8 Certificates will be approximately, but not less than, 0%. If the rate of prepayments on the mortgage loans were to exceed such prepayment level for as little as one month, while equaling such level for all other months, the Class A-IO8 Certificateholders would not fully recoup their initial investment.

PRE-TAX YIELD TO MATURITY OF THE CLASS A-IO9 AND CLASS A-IO10 CERTIFICATES AT THE FOLLOWING PERCENTAGES OF CPR

Price	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	45% CPR

Based upon the above assumptions, at approximately __._% CPR (at an assumed purchase price of _._____% of the Class Notional Amount of the Class A-IO9 and Class A-IO10 Certificates, excluding accrued interest, but adding accrued interest to the price for purposes of calculating yield), the pre-tax yield to the Class A-IO9 and Class A-IO10 Certificates will be approximately, but not less than, 0%. If the rate of prepayments on the mortgage loans were to exceed such prepayment level for as little as one month, while equaling such level for all other months, the Class A-IO9 and Class A-IO10 Certificateholders would not fully recoup their initial investment.

PRE-TAX YIELD TO MATURITY OF THE CLASS A-IO11 CERTIFICATES AT THE FOLLOWING PERCENTAGES OF CPR

Price	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	45% CPR

Based upon the above assumptions, at approximately __._% CPR (at an assumed purchase price of _._____% of the Class Notional Amount of the Class A-IO11 Certificates, excluding accrued interest, but adding accrued interest to the price for purposes of calculating yield), the pre-tax yield to the Class A-IO11 Certificates will be approximately, but not less than, 0%. If the rate of prepayments on the mortgage loans were to exceed such prepayment level for as little as one month, while equaling such level for all other months, the Class A-IO11 Certificateholders would not fully recoup their initial investment.

PRE-TAX YIELD TO MATURITY OF THE CLASS A-IO12 AND CLASS A-IO13 CERTIFICATES AT THE FOLLOWING PERCENTAGES OF CPR

Price	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	45% CPR

Based upon the above assumptions, at approximately __._% CPR (at an assumed purchase price of _._____% of the Class Notional Amount of the Class A-IO12 and Class A-IO13 Certificates, excluding accrued interest, but adding accrued interest to the price for purposes of calculating yield), the pre-tax yield to the Class A-IO12 and Class A-IO13 Certificates will be approximately, but not less than, 0%. If the rate of prepayments on the mortgage loans were to exceed such prepayment level for as little as one month, while equaling such level for all other months, the Class A-IO12 and Class A-IO13 Certificateholders would not fully recoup their initial investment.

PRE-TAX YIELD TO MATURITY OF THE CLASS A-IO14 CERTIFICATES AT THE FOLLOWING PERCENTAGES OF CPR

Price	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	45% CPR

Based upon the above assumptions, at approximately __._% CPR (at an assumed purchase price of _._____% of the Class Notional Amount of the Class A-IO14 Certificates, excluding accrued interest, but adding accrued interest to the price for purposes of calculating yield), the pre-tax yield to the Class A-IO14 Certificates will be approximately, but not less than, 0%. If the rate of prepayments on the mortgage loans were to exceed such prepayment level for as little as one month, while equaling such level for all other months, the Class A-IO14 Certificateholders would not fully recoup their initial investment.

PRE-TAX YIELD TO MATURITY OF THE CLASS A-IO15 AND CLASS A-IO16 CERTIFICATES AT THE FOLLOWING PERCENTAGES OF CPR

Price	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	45% CPR

Based upon the above assumptions, at approximately __._% CPR (at an assumed purchase price of _._____% of the Class Notional Amount of the Class A-IO15 and Class A-IO16 Certificates, excluding accrued interest, but adding accrued interest to the price for purposes of calculating yield), the pre-tax yield to the Class A-IO15 and Class A-IO16 Certificates will be approximately, but not less than, 0%. If the rate of prepayments on the mortgage loans were to exceed such prepayment level for as little as one month, while equaling such level for all other months, the Class A-IO15 and Class A-IO16 Certificateholders would not fully recoup their initial investment.

PRE-TAX YIELD TO MATURITY OF THE CLASS A-IO17 CERTIFICATES AT THE FOLLOWING PERCENTAGES OF CPR

Price	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	45% CPR

Based upon the above assumptions, at approximately __._% CPR (at an assumed purchase price of _._____% of the Class Notional Amount of the Class A-IO17 Certificates, excluding accrued interest, but adding accrued interest to the price for purposes of calculating yield), the pre-tax yield to the Class A-IO17 Certificates will be approximately, but not less than, 0%. If the rate of prepayments on the mortgage loans were to exceed such prepayment level for as little as one month, while equaling such level for all other months, the Class A-IO17 Certificateholders would not fully recoup their initial investment.

PRE-TAX YIELD TO MATURITY OF THE CLASS A-IO18 AND CLASS A-IO19 CERTIFICATES AT THE FOLLOWING PERCENTAGES OF CPR

Price	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	45% CPR

Based upon the above assumptions, at approximately __._% CPR (at an assumed purchase price of _._____% of the Class Notional Amount of the Class A-IO18 and Class A-IO19 Certificates, excluding accrued interest, but adding accrued interest to the price for purposes of calculating yield), the pre-tax yield to the Class A-IO18 and Class A-IO19 Certificates will be approximately, but not less than, 0%. If the rate of prepayments on the mortgage loans were to exceed such prepayment level for as little as one month, while equaling such level for all other months, the Class A-IO18 and Class A-IO19 Certificateholders would not fully recoup their initial investment.

PRE-TAX YIELD TO MATURITY OF THE CLASS A-IO20 AND CLASS A-IO23 CERTIFICATES AT THE FOLLOWING PERCENTAGES OF CPR

Price	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	45% CPR

Based upon the above assumptions, at approximately __._% CPR (at an assumed purchase price of _._____% of the Class Notional Amount of the Class A-IO20 and Class A-IO23 Certificates, excluding accrued interest, but adding accrued interest to the price for purposes of calculating yield), the pre-tax yield to the Class A-IO20 and Class A-IO23 Certificates will be approximately, but not less than, 0%. If the rate of prepayments on the mortgage loans were to exceed such prepayment level for as little as one month, while equaling such level for all other months, the Class A-IO20 and Class A-IO23 Certificateholders would not fully recoup their initial investment.

PRE-TAX YIELD TO MATURITY OF THE CLASS A-IO21 AND CLASS A-IO22 CERTIFICATES AT THE FOLLOWING PERCENTAGES OF CPR

Price	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	45% CPR

Based upon the above assumptions, at approximately __._% CPR (at an assumed purchase price of _._____% of the Class Notional Amount of the Class A-IO21 and Class A-IO22 Certificates, excluding accrued interest, but adding accrued interest to the price for purposes of calculating yield), the pre-tax yield to the Class A-IO21 and Class A-IO22 Certificates will be approximately, but not less than, 0%. If the rate of prepayments on the mortgage loans were to exceed such prepayment level for as little as one month, while equaling such level for all other months, the Class A-IO21 and Class A-IO22 Certificateholders would not fully recoup their initial investment.

PRE-TAX YIELD TO MATURITY OF THE CLASS A-IO24 AND CLASS A-IO25 CERTIFICATES AT THE FOLLOWING PERCENTAGES OF CPR

Price	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	45% CPR

Based upon the above assumptions, at approximately __._% CPR (at an assumed purchase price of _._____% of the Class Notional Amount of the Class A-IO24 and Class A-IO25 Certificates, excluding accrued interest, but adding accrued interest to the price for purposes of calculating yield), the pre-tax yield to the Class A-IO24 and Class A-IO25 Certificates will be approximately, but not less than, 0%. If the rate of prepayments on the mortgage loans were to exceed such prepayment level for as little as one month, while equaling such level for all other months, the Class A-IO24 and Class A-IO25 Certificateholders would not fully recoup their initial investment.

PRE-TAX YIELD TO MATURITY OF THE CLASS A-IO26 CERTIFICATES AT THE FOLLOWING PERCENTAGES OF CPR

Price	5% CPR	10% CPR	15% CPR	20% CPR	25% CPR	30% CPR	35% CPR	45% CPR

Based upon the above assumptions, at approximately __._% CPR (at an assumed purchase price of _._____% of the Class Notional Amount of the Class A-IO26 Certificates, excluding accrued interest, but adding accrued interest to the price for purposes of calculating yield), the pre-tax yield to the Class A-IO26 Certificates will be approximately, but not less than, 0%. If the rate of prepayments on the mortgage loans were to exceed such prepayment level for as little as one month, while equaling such level for all other months, the Class A-IO26 Certificateholders would not fully recoup their initial investment.

The pre-tax yields set forth in the preceding tables were calculated by determining the monthly discount rates which, when applied to the assumed streams of cash flows to be paid on the Class A-IO1, Class A-IO2, Class A-IO3, Class A-IO4, Class A-IO5, Class A-IO6, Class A-IO7, Class A-IO8, Class A-IO9, Class A-IO10, Class A-IO11, Class A-IO12, Class A-IO13, Class A-IO14, Class A-IO15, Class A-IO16, Class A-IO17, Class A-IO18, Class A-IO19, Class A-IO20, Class A-IO21, Class A-IO22, Class A-IO23, Class A-IO24, Class A-IO25 and Class A-IO26 Certificates would cause the discounted present value of such assumed stream of cash flows to equal the assumed purchase prices (plus accrued interest), and converting such monthly rates to CBE rates.

USE OF PROCEEDS

The depositor will use the net proceeds of the issuance of the certificates to purchase the mortgage loans from the seller. Expenses incurred by the depositor in connection with this offering, excluding any underwriting discount, are expected to be approximately $900,000 ($250,000 of which expenses were incurred in connection with the selection and acquisition of the mortgage loans and other assets of the issuing entity).

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES

Investors should review the information set forth in this section together with the information in the section "*Material Federal Income Tax Consequences*" in the offering memorandum. Investors should be aware that the information contained herein and therein was not written for the purpose of, and so may not be relied upon to, avoid any income tax penalties that otherwise may be imposed with respect to the offered certificates. Investors are encouraged to seek advice from their own tax advisors.

General

For U.S. federal income tax purposes, the issuing entity will consist of a pool of assets for which two or more elections will be made to treat such pool as a "real estate mortgage investment conduit" (or "REMIC") within the meaning of Section 860D of the Internal Revenue Code of 1986 (as amended, the "Code"). The Class R Certificates will evidence ownership of the "residual interest" in the upper-tier REMIC. The Class LT-R Certificates will evidence ownership of the residual interest in each remaining REMIC formed pursuant to the pooling and servicing agreement. The offered certificates, other than the Initial Exchangeable Certificates and the Exchangeable Certificates, will represent ownership of a beneficial interest in one of the REMIC regular interests in the upper-tier REMIC and, as further described in the next paragraph, the Initial Exchangeable Certificates and the Exchangeable Certificates will represent ownership of a beneficial interest in a grantor trust that owns REMIC regular interests that correspond to the Initial Exchangeable Certificates. Accordingly, prospective investors should review "*Material Federal Income Tax Consequences—REMIC Securities*" in the offering memorandum.

The arrangement pursuant to which each class of Initial Exchangeable Certificates and Exchangeable Certificates is created and administered (referred to herein as an "exchangeable subtrust") will be classified as a grantor trust for U.S. federal income tax purposes. The exchangeable subtrust will hold REMIC regular interests that correspond to the Initial Exchangeable Certificates. The Initial Exchangeable Certificates and the Exchangeable Certificates will represent beneficial ownership of one or more REMIC regular interests held by the exchangeable subtrust.

Tax Treatment of the Offered Certificates

A holder of an offered certificate that is not an Initial Exchangeable Certificate or an Exchangeable Certificate will be treated for tax purposes as holding an undivided interest in a single REMIC regular interest corresponding to that certificate. Consequently, each beneficial owner of such a certificate will be required to report income accruing with respect to that certificate as discussed under "*Material Federal Income Tax Consequences—REMIC Securities—Taxation of Regular Interest Securities*" in the offering memorandum.

For U.S. federal income tax purposes, the offered certificates, as regular interests in a REMIC, are treated as debt instruments issued by the REMIC on the date on which those interests are created, and not as ownership interests in the REMIC or its assets. Owners of such certificates that otherwise report income under a cash method of accounting will be required to report income with respect to those certificates under an accrual method of accounting.

Tax Treatment of Initial Exchangeable Certificates and Exchangeable Certificates

An Initial Exchangeable Certificate or an Exchangeable Certificate represents beneficial ownership of one or more of the REMIC regular interests held by the exchangeable subtrust. A purchaser must allocate its basis in a certificate among the interests in the classes of certificates in the subtrust in accordance with their relative fair market values as of the time of acquisition. Similarly, on the sale of such certificate, the holder must allocate the amount received on the sale among the interests in the classes of certificates in the subtrust in accordance with their relative fair market values as of the time of sale.

The holder of an Initial Exchangeable Certificate or an Exchangeable Certificate must account separately for each REMIC regular interest that comprises such certificate and should account for such interest as described above under "*Tax Treatment of Offered Certificates*."

An exchange of an interest in one or more Initial Exchangeable Certificates for an interest in one or more Exchangeable Certificates, or *vice versa*, is not a taxable exchange. After the exchange, the holder is treated as continuing to own the interests in the REMIC regular interests that it beneficially owned immediately before the exchange.

Under the OID Regulations, if two or more debt instruments are issued in connection with the same transaction or related transactions (determined based on all the facts and circumstances), those debt instruments are treated as a single debt instrument for purposes of the provisions of the Code applicable to OID, unless an exception applies. Under this rule, if an Initial Exchangeable Certificate or an Exchangeable Certificate represents beneficial ownership of two or more REMIC regular interests, those REMIC regular interests could be treated as a single debt instrument for OID purposes. In addition, if the two or more REMIC regular interests underlying an Initial Exchangeable Certificate or an Exchangeable Certificate were aggregated for OID purposes and a beneficial owner of such Certificate were to (i) exchange that Certificate for the related underlying REMIC regular interests, (ii) sell one of those related REMIC regular interests and (iii) retain one or more of the remaining related REMIC regular interests, the beneficial owner might be treated as having engaged in a "coupon stripping" or "bond stripping" transaction within the meaning of Section 1286 of the Code. Under Section 1286 of the Code, a beneficial owner of an Initial Exchangeable Certificate or an Exchangeable Certificate that engages in a coupon stripping or bond stripping transaction must allocate its basis in the original Certificate between the related underlying REMIC regular interest sold and the related underlying REMIC regular interest retained in proportion to their relative fair market values as of the date of the stripping transaction. The beneficial owner then must recognize gain or loss on the underlying REMIC regular interest sold using its basis allocable to those REMIC regular interests. Also, the beneficial owner then must treat the REMIC regular interests underlying the Initial Exchangeable Certificate or the Exchangeable Certificate retained as a newly issued debt instrument that was purchased for an amount equal to the beneficial owner's basis allocable to those REMIC regular interests. Accordingly, the beneficial owner must accrue interest and OID with respect to the REMIC regular interests retained based on the beneficial owner's basis in those REMIC regular interests.

As a result, when compared to treating each REMIC regular interest underlying an Initial Exchangeable Certificate or an Exchangeable Certificate as a separate debt instrument, aggregating the REMIC regular interests underlying such Certificate could affect the timing and character of income recognized by a beneficial owner of an Initial Exchangeable Certificate or an Exchangeable Certificate. Moreover, if Section 1286 of the Code were to apply to a beneficial owner of an Initial Exchangeable Certificate or an Exchangeable Certificate, much of the information necessary to perform the related calculations for information reporting purposes generally would not be available to the securities administrator. Because it may not be clear whether the aggregation rule in the OID Regulations applies to the Initial Exchangeable Certificates or to the Exchangeable Certificates and due to the securities administrator's lack of information necessary to report computations that might be required by Section 1286 of the Code, the securities administrator intends to treat each REMIC regular interest underlying an Initial Exchangeable Certificate or an Exchangeable Certificate as a separate debt instrument for information reporting purposes. Prospective investors should note that, if the two or more REMIC regular interests underlying an Initial Exchangeable Certificate or an Exchangeable Certificate were aggregated, the timing of accruals of OID applicable to an Initial Exchangeable Certificate or an Exchangeable Certificate could be different than that reported to holders and the IRS. You should consult your own tax advisor regarding any possible tax consequences to you if the IRS were to assert that the REMIC regular interests underlying your Initial Exchangeable Certificates or your Exchangeable Certificates should be aggregated for OID purposes.

Foreign Trust Reporting Requirement

If a foreign person (as defined in the offering memorandum) acquires an Initial Exchangeable Certificate or an Exchangeable Certificate, the issuing entity may be treated as a foreign trust for U.S. federal income tax purposes. If the issuing entity is treated as a foreign trust, a beneficial owner of an Initial Exchangeable Certificate or an Exchangeable Certificate that is a U.S. Person (as defined in the offering memorandum) will be required to report any transfer of money or property to the issuing entity on IRS Form 3520 and to file IRS Form 3520 on annual basis. In addition, in that case, a beneficial owner of an Initial Exchangeable Certificate or an Exchangeable Certificate that is a U.S. Person will also be responsible for ensuring that the issuing entity files IRS Form 3520-A and provides certain annual statements to all beneficial owners of the Initial Exchangeable Certificate and the Exchangeable Certificate. A U.S. Person that fails to comply with the foregoing reporting requirements will be subject to significant penalties.

In addition, U.S. Persons that are individuals who own "specified foreign financial assets" with an aggregate value in excess of $50,000 on the last day of the taxable year (or with an aggregate value in excess of $75,000 at any time during the taxable year), will generally be required to file an information report on IRS Form 8938 with respect to such assets with their U.S. federal income tax returns. "Specified foreign financial assets" include any financial accounts maintained by foreign financial institutions, as well as any of the following, but only if they are held for investment and not held in accounts maintained by financial institutions: (i) stocks and securities issued by foreign persons, (ii) financial instruments and contracts that have non-United States issuers or counterparties, and (iii) interests in foreign entities. U.S. Persons that are individuals are urged to consult their tax advisors regarding the application of this reporting requirement to their ownership of Offered Certificates.

Original Issue Discount

The Interest-only Certificates will, and the remaining classes of offered certificates may, be treated as having been issued with OID. A beneficial owner of such an offered certificate must include any OID with respect to such certificate in income as it accrues using a constant yield method, regardless of whether the beneficial owner receives currently the cash attributable to such OID. We refer you to "*Material Federal Income Tax Consequences—Taxation of Debt Securities Generally—Original Issue Discount*" in the offering memorandum. The prepayment assumption that will be used for purposes of computing OID, market discount or premium, if any, for U.S. federal income tax purposes is a CPR of 15% per annum. No representation is made that the mortgage loans will, in fact, prepay at this rate or any other rate.

Information Reporting

The securities administrator will furnish or make available, within a reasonable time after the end of each calendar year, to each person who held an offered certificate at any time during the year, the information required by applicable rules to assist the holders in preparing their U.S. federal income tax returns, or to enable holders to make the information available to beneficial owners or financial intermediaries that hold the certificates on behalf of beneficial owners.

Foreign Account Tax Compliance Act

A holder of the offered certificates that is not a "United States person" within the meaning of Section 7701(a)(30) of the Code should be aware of legislation commonly known as FATCA and related administrative guidance that impose a 30% United States withholding tax on certain payments (including interest payments in respect of offered certificates and gross proceeds, including the return of principal, from the sale or other disposition, including redemptions, of offered certificates (subject to the caveat below)) made to a non-United States entity that fails to take required steps to provide information regarding its "United States accounts" or its direct or indirect "substantial United States owners," as applicable, or to certify that it has no such accounts or owners. Various exceptions are provided under the legislation and related administrative guidance. Notwithstanding the foregoing, the IRS has issued proposed regulations, upon which taxpayers may generally rely, that exclude gross proceeds from the sale or other disposition of the offered certificates from the application of the withholding tax imposed under FATCA. Foreign investors should consult their own tax advisors regarding the application and impact of FATCA based upon their particular circumstances. The trust will not be obligated to pay any additional amounts to "gross up" payments to the certificateholders or beneficial owners of the offered certificates as a result of any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or government charges with respect to payments in respect of the offered certificates.

Medicare Tax

A certificateholder that is a United States person within the meaning of Section 7701(a)(30) of the Code that is an individual or estate, or a trust that does not fall into a special class of trusts that is exempt from such tax, is subject to a 3.8% "Medicare tax" on the lesser of (1) the certificateholder's "net investment income" for the relevant taxable year and (2) the excess of the certificateholder's modified gross income for the taxable year over a certain threshold. Such certificateholder's "net investment income" may generally include, among other items, certain interest, dividends, gain, and other types of income from investments, *minus* the allowable deductions that are properly allocable to that gross income or net gain. A certificateholder that is a United States person that is an individual, estate or trust should consult its tax advisor regarding the applicability of the Medicare tax to certain payments on the offered certificates.

Partnership Audit Rules

Partnership audit rules apply to entities treated as partnerships, their partners and the persons that are authorized to represent entities treated as partnerships in IRS audits and related procedures. These rules also apply to REMICs, the holders of their residual interests and the persons authorized to represent REMICs in IRS audits and related procedures.

Under these provisions, (1) unless a REMIC elects otherwise, taxes arising from IRS audit adjustments are required to be paid by the REMIC rather than by its residual interest holders, (2) a REMIC appoints one person to act as its sole representative in connection with IRS audits and related procedures and that representative's actions, including agreeing to adjustments to REMIC taxable income, will be binding on residual interest holders more so than a TMP's actions under the current rules and (3) if the IRS makes an adjustment to a REMIC's taxable year, the holders of residual interests for the audited taxable year may have to take the adjustment into account for the taxable year in which the adjustment is made rather than for the audited taxable year.

The parties responsible for the tax administration of the REMICs described herein will have the authority to utilize, and intend to utilize, any exceptions available under these provisions (including any changes) and IRS regulations so that a REMIC's residual interest holders, to the fullest extent possible, rather than the REMIC itself, will be liable for any taxes arising from audit adjustments to the REMIC's taxable income. It is unclear how any such elections may affect the procedural rules available to challenge any audit adjustment that would otherwise be available in the absence of any such elections. Residual interest holders should discuss with their own tax advisors the possible effect of these rules on them.

Other Matters

If a mortgage loan becomes subject to an eminent domain proceeding as described under "*The Agreements—Obligations in Respect of Proposed Eminent Domain Mortgage Loan Acquisition*" above, and the mortgage loan is sold as a result of such proceeding, the proceeds, if any, that are realized in excess of the REMIC's tax basis in such mortgage loan would be subject to a 100% prohibited transaction tax, unless the sale is incident to the foreclosure, default or imminent default of the mortgage loan.

ERISA CONSIDERATIONS

A fiduciary of any Plan, any insurance company, whether through its general or separate accounts, or any other person investing ERISA "plan assets" of any Plan, as defined under "*ERISA Considerations*" in the offering memorandum, should carefully review with its legal advisors whether the purchase or holding of offered certificates could give rise to a transaction prohibited or not otherwise permissible under ERISA or Section 4975 of the Code. With respect to each class of offered certificates that Wells Fargo Securities underwrites or places, the purchase or holding of the offered certificates (other than the Class B-4 and the Class B-5 Certificates) that are underwritten or placed by Wells Fargo Securities or Stifel by or on behalf of, or with ERISA "plan assets" of, a Plan may qualify for exemptive relief under a prohibited transaction exemption granted by the U.S. Department of Labor (or "DOL") as most recently amended under Prohibited Transaction Exemption (or "PTE") 2013-08, as amended (the "Underwriter

Exemption”), as described under “*ERISA Considerations*” in the offering memorandum, *provided* that those certificates are rated at least “BBB-” (or its equivalent) by at least one NRSRO that meets the requirements of the Underwriter Exemption (an “Exemption Rating Agency” and the “ERISA Minimum Rating Requirement”). Among the requirements that an NRSRO must meet in order to be an Exemption Rating Agency is the requirement that within a period not exceeding twelve months prior to the initial issuance of the securities to be purchased or held by Plans, the NRSRO must have had at least three “qualified ratings engagements.” A “qualified ratings engagement” is (i) one requested by an issuer or underwriter of securities in connection with the initial offering of the securities; (ii) for which the NRSRO is compensated for providing ratings; (iii) made public to investors generally; and (iv) involves the offering of securities of the type that would be granted relief by the Underwriter Exemption. The Underwriter Exemption contains a number of other conditions which must be met for the Underwriter Exemption to apply, including the requirement that any Plan must be an “accredited investor” as defined in Rule 501(a)(1) of Regulation D under the Securities Act (an “Accredited Investor”).

The depositor expects that the general conditions of the Underwriter Exemption, other than those solely within the control of each investor, should be satisfied with respect to those offered certificates (other than the Class B-4 and the Class B-5 Certificates) that are underwritten or placed by the initial purchasers so that the Underwriter Exemption should provide an exemption from the application of the prohibited transaction provisions of Sections 406(a) and (b) of ERISA and Section 4975(c) of the Code, for transactions in connection with purchase, holding and resale of the offered certificates and the servicing, management and operation of the mortgage pool. If the rating of an offered certificate (other than the Class B-4 and the Class B-5 Certificates) that was eligible to be purchased pursuant to the Underwriter Exemption declines below the ERISA Minimum Rating Requirement, such offered certificate will no longer be eligible for relief under the Underwriter Exemption (although a Plan Investor that had purchased such certificate when it met the ERISA Minimum Rating Requirement would not be required by the Underwriter Exemption to dispose of the certificate).

The Class B-4 and the Class B-5 Certificates are not eligible to be purchased under the Underwriter Exemption because such certificates do not meet the ERISA Minimum Rating Requirement.

However, an offered certificate, including a Class B-4 or a Class B-5 Certificate, that does not meet the ERISA Minimum Rating Requirement may be eligible for purchase by a Plan Investor that is an insurance company using an insurance company general account as defined in Section V(e) of Prohibited Transaction Class Exemption (“PTCE”) 95-60, pursuant to Sections I and III of PTCE 95-60. In addition, unless an offered certificate, including a Class B-4 or a Class B-5 Certificate, is underwritten or placed by the initial purchasers on the closing date or thereafter underwritten or placed by the initial purchasers or another underwriter that has obtained an individual prohibited transaction exemption similar to the Underwriter Exemption (a “Similar Underwriter Exemption”), an offered certificate will not be eligible to be purchased under the Underwriter Exemption, a Similar Underwriter Exemption or PTCE 95-60.

Each beneficial owner of offered certificates or any interest therein will be deemed to have represented, by virtue of its acquisition or holding of the offered certificates or interests therein, that either (i) it is not a Plan Investor; or (ii) if it is a Plan Investor and the offered certificates have been underwritten or placed by the initial purchasers on the closing date or as of a later acquisition date by the initial purchasers under the Underwriter Exemption or by another underwriter or placement agent under a Similar Underwriter Exemption: either (X) if the certificates are rated at the time of acquisition not lower than the ERISA Minimum Rating, the holder and transferee of the certificates is an Accredited Investor or (Y) if the certificates do not satisfy the ERISA Minimum Rating Requirement at the time of acquisition, the holder or transferee is an “insurance company general account” (as defined in Section V(e) of PTCE 95-60) and the conditions set forth in Sections I and III of PTCE 95-60 have been satisfied with respect to the acquisition and holding of the certificates.

When the holder of initial exchangeable certificates that are or were eligible to be acquired under the Underwriter Exemption or a Similar Underwriter Exemption exchanges all or part of such initial exchangeable certificates for a proportionate interest in the related exchangeable certificate(s), or vice versa, such certificate(s) received in the exchange may only be acquired (i) by a Plan Investor, *provided* that the ERISA Minimum Rating Requirement is met at that time with respect to the certificate(s) being acquired in the exchange or (ii) by a Plan Investor that is an insurance company which is acquiring such certificates(s) with funds contained in an “insurance company general account” (as defined in Section V(e) of PTCE 95-60) and the acquisition and holding of such certificate(s) are covered under Sections I and III of PTCE 95-60. If the requirements of either clause (i) or (ii) are not satisfied with respect to all or a portion of the certificate(s) received in an exchange, such certificate(s) must be simultaneously transferred to a person that is not a Plan Investor.

Any fiduciary or other investor of ERISA "plan assets" that proposes to acquire or hold the offered certificates on behalf of or with ERISA "plan assets" of any Plan should consult with its counsel with respect to (i) whether the specific and general conditions and the other requirements in the Underwriter Exemption, a Similar Underwriter Exemption or PTCE 95-60 would be satisfied, or whether any other prohibited transaction exemption would apply, and (ii) the potential applicability of the general fiduciary responsibility provisions of ERISA and the prohibited transaction provisions of ERISA and Section 4975 of the Code to the proposed investment. See "*ERISA Considerations*" in the offering memorandum.

The sale of any of the offered certificates to a Plan is in no respect a representation by the depositor or the initial purchasers that such an investment meets all relevant legal requirements relating to investments by Plans generally or any particular Plan, or that such an investment is appropriate for Plans generally or any particular Plan.

METHOD OF DISTRIBUTION

The offered certificates may be offered and sold only to Qualified Institutional Buyers pursuant to Rule 144A or to Non-U.S. Persons pursuant to Regulation S. Investors will be required to make or will be deemed to make certain representations with respect to their ability to invest in the offered certificates as described under "*Notice to Investors*."

Subject to the terms and conditions set forth in a certificate purchase agreement among the depositor, the seller, Redwood Trust, Inc., RWT Holdings, Inc. and Wells Fargo Securities and Stifel (the "initial purchasers"), the depositor has agreed to sell to the initial purchasers and the initial purchasers have agreed to purchase from the depositor, the offered certificates other than any offered certificates retained by the sponsor or one or more of its affiliates on the Closing Date (such purchased offered certificates, the "Purchased Certificates"). With respect to any Purchased Certificates to be allocated to and purchased by Stifel, Wells Fargo Securities will initially purchase such Purchased Certificates from the depositor and transfer them to Stifel.

The initial purchasers have agreed to use their best efforts to identify investors, and will be obligated to purchase from the depositor only the agreed upon allocated portion of the offered certificates, for which investors are ready, willing and able to purchase from the initial purchasers on the Closing Date as further set forth in the certificate purchase agreement. The depositor will pay to Wells Fargo Securities and Stifel a placement fee based on the Certificates actually purchased by Wells Fargo Securities and Stifel, respectively, in an amount generally not in excess of 0.2500000% of the Class Principal Amount of any P&I Certificates purchased by each such initial purchaser or 0.0078125% of the Class Notional Amount of any Interest-only Certificates purchased by each such initial purchaser. No placement fee will be payable in connection with any Certificates retained by the sponsor or one or more of its affiliates.

Distribution of the Purchased Certificates will be made by the initial purchasers from time to time in negotiated transactions or otherwise at varying prices to be determined at the time of sale. Investors in any class of the certificates offered by the initial purchasers should expect that they may pay a price for their certificates that is higher than the price paid by the initial purchasers to the depositor. Any such excess will be compensation to the initial purchasers.

After the time a price for a class is first determined, the depositor may request that the initial purchasers continue to use their best efforts to identify investors to purchase any remaining offered certificates at varying prices to be determined in each case at the time of sale. As a result, the purchase price paid by investors may change after the initial time of sale and may be higher or lower than the price paid by investors in the same class of offered certificates whose price was determined at a different time of sale.

The initial purchasers may effect these transactions by selling the Purchased Certificates to or through dealers, and those dealers may receive compensation in the form of discounts, concessions or commissions from the initial purchasers for whom they act as agent. In connection with the sale of the Purchased Certificates, the initial purchasers may be deemed to have received compensation from the depositor in the form of discounts, concessions or commissions from the issuing entity.

The offered certificates are being offered only in transactions exempt from the registration requirements of the Securities Act as set forth under "*Notice to Investors*." The offered certificates have not been registered under the Securities Act or registered or qualified under any applicable state securities laws, and neither the depositor nor any other person is required to so register or qualify the offered certificates or to provide registration rights to any investor therein.

The initial purchasers intend to make a secondary market for the Purchased Certificates, but have no obligation to do so. There can be no assurance that a secondary market for those certificates will develop or, if it does develop, that it will continue or that it will provide certificateholders with a sufficient level of liquidity of investment. The certificates will not be listed on any national securities exchange.

The depositor, the seller and Redwood Trust, Inc. have agreed to indemnify the initial purchasers against, or make contributions to the initial purchasers with respect to, certain liabilities, including liabilities under the Securities Act of 1933, as amended.

The Class A-IO-S Certificates, together with any unsold offered certificates, will be purchased by the sponsor or one or more of its affiliates. While the sponsor generally intends to sell the offered certificates, market conditions may result in a substantial portion of the offered certificates being purchased by the sponsor or one or more of its affiliates. In addition, the sponsor or one or more of its affiliates may elect to purchase certain certificates for reasons related to market conditions or otherwise. These certificates may be offered by the depositor from time to time directly or through an initial purchaser or another party in one or more negotiated transactions, or otherwise, at varying prices to be determined at the time of sale.

Proceeds to the depositor from any sale of any of the certificates will equal the purchase price paid by their purchaser, net of any expenses payable by the depositor.

EEA Selling Restrictions

Each initial purchaser has represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any certificates which are the subject of this offering memorandum supplement to any EU retail investor in the European Economic Area ("EEA"). For the purposes of this provision:

(a) the expression "EU retail investor" means a person who is one (or more) of the following: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation"); and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the certificates to be offered so as to enable an investor to decide to purchase or subscribe the certificates.

UK Selling Restrictions

Each initial purchaser has represented and agreed that (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated, in the United Kingdom, an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of the certificates in circumstances in which Section 21(1) of the FSMA does not apply to the issuing entity; and (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done or to be done by it in relation to the certificates in, from or involving the United Kingdom.

Each initial purchaser has also represented and agreed that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any certificates which are the subject of this offering memorandum supplement to any UK retail investor in the United Kingdom. For the purposes of this provision:

(a) the expression "UK retail investor" means a person who is one (or more) of the following: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the domestic law of the United Kingdom by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the United Kingdom by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of the domestic law of the United Kingdom by virtue of the EUWA; and

(b) the expression "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the certificates to be offered so as to enable an investor to decide to purchase or subscribe the certificates.

LEGAL MATTERS

Certain matters with respect to the certificates including certain U.S. federal income tax matters will be passed upon for the issuing entity by Morgan, Lewis & Bockius LLP, Washington, D.C. The validity of the certificates will be passed upon for the issuing entity by Weintraub Tobin Chediak Coleman Grodin Law Corporation, San Francisco, California. Hunton Andrews Kurth LLP, New York, New York, will act as counsel for the initial purchasers.

RATINGS

It is a condition of issuance of the offered certificates that they receive at least the credit ratings, if any, set forth in the table beginning on page S-1 of this offering memorandum supplement from Fitch and KBRA (the "hired NRSROs").

The ratings of the Senior Certificates by the hired NRSROs address the likelihood of the ultimate payment of principal (if applicable) and the timely payment of interest on such offered certificates, and the ratings on the Subordinate Certificates that are rated by the hired NRSROs address the likelihood of the ultimate payment of principal (if applicable) on such certificates.

The ratings assigned by each hired NRSRO do not constitute a statement regarding frequency of prepayments of the mortgage loans. The ratings of each hired NRSRO do not address the possibility that, as a result of principal prepayments, certificateholders may receive a lower than anticipated yield.

The ratings assigned to the certificates should be evaluated independently from similar ratings on other types of securities. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the hired NRSROs.

In light of the continuing impact of the COVID-19 Outbreak, it is possible that the rating agencies could revise their models and ratings methodology (including their ratings or outlooks with respect to the various transaction parties) and, following the closing date, downgrade, qualify or withdraw their ratings on certain classes of certificates that were not subject to such revised models or methodology as part of the initial ratings process.

The issuing entity is not requesting a rating of the certificates by any rating agency other than the hired NRSROs referred to above; there can be no assurance, however, as to whether any other rating agency will rate the certificates or, if it does, what rating would be assigned by such other rating agency. The rating assigned by such other rating agency to the certificates could be lower than the ratings assigned by the hired NRSROs.

In preparing for the offering of the certificates, the sponsor engaged Fitch and KBRA to assign ratings on the offered certificates. Accordingly, the sponsor executed an engagement letter with each hired NRSRO, setting forth the terms on which the hired NRSROs would provide such ratings.

Although the engagement letter with each hired NRSRO states that its fees are not contingent upon the issuance of the certificates, if the certificates are not issued under certain circumstances a portion of the fees of each hired NRSRO may not be payable. In addition, the fees paid to each hired NRSRO at closing include a fee for ongoing surveillance by each hired NRSRO for so long as the certificates are outstanding. However, the hired NRSROs are under no obligation to continue to monitor or provide a rating on the certificates.

GLOSSARY OF DEFINED TERMS

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ANNEX A – CERTAIN CHARACTERISTICS OF THE MORTGAGE LOANS

The mortgage loans are expected to have the following approximate aggregate characteristics as of the cut-off date. Prior to the issuance of the certificates, mortgage loans may be removed from the trust fund as a result of incomplete documentation or otherwise, if the depositor deems such removal necessary or appropriate.

Set forth below is a description of certain additional characteristics of the mortgage loans as of the cut-off date (except as otherwise indicated). All percentages or weighted averages of the mortgage loans are approximate percentages or weighted averages by stated principal balance as of the cut-off date (except as otherwise indicated). In some instances, percentages may not add to 100% due to rounding.

For the avoidance of doubt, if the FICO score obtained by the applicable originator was obtained more than six months prior to the cut-off date, the Sponsor obtained a refreshed FICO score for such mortgage loan.

COLLATERAL SUMMARY

Statistics for the Mortgage Loans listed below are based on Stated Principal Balances as of the Cut-off Date.

		Minimum	Maximum
Stated Principal Balance:	$332,596,979.33	$98,011.52	$1,993,555.50
Number of Mortgage Loans:	355		
30 Year Fixed Rate Percentage:	99.67%		
Average Stated Principal Balance:	$936,892.90		
Weighted Average Gross Mortgage Rate:	5.306%	2.875%	8.000%
Weighted Average Seasoning:	6 Months	1 Month	14 Months
Weighted Average Original LTV Ratio:	72.31%	20.35%	90.00%
Weighted Average Original Combined LTV Ratio:	72.52%	20.35%	90.00%
Weighted Average Original Credit Score:	765	663	820
Weighted Average Original Debt-to-Income Ratio:	36.81%	4.35%	49.99%
Weighted Average Original Term to Maturity:	360 Months	300 Months	360 Months
Weighted Average Remaining Term to Maturity:	354 Months	298 Months	359 Months
First Lien Percentage at Origination:	100.00%		
Mortgage Loans with Seconds at Origination:	1.96%		

PRODUCT TYPE OF THE MORTGAGE LOANS								
Product Type	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
Fixed - 30 Year	354	331,489,894.57	99.67	936,412.13	5.302	765	72.30	72.51
Fixed - 25 Year	1	1,107,084.76	0.33	1,107,084.76	6.625	809	75.00	75.00
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

STATED PRINCIPAL BALANCES OF THE MORTGAGE LOANS AT ORIGINATION								
Range of Original Stated Principal Balances ($)	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
100,000.01 to 200,000.00	1	161,504.66	0.05	161,504.66	5.375	791	80.00	80.00
200,000.01 to 300,000.00	1	287,499.01	0.09	287,499.01	4.500	777	75.00	75.00
400,000.01 to 500,000.00	1	463,701.05	0.14	463,701.05	6.375	782	60.00	60.00
500,000.01 to 600,000.00	3	1,580,602.91	0.48	526,867.64	5.589	732	78.12	78.12
600,000.01 to 700,000.00	32	21,305,287.56	6.41	665,790.24	5.293	779	69.81	69.81
700,000.01 to 800,000.00	84	61,421,908.58	18.47	731,213.20	5.288	766	73.10	73.10
800,000.01 to 900,000.00	53	42,499,288.51	12.78	801,873.37	5.191	761	72.68	72.95
900,000.01 to 1,000,000.00	60	56,179,385.06	16.89	936,323.08	5.318	761	71.43	71.52
1,000,000.01 to 1,100,000.00	27	27,189,571.35	8.17	1,007,021.16	5.211	768	72.78	72.78
1,100,000.01 to 1,200,000.00	31	34,762,383.34	10.45	1,121,367.20	5.373	775	78.92	78.92
1,200,000.01 to 1,300,000.00	20	24,710,560.37	7.43	1,235,528.02	5.345	753	70.39	70.39
1,300,000.01 to 1,400,000.00	20	26,868,430.41	8.08	1,343,421.52	5.247	760	75.15	75.15
1,400,000.01 to 1,500,000.00	13	18,986,999.50	5.71	1,460,538.42	5.672	761	66.62	69.12
1,500,000.01 to 1,600,000.00	2	3,153,386.18	0.95	1,576,693.09	5.752	768	62.03	62.03
1,700,000.01 to 1,800,000.00	3	5,247,994.80	1.58	1,749,331.60	5.247	771	69.79	69.79
1,800,000.01 to 1,900,000.00	1	1,881,123.47	0.57	1,881,123.47	5.625	774	75.00	75.00
1,900,000.01 to 2,000,000.00	3	5,897,352.57	1.77	1,965,784.19	4.855	775	57.32	57.79
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

The average stated principal balance of the mortgage loans at origination was approximately $959,874.

STATED PRINCIPAL BALANCES OF THE MORTGAGE LOANS AS OF THE CUT-OFF DATE								
Range of Stated Principal Balances ($)	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
75,000.01 to 100,000.00	1	98,011.52	0.03	98,011.52	4.500	777	79.99	79.99
100,000.01 to 200,000.00	3	509,813.17	0.15	169,937.72	4.889	806	80.00	80.00
200,000.01 to 300,000.00	1	287,499.01	0.09	287,499.01	4.500	777	75.00	75.00
300,000.01 to 400,000.00	1	313,008.96	0.09	313,008.96	4.875	800	69.90	69.90
400,000.01 to 500,000.00	2	869,776.03	0.26	434,888.02	6.025	778	69.33	69.33
500,000.01 to 600,000.00	7	3,835,328.47	1.15	547,904.07	5.471	766	75.99	78.99
600,000.01 to 700,000.00	38	25,406,905.14	7.64	668,602.77	5.269	774	71.46	71.46
700,000.01 to 800,000.00	82	60,829,297.73	18.29	741,820.70	5.259	767	73.19	73.19
800,000.01 to 900,000.00	45	37,998,018.10	11.42	844,400.40	5.228	758	72.14	72.14
900,000.01 to 1,000,000.00	58	55,443,122.87	16.67	955,915.91	5.325	761	71.32	71.41
1,000,000.01 to 1,100,000.00	26	27,183,171.67	8.17	1,045,506.60	5.208	769	72.35	72.35
1,100,000.01 to 1,200,000.00	31	35,473,405.54	10.67	1,144,303.40	5.317	771	77.68	77.68
1,200,000.01 to 1,300,000.00	19	23,609,871.20	7.10	1,242,624.80	5.458	754	72.04	72.04
1,300,000.01 to 1,400,000.00	19	25,572,893.40	7.69	1,345,941.76	5.227	761	74.91	74.91
1,400,000.01 to 1,500,000.00	13	18,986,999.50	5.71	1,460,538.42	5.672	761	66.62	69.12
1,500,000.01 to 1,600,000.00	2	3,153,386.18	0.95	1,576,693.09	5.752	768	62.03	62.03
1,700,000.01 to 1,800,000.00	3	5,247,994.80	1.58	1,749,331.60	5.247	771	69.79	69.79
1,800,000.01 to 1,900,000.00	1	1,881,123.47	0.57	1,881,123.47	5.625	774	75.00	75.00
1,900,000.01 to 2,000,000.00	3	5,897,352.57	1.77	1,965,784.19	4.855	775	57.32	57.79
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

The average stated principal balance of the mortgage loans as of the cut-off date was approximately $936,893.

GROSS MORTGAGE RATES OF THE MORTGAGE LOANS AS OF THE CUT-OFF DATE								
Range of Gross Mortgage Rates (%)	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
2.751 to 3.000	2	1,895,159.80	0.57	947,579.90	2.875	717	71.98	71.98
3.001 to 3.250	7	6,741,186.80	2.03	963,026.69	3.197	743	70.09	70.09
3.251 to 3.500	4	4,160,973.85	1.25	1,040,243.46	3.471	746	79.66	79.66
3.501 to 3.750	10	8,875,213.46	2.67	887,521.35	3.702	736	59.41	60.02
3.751 to 4.000	17	15,199,380.34	4.57	894,081.20	3.896	741	59.38	59.38
4.001 to 4.250	3	2,466,582.10	0.74	822,194.03	4.206	717	76.88	76.88
4.251 to 4.500	14	10,249,418.65	3.08	732,101.33	4.489	763	78.77	78.77
4.501 to 4.750	36	34,900,582.13	10.49	969,460.61	4.708	778	75.92	75.92
4.751 to 5.000	57	51,193,649.09	15.39	898,134.19	4.913	773	71.74	71.74
5.001 to 5.250	14	14,083,899.05	4.23	1,005,992.79	5.205	773	73.54	73.54
5.251 to 5.500	42	37,810,737.23	11.37	900,255.65	5.440	783	72.83	72.83
5.501 to 5.750	61	62,562,828.35	18.81	1,025,620.14	5.673	771	72.45	72.96
5.751 to 6.000	34	32,069,436.08	9.64	943,218.71	5.906	764	72.70	73.62
6.001 to 6.250	13	12,639,300.98	3.80	972,253.92	6.197	755	74.76	74.76
6.251 to 6.500	14	13,615,328.91	4.09	972,523.49	6.427	741	70.65	70.65
6.501 to 6.750	10	8,683,528.30	2.61	868,352.83	6.703	739	74.22	74.22
6.751 to 7.000	7	6,100,620.40	1.83	871,517.20	6.926	727	74.29	74.29
7.001 to 7.250	6	5,764,952.31	1.73	960,825.39	7.219	755	74.32	74.32
7.501 to 7.750	3	2,604,859.06	0.78	868,286.35	7.720	734	75.77	75.77
7.751 to 8.000	1	979,342.44	0.29	979,342.44	8.000	800	80.00	80.00
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

The weighted average gross mortgage rate of the mortgage loans as of the cut-off date was approximately 5.306%.

SEASONING OF THE MORTGAGE LOANS AS OF THE CUT-OFF DATE								
Seasoning (Months)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Gross Mortgage Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
1	2	1,886,416.70	0.57	943,208.35	6.978	790	80.00	80.00
2	20	20,326,115.62	6.11	1,016,305.78	6.376	771	69.14	69.14
3	54	51,487,533.88	15.48	953,472.85	5.907	772	72.31	72.71
4	41	39,867,973.31	11.99	972,389.59	5.909	761	70.41	70.41
5	26	25,876,164.09	7.78	995,237.08	5.864	765	75.00	76.15
6	39	37,924,191.04	11.40	972,415.15	5.516	767	72.47	72.77
7	62	56,085,501.28	16.86	904,604.86	5.046	780	73.46	73.46
8	59	51,449,307.46	15.47	872,022.16	4.900	765	73.20	73.20
9	25	21,902,422.10	6.59	876,096.88	4.243	746	67.02	67.27
10	10	10,357,678.08	3.11	1,035,767.81	3.822	751	71.37	71.37
11	12	10,772,024.90	3.24	897,668.74	3.472	717	77.88	77.88
12	4	3,799,403.00	1.14	949,850.75	3.399	704	72.16	72.16
14	1	862,247.87	0.26	862,247.87	4.125	703	80.00	80.00
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

The weighted average seasoning of the mortgage loans as of the cut-off date was approximately six (6) months.

LOAN-TO-VALUE RATIO OF THE MORTGAGE LOANS AT ORIGINATION								
Range of Original Loan-to-Value Ratios (%)	Number of Mortgage Loans	Aggregate Stated Principal Balance ($)	Aggregate Stated Principal Balance (%)	Average Stated Principal Balance ($)	Weighted Average Gross Mortgage Rate (%)	Weighted Average Original Credit Score	Weighted Average Original Loan-to-Value Ratio (%)	Weighted Average Original Combined Loan-to-Value Ratio (%)
Less than 25.01	1	1,073,184.20	0.32	1,073,184.20	4.875	780	20.35	20.35
25.01 to 30.00	1	747,525.94	0.22	747,525.94	5.500	796	29.12	29.12
30.01 to 35.00	2	1,585,709.72	0.48	792,854.86	3.744	752	32.52	32.52
35.01 to 40.00	5	4,701,672.07	1.41	940,334.41	5.522	735	38.74	38.74
40.01 to 45.00	6	6,549,348.00	1.97	1,091,558.00	4.787	784	42.34	45.06
45.01 to 50.00	12	12,094,262.82	3.64	1,007,855.24	5.233	766	47.14	47.37
50.01 to 55.00	11	9,972,782.94	3.00	906,616.63	4.929	770	53.60	54.14
55.01 to 60.00	26	26,388,300.87	7.93	1,014,934.65	5.118	761	58.71	60.28
60.01 to 65.00	19	18,619,080.36	5.60	979,951.60	4.726	748	63.06	63.06
65.01 to 70.00	48	44,728,626.01	13.45	931,846.38	5.555	758	68.72	68.72
70.01 to 75.00	27	26,929,095.84	8.10	997,373.92	5.390	763	74.73	74.73
75.01 to 80.00	160	145,940,116.50	43.88	912,125.73	5.473	773	79.82	79.82
80.01 to 85.00	13	10,574,629.51	3.18	813,433.04	4.889	738	84.67	84.67
85.01 to 90.00	24	22,692,644.55	6.82	945,526.86	4.973	756	89.81	89.81
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

The weighted average loan-to-value ratio of the mortgage loans at origination was approximately 72.31%.

COMBINED LOAN-TO-VALUE RATIO OF THE MORTGAGE LOANS AT ORIGINATION								
Range of Original Combined Loan-to-Value Ratios (%)	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
Less than 25.01	1	1,073,184.20	0.32	1,073,184.20	4.875	780	20.35	20.35
25.01 to 30.00	1	747,525.94	0.22	747,525.94	5.500	796	29.12	29.12
30.01 to 35.00	2	1,585,709.72	0.48	792,854.86	3.744	752	32.52	32.52
35.01 to 40.00	5	4,701,672.07	1.41	940,334.41	5.522	735	38.74	38.74
40.01 to 45.00	5	5,057,565.74	1.52	1,011,513.15	4.502	784	41.66	41.66
45.01 to 50.00	12	12,094,262.82	3.64	1,007,855.24	5.233	766	47.14	47.37
50.01 to 55.00	10	9,010,681.17	2.71	901,068.12	5.055	766	53.47	53.47
55.01 to 60.00	25	25,820,256.07	7.76	1,032,810.24	5.100	762	57.83	58.52
60.01 to 65.00	20	19,581,182.13	5.89	979,059.11	4.678	751	62.65	62.93
65.01 to 70.00	48	44,728,626.01	13.45	931,846.38	5.555	758	68.72	68.72
70.01 to 75.00	27	26,929,095.84	8.10	997,373.92	5.390	763	74.73	74.73
75.01 to 80.00	162	147,999,943.56	44.50	913,579.90	5.477	773	79.54	79.82
80.01 to 85.00	13	10,574,629.51	3.18	813,433.04	4.889	738	84.67	84.67
85.01 to 90.00	24	22,692,644.55	6.82	945,526.86	4.973	756	89.81	89.81
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

The weighted average combined loan-to-value ratio of the mortgage loans at origination was approximately 72.52%. The combined loan-to-value ratio at origination was calculated using the full lien amount (drawn and undrawn) for the second mortgage. Using only the drawn amount of the second mortgage at the time of origination, the weighted average combined loan-to-value ratio at origination was approximately 72.52%.

CREDIT SCORES OF THE MORTGAGE LOANS AT ORIGINATION								
Range of Original Credit Scores	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
661 to 670	6	5,936,217.94	1.78	989,369.66	5.532	666	71.50	71.50
671 to 680	4	3,597,371.19	1.08	899,342.80	6.091	674	78.82	78.82
681 to 690	10	9,554,329.96	2.87	955,433.00	5.290	684	73.52	73.52
691 to 700	7	6,305,464.80	1.90	900,780.69	5.361	695	69.52	69.52
701 to 710	9	9,149,569.88	2.75	1,016,618.88	5.202	704	70.57	70.57
711 to 720	11	9,909,313.58	2.98	900,846.69	4.760	717	72.84	72.84
721 to 730	11	12,346,015.03	3.71	1,122,365.00	5.070	725	65.25	65.25
731 to 740	19	17,380,190.62	5.23	914,746.87	5.219	736	66.64	66.64
741 to 750	25	24,523,092.11	7.37	980,923.68	5.354	745	74.74	74.86
751 to 760	18	16,491,554.81	4.96	916,197.49	5.173	756	72.21	72.21
761 to 770	28	24,864,626.24	7.48	888,022.37	5.287	766	76.43	76.43
771 to 780	52	49,063,735.17	14.75	943,533.37	5.417	776	72.63	73.47
781 to 790	59	57,536,709.94	17.30	975,198.47	5.337	786	71.34	71.65
791 to 800	58	53,927,510.34	16.21	929,784.66	5.353	796	73.47	73.47
801 to 810	33	28,662,449.78	8.62	868,559.08	5.254	805	71.97	72.16
811 to 820	5	3,348,827.94	1.01	669,765.59	5.238	812	75.94	75.94
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

The weighted average credit score of the mortgage loans at origination was approximately 765.

DOCUMENTATION TYPE OF THE MORTGAGE LOANS								
Documentation Type	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
Full(1)	306	287,038,400.76	86.30	938,033.99	5.403	765	72.28	72.45
Full/AUS(2)	49	45,558,578.57	13.70	929,766.91	4.697	761	72.55	72.94
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

(1) As defined by the Sponsor’s underwriting guidelines for the Mortgage Loans.

(2) These mortgage loans were underwritten pursuant to an AUS. The information regarding level of loan documentation may be available as part of the related underwriting files but obtaining such information would require a manual review of each of the related underwriting files. As a result, such information is not being provided in connection with this offering. Potential investors in the offered certificates should take into account the absence of such information in making a decision to purchase any class of offered certificates and should not purchase such offered certificates if this information, or any other information that is not provided in this offering memorandum supplement, is material to such decision.

MONTHLY INCOME OF THE MORTGAGE BORROWERS AT ORIGINATION								
Range of Original Monthly Income ($)	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
0.01 to 10,000.00	2	1,245,952.67	0.37	622,976.34	3.440	738	81.21	81.21
10,000.01 to 20,000.00	100	78,347,504.35	23.56	783,475.04	5.042	760	72.42	72.57
20,000.01 to 30,000.00	136	130,877,943.92	39.35	962,337.82	5.329	762	72.83	73.00
30,000.01 to 40,000.00	64	62,127,977.60	18.68	970,749.65	5.506	766	74.57	74.57
40,000.01 to 50,000.00	22	23,071,843.67	6.94	1,048,720.17	5.504	777	68.73	68.73
50,000.01 to 60,000.00	16	18,142,761.64	5.45	1,133,922.60	5.627	773	72.86	72.86
60,000.01 to 70,000.00	4	4,158,803.16	1.25	1,039,700.79	5.595	786	69.23	69.23
70,000.01 to 80,000.00	1	1,302,191.73	0.39	1,302,191.73	4.750	787	80.00	80.00
80,000.01 to 90,000.00	3	3,890,582.61	1.17	1,296,860.87	4.351	755	62.83	62.83
90,000.01 to 100,000.00	1	1,993,555.50	0.60	1,993,555.50	5.625	748	45.04	46.44
100,000.01 to 200,000.00	5	5,961,078.20	1.79	1,192,215.64	5.204	791	65.34	70.32
200,000.00 or more	1	1,476,784.28	0.44	1,476,784.28	5.625	796	60.00	60.00
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

The weighted average monthly income of the mortgage borrowers at origination was approximately $32,367.

DEBT-TO-INCOME RATIO OF THE MORTGAGE LOANS AT ORIGINATION								
Range of Original Debt-to-Income Ratios (%)	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
0.01 to 5.00	1	1,476,784.28	0.44	1,476,784.28	5.625	796	60.00	60.00
5.01 to 10.00	2	2,112,604.36	0.64	1,056,302.18	5.000	798	74.83	74.83
15.01 to 20.00	5	4,189,334.59	1.26	837,866.92	5.474	788	60.05	60.05
20.01 to 25.00	33	30,223,883.97	9.09	915,875.27	5.029	776	73.42	73.60
25.01 to 30.00	37	30,977,261.10	9.31	837,223.27	5.463	779	74.48	74.48
30.01 to 35.00	53	45,294,845.60	13.62	854,619.73	5.284	769	72.72	72.72
35.01 to 40.00	83	79,897,872.84	24.02	962,624.97	5.433	771	75.30	75.45
40.01 to 45.00	88	85,032,662.02	25.57	966,280.25	5.291	769	72.02	72.62
Greater than 45.01	53	53,391,730.57	16.05	1,007,391.14	5.217	726	67.28	67.28
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

The weighted average debt-to-income ratio of the mortgage loans at origination was approximately 36.81%.

VERIFIED ASSETS OF THE MORTGAGE BORROWERS AT ORIGINATION								
Range of Original Verified Assets ($)	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
0.01 to 50,000.00	18	13,347,694.55	4.01	741,538.59	4.423	725	76.13	76.13
50,000.01 to 100,000.00	48	40,397,337.75	12.15	841,611.20	5.195	755	73.69	73.69
100,000.01 to 150,000.00	59	53,618,304.18	16.12	908,784.82	5.337	766	77.21	77.43
150,000.01 to 200,000.00	57	54,832,292.66	16.49	961,970.05	5.376	766	73.30	73.30
200,000.01 to 250,000.00	19	17,897,193.21	5.38	941,957.54	5.419	756	72.78	73.08
250,000.01 to 300,000.00	30	30,350,556.20	9.13	1,011,685.21	5.363	770	73.83	73.83
300,000.01 to 350,000.00	18	17,702,042.31	5.32	983,446.80	5.707	760	70.75	72.43
350,000.01 to 400,000.00	9	9,140,821.06	2.75	1,015,646.78	5.625	771	71.64	71.64
400,000.01 to 450,000.00	9	10,450,498.07	3.14	1,161,166.45	5.251	777	63.83	64.10
450,000.01 to 500,000.00	4	4,104,569.78	1.23	1,026,142.45	5.961	749	73.18	73.18
500,000.01 to 550,000.00	7	6,544,596.28	1.97	934,942.33	5.080	764	70.12	70.12
550,000.01 to 600,000.00	4	2,824,768.29	0.85	706,192.07	5.436	784	74.90	74.90
600,000.01 to 650,000.00	6	6,080,749.25	1.83	1,013,458.21	5.560	775	62.84	65.77
650,000.01 to 700,000.00	10	9,075,866.55	2.73	907,586.66	4.986	786	71.69	71.69
700,000.01 to 750,000.00	1	742,599.42	0.22	742,599.42	5.625	765	74.87	74.87
750,000.01 to 800,000.00	7	6,879,890.51	2.07	982,841.50	4.897	762	73.34	73.34
850,000.01 to 900,000.00	4	3,286,755.35	0.99	821,688.84	6.174	751	64.81	64.81
900,000.01 to 950,000.00	3	3,580,995.73	1.08	1,193,665.24	4.033	792	63.99	63.99
950,000.01 to 1,000,000.00	2	2,106,062.24	0.63	1,053,031.12	4.869	801	62.01	62.01
1,000,000.01 to 2,000,000.00	30	28,058,858.15	8.44	935,295.27	5.204	773	69.07	69.07
2,000,000.01 to 3,000,000.00	3	2,367,506.54	0.71	789,168.85	6.041	765	63.93	63.93
3,000,000.01 to 4,000,000.00	2	3,394,830.23	1.02	1,697,415.12	6.009	737	67.39	67.39
4,000,000.01 to 5,000,000.00	2	2,469,016.23	0.74	1,234,508.12	5.575	795	59.59	59.59
5,000,000.01 to 6,000,000.00	1	1,107,084.76	0.33	1,107,084.76	6.625	809	75.00	75.00
6,000,000.01 to 7,000,000.00	1	1,488,564.09	0.45	1,488,564.09	4.750	809	50.00	50.00
8,000,000.01 or more	1	747,525.94	0.22	747,525.94	5.500	796	29.12	29.12
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

The weighted average verified assets of the mortgage borrowers at origination was approximately $499,809.

SELF-EMPLOYMENT STATUS OF THE MORTGAGE BORROWERS AT ORIGINATION								
Self-Employment Status	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
Self-Employed	90	89,798,954.39	27.00	997,766.16	5.302	770	69.75	70.37
Not Self-Employed	265	242,798,024.94	73.00	916,218.96	5.308	763	73.26	73.31
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

INTEREST ONLY TERM OF THE MORTGAGE LOANS AT ORIGINATION								
Original Interest Only Term (Months)	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
None	355	332,596,979.33	100.00	936,892.90	5.306	765	72.31	72.52
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

OCCUPANCY TYPE OF THE MORTGAGE LOANS								
Occupancy Type	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
Owner-Occupied	303	289,532,371.92	87.05	955,552.38	5.280	763	72.78	73.01
Second Home	52	43,064,607.41	12.95	828,165.53	5.486	778	69.16	69.16
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

LOAN PURPOSE OF THE MORTGAGE LOANS								
Loan Purpose	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
Purchase	280	259,527,635.28	78.03	926,884.41	5.412	768	76.18	76.34
Cash-Out Refinance	54	49,857,032.82	14.99	923,278.39	4.924	753	56.79	57.21
Rate/Term Refinance	21	23,212,311.23	6.98	1,105,348.15	4.946	759	62.42	62.66
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

PROPERTY TYPE OF THE MORTGAGE LOANS								
Property Type	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
Single Family Detached	179	172,911,533.96	51.99	965,986.22	5.240	765	71.82	71.97
Planned Unit Development	147	136,820,563.11	41.14	930,752.13	5.317	761	73.00	73.22
Condominium	27	21,084,588.95	6.34	780,910.70	5.760	780	71.26	71.81
Single Family Attached	2	1,780,293.31	0.54	890,146.66	5.577	786	80.00	80.00
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

GEOGRAPHIC CONCENTRATION OF THE MORTGAGE LOANS (STATE OR DISTRICT)								
State or District	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
California	92	84,625,876.95	25.44	919,846.49	5.215	774	69.61	70.05
Texas	43	37,930,683.18	11.40	882,108.91	5.371	764	69.12	69.12
Washington	31	35,696,521.30	10.73	1,151,500.69	5.573	767	73.56	73.56
Florida	38	35,198,788.28	10.58	926,283.90	5.249	753	74.32	74.32
Colorado	36	31,153,776.66	9.37	865,382.69	5.134	764	74.08	74.08
Tennessee	11	12,317,873.40	3.70	1,119,806.67	5.394	769	70.70	73.12
Georgia	12	10,452,390.34	3.14	871,032.53	5.157	779	68.34	68.34
North Carolina	11	9,948,513.14	2.99	904,410.29	5.391	745	75.28	75.28
Arizona	6	6,006,911.26	1.81	1,001,151.88	5.952	729	68.99	68.99
South Carolina	6	5,509,010.10	1.66	918,168.35	5.641	772	72.53	72.53
Utah	5	4,836,210.88	1.45	967,242.18	5.622	779	83.76	83.76
New Jersey	4	4,292,417.99	1.29	1,073,104.50	5.084	754	68.64	68.64
Virginia	6	4,144,851.85	1.25	690,808.64	5.723	757	80.10	80.10
Montana	4	3,935,252.45	1.18	983,813.11	5.748	777	64.74	64.74
New York	4	3,856,700.78	1.16	964,175.20	4.453	762	76.86	76.86
Massachusetts	4	3,627,632.73	1.09	906,908.18	5.173	766	74.00	74.00
Oregon	3	3,612,291.03	1.09	1,204,097.01	5.424	731	83.65	83.65
Michigan	3	3,551,353.62	1.07	1,183,784.54	5.072	782	60.75	60.75
Maryland	4	3,520,274.67	1.06	880,068.67	5.365	774	76.09	76.09
Connecticut	4	3,457,018.33	1.04	864,254.58	5.605	745	81.45	81.45
Missouri	4	2,978,031.76	0.90	744,507.94	5.004	788	74.44	74.44
Nevada	3	2,814,419.42	0.85	938,139.81	5.348	697	82.55	82.55
Illinois	3	2,626,236.57	0.79	875,412.19	6.035	754	80.00	80.00
New Mexico	2	2,194,115.07	0.66	1,097,057.54	6.736	735	77.11	77.11
Alabama	2	2,034,982.14	0.61	1,017,491.07	4.681	785	80.00	80.00
Wyoming	1	1,916,476.89	0.58	1,916,476.89	3.125	790	59.36	59.36
Arkansas	2	1,828,954.67	0.55	914,477.34	5.745	730	74.04	74.04
Minnesota	3	1,656,176.38	0.50	552,058.79	4.702	765	66.08	66.08
Hawaii	1	1,189,305.27	0.36	1,189,305.27	4.750	784	80.00	80.00
Delaware	1	1,031,041.02	0.31	1,031,041.02	6.250	747	90.00	90.00
District of Columbia	1	1,023,244.81	0.31	1,023,244.81	4.875	789	89.99	89.99
Kentucky	1	851,745.90	0.26	851,745.90	4.875	770	80.00	80.00
New Hampshire	1	819,590.67	0.25	819,590.67	5.125	750	70.00	70.00
Nebraska	1	753,378.36	0.23	753,378.36	4.875	777	80.00	80.00
Indiana	1	663,290.93	0.20	663,290.93	4.875	791	80.00	80.00
Louisiana	1	541,640.53	0.16	541,640.53	2.875	714	89.98	89.98
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

GEOGRAPHIC CONCENTRATION OF THE MORTGAGE LOANS (TOP 10 CITIES)								
City	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
Seattle, WA	9	10,645,183.81	3.20	1,182,798.20	5.283	785	77.55	77.55
Denver, CO	8	7,024,909.37	2.11	878,113.67	5.221	773	82.40	82.40
Austin, TX	6	5,678,731.91	1.71	946,455.32	5.012	766	60.66	60.66
Dallas, TX	5	4,731,718.82	1.42	946,343.76	5.716	758	69.69	69.69
Nashville, TN	4	4,706,015.88	1.41	1,176,503.97	5.910	763	67.16	67.16
Scottsdale, AZ	4	4,211,134.84	1.27	1,052,783.71	6.669	722	69.50	69.50
Bellevue, WA	3	3,870,040.36	1.16	1,290,013.45	5.927	729	54.13	54.13
Temecula, CA	4	3,563,846.65	1.07	890,961.66	5.353	744	69.90	69.90
Sacramento, CA	3	3,514,417.81	1.06	1,171,472.60	5.711	794	82.80	82.80
Mammoth Lakes, CA	4	2,974,582.12	0.89	743,645.53	6.307	783	72.22	72.22
Other	305	281,676,397.76	84.69	923,529.17	5.253	765	72.42	72.66
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

ORIGINAL TERM TO MATURITY OF THE MORTGAGE LOANS								
Original Term to Maturity (Months)	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
360	354	331,489,894.57	99.67	936,412.13	5.302	765	72.30	72.51
300	1	1,107,084.76	0.33	1,107,084.76	6.625	809	75.00	75.00
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

The weighted average original term to maturity of the mortgage loans was approximately 360 months.

REMAINING TERM TO MATURITY OF THE MORTGAGE LOANS AS OF THE CUT-OFF DATE								
Range of Remaining Terms to Maturity (Months)	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
291 to 300	1	1,107,084.76	0.33	1,107,084.76	6.625	809	75.00	75.00
341 to 350	27	25,791,353.85	7.75	955,235.33	3.624	728	74.49	74.49
351 to 360	327	305,698,540.72	91.91	934,857.92	5.444	768	72.12	72.34
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

The weighted average remaining term to maturity of the mortgage loans as of the cut-off date was approximately 354 months.

PREPAYMENT CHARGE TERM OF THE MORTGAGE LOANS AT ORIGINATION								
Prepayment Charge Term (Months)	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
None	355	332,596,979.33	100.00	936,892.90	5.306	765	72.31	72.52
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

ORIGINATOR OF THE MORTGAGE LOANS								
Originator	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
CrossCountry Mortgage, Inc.	33	35,269,376.93	10.60	1,068,769.00	5.027	749	71.76	71.84
PrimeLending	23	24,353,705.25	7.32	1,058,856.75	5.350	771	73.79	73.79
Fairway	25	23,223,640.58	6.98	928,945.62	5.322	759	72.89	72.89
Caliber Home Loans	22	20,258,179.93	6.09	920,826.36	5.190	776	71.40	71.40
Homepoint Financial	22	19,029,250.27	5.72	864,965.92	5.440	778	76.04	76.04
Finance of America	17	16,936,932.94	5.09	996,290.17	5.089	760	65.82	66.14
Other	213	193,525,893.43	58.19	908,572.27	5.368	765	72.46	72.76
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

ORIGINATION CHANNEL OF THE MORTGAGE LOANS								
Origination Channel	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
Retail	267	251,454,820.50	75.60	941,778.35	5.318	761	72.27	72.52
Broker	74	69,276,170.01	20.83	936,164.46	5.263	775	71.53	71.61
Correspondent	14	11,865,988.82	3.57	847,570.63	5.307	776	77.73	77.73
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

SERVICER OF THE MORTGAGE LOANS								
Servicer	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
Select Portfolio Servicing	355	332,596,979.33	100.00	936,892.90	5.306	765	72.31	72.52
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

SERVICING ADMINISTRATOR OF THE MORTGAGE LOANS								
Servicing Administrator	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
Redwood Residential Acquisition Corporation	355	332,596,979.33	100.00	936,892.90	5.306	765	72.31	72.52
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

LIEN POSITION OF THE MORTGAGE LOANS AT ORIGINATION								
Lien Position	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
First Lien	355	332,596,979.33	100.00	936,892.90	5.306	765	72.31	72.52
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

MORTGAGE LOANS WITH SECOND LIENS AT ORIGINATION								
Mortgage Loans with Second Liens at Origination	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
No Known Subordinate Financing	350	326,089,712.74	98.04	931,684.89	5.304	765	72.74	72.74
Known Subordinate Financing	5	6,507,266.59	1.96	1,301,453.32	5.434	773	50.98	61.31
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

ORIGINATION MONTH AND YEAR OF THE MORTGAGE LOANS								
Origination Month and Year	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
October 2021	1	862,247.87	0.26	862,247.87	4.125	703	80.00	80.00
December 2021	4	3,799,403.00	1.14	949,850.75	3.399	704	72.16	72.16
January 2022	12	10,772,024.90	3.24	897,668.74	3.472	717	77.88	77.88
February 2022	10	10,357,678.08	3.11	1,035,767.81	3.822	751	71.37	71.37
March 2022	25	21,902,422.10	6.59	876,096.88	4.243	746	67.02	67.27
April 2022	59	51,449,307.46	15.47	872,022.16	4.900	765	73.20	73.20
May 2022	63	57,058,210.97	17.16	905,685.89	5.042	780	73.35	73.56
June 2022	38	36,951,481.35	11.11	972,407.40	5.533	767	72.61	72.61
July 2022	27	26,613,466.40	8.00	985,683.94	5.882	766	75.14	76.25
August 2022	40	39,130,671.00	11.77	978,266.78	5.898	761	70.23	70.23
September 2022	54	51,487,533.88	15.48	953,472.85	5.907	772	72.31	72.71
October 2022	21	21,305,458.06	6.41	1,014,545.62	6.451	772	69.64	69.64
November 2022	1	907,074.26	0.27	907,074.26	5.875	779	80.00	80.00
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

MATURITY MONTH AND YEAR OF THE MORTGAGE LOANS								
Maturity Month and Year	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
November 2047	1	1,107,084.76	0.33	1,107,084.76	6.625	809	75.00	75.00
November 2051	1	862,247.87	0.26	862,247.87	4.125	703	80.00	80.00
January 2052	4	3,799,403.00	1.14	949,850.75	3.399	704	72.16	72.16
February 2052	12	10,772,024.90	3.24	897,668.74	3.472	717	77.88	77.88
March 2052	10	10,357,678.08	3.11	1,035,767.81	3.822	751	71.37	71.37
April 2052	25	21,902,422.10	6.59	876,096.88	4.243	746	67.02	67.27
May 2052	59	51,449,307.46	15.47	872,022.16	4.900	765	73.20	73.20
June 2052	62	56,085,501.28	16.86	904,604.86	5.046	780	73.46	73.46
July 2052	39	37,924,191.04	11.40	972,415.15	5.516	767	72.47	72.77
August 2052	26	25,876,164.09	7.78	995,237.08	5.864	765	75.00	76.15
September 2052	41	39,867,973.31	11.99	972,389.59	5.909	761	70.41	70.41
October 2052	54	51,487,533.88	15.48	953,472.85	5.907	772	72.31	72.71
November 2052	19	19,219,030.86	5.78	1,011,527.94	6.362	769	68.80	68.80
December 2052	2	1,886,416.70	0.57	943,208.35	6.978	790	80.00	80.00
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

DELINQUENCY STATUS OF THE MORTGAGE LOANS AS OF THE CUT-OFF DATE								
Delinquency Status	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
Current	355	332,596,979.33	100.00	936,892.90	5.306	765	72.31	72.52
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

MORTGAGE INSURANCE STATUS OF THE MORTGAGE LOANS								
Mortgage Insurance Status	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
No Mortgage Insurance	355	332,596,979.33	100.00	936,892.90	5.306	765	72.31	72.52
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

MBA HISTORICAL DELINQUENCY OF THE MORTGAGE LOANS AS OF THE CUT-OFF DATE								
MBA Historical Delinquency (Last 12 Months)	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
Never Delinquent	355	332,596,979.33	100.00	936,892.90	5.306	765	72.31	72.52
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

QUALIFIED MORTGAGE STATUS OF THE MORTGAGE LOANS								
Qualified Mortgage Status	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
QM: Rebuttable Presumption (APOR)	12	10,777,945.31	3.24	898,162.11	6.826	723	75.51	75.51
QM: Safe Harbor	1	985,373.79	0.30	985,373.79	4.000	734	62.50	62.50
QM: Safe Harbor (APOR)	342	320,833,660.23	96.46	938,110.12	5.259	766	72.24	72.45
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

FIRST TIME HOME BUYER								
First Time Home Buyer	**Number of Mortgage Loans**	**Aggregate Stated Principal Balance ($)**	**Aggregate Stated Principal Balance (%)**	**Average Stated Principal Balance ($)**	**Weighted Average Gross Mortgage Rate (%)**	**Weighted Average Original Credit Score**	**Weighted Average Original Loan-to-Value Ratio (%)**	**Weighted Average Original Combined Loan-to-Value Ratio (%)**
No	312	294,267,271.97	88.48	943,164.33	5.308	764	71.51	71.74
Yes	43	38,329,707.36	11.52	891,388.54	5.297	770	78.50	78.50
Total:	**355**	**332,596,979.33**	**100.00**	**936,892.90**	**5.306**	**765**	**72.31**	**72.52**

Exceptions to the Applicable RRAC Criteria

Loan Number	Exception Type	Compensating Factors	Original Loan Balance ($)	Current Loan Balance ($)	Original LTV (%)	Original CLTV (%)	Original Credit Score of Primary Borrower	DTI (%)
408071900	DTI Exception	1) Post close reserves of nearly $700k (118 months for the subject property) 2) $15.8k residual monthly income 3) Seasoned employment (B1 – 10 years)	$1,224,000	$1,204,482	80.0%	80.0%	746	47.1%
408070989	Tax Payment Plan Exception	1) 788 FICO Score (vs 700 minimum) 2) Seasoned 20-year mortgage payment history with no mortgage lates 3) $19.6k residual monthly income	$1,140,000	$1,125,567	80.0%	80.0%	788	38.9%
408073352	Income Qualification Exception	1) 803 FICO Score (vs 700 minimum) 2) Post close reserves of $1.2mm (128 months for the subject property) 3) $16.3k residual monthly income	$1,440,000	$1,435,023	80.0%	80.0%	803	40.2%
408062021	Multiple ADU Exception	1) CDA fully supports value 2) $8.9k residual monthly income 3) Seasoned employment (B1 – 18 years)	$880,000	$862,248	80.0%	80.0%	703	49.1%
408068690	Cash Out Exception	1) 804 FICO Score (vs 720 minimum) 2) Seasoned employment (B1 – 15 years) 3) 32.6% DTI (vs 49.99% maximum)	$805,000	$786,202	70.0%	70.0%	804	32.6%
408069467	Business Ownership Exception	1) 36.3% LTV|CLTV (vs 65% maximum) 2) $10.6k residual monthly income 3) Seasoned employment (B1 – 18 years)	$1,034,000	$1,020,112	36.3%	36.3%	722	45.1%
408069490	Source of Funds (Donated) Exception	1) 52.0% LTV|CLTV (vs 80% maximum) 2) 784 FICO Score (vs 700 minimum) 3) 29.3% DTI (vs 49.99% maximum)	$900,000	$883,167	52.0%	52.0%	784	29.3%
408069767	Credit Event Seasoning Exception	1) Re-established credit w/ current score of 762 2) Seasoned 10-years with all Mortgage and credit paid as agreed 3) 36.9% DTI (vs 49.99% maximum)	$805,500	$796,440	90.0%	90.0%	762	36.9%

Loan Number	Exception Type	Compensating Factors	Original Loan Balance ($)	Current Loan Balance ($)	Original LTV (%)	Original CLTV (%)	Original Credit Score of Primary Borrower	DTI (%)
408070874	Missing Tax Transcript Exception	1) $9.3k residual monthly income 2) Seasoned employment (B1 – 6 years / B2 – 12 years) 3) Post close reserves are 2.3-times the required amount	$720,000	$710,357	80.0%	80.0%	722	45.4%
408070883	DTI Exception	1) Post close reserves of $200k (34.5 months for the subject property) 2) Seasoned 17-year mortgage payment history with no mortgage lates 3) Seasoned employment (B1 – 20 years)	$1,034,885	$1,023,245	90.0%	90.0%	789	44.6%
408071461	LTV Exception	1) Post close reserves of $182k (42.3 months for the subject property) 2) $8.1k residual monthly income 3) 761 FICO Score (vs 700 minimum)	$765,000	$757,193	85.0%	85.0%	761	32.9%
408071875	Excess Acreage Exception	1) 58.0% LTV|CLTV (vs 70% maximum) 2) Post close reserves of $403k (32.4 months for the subject property) 3) $29.8k residual monthly income	$1,175,000	$1,164,750	58.0%	58.0%	756	39.8%
408071951	Missing Tax Transcript Exception	1) 55.0% LTV|CLTV (vs 70% maximum) 2) Post close reserves of $1mm (124 months for the subject property) 3) Seasoned employment (B1 – 7 years)	$935,173	$926,459	55.0%	55.0%	733	48.6%
408072036	LTV Exception	1) 792 FICO Score (vs 680 minimum) 2) Post close reserves of $475k (94 months for the subject property) 3) $21.2k residual monthly income	$660,000	$654,753	75.0%	75.0%	792	33.5%
408072077	Liquid Reserves Shortfall Exception	1) 26.3% DTI (vs 38% maximum) 2) $20.2k residual monthly income 3) Seasoned employment (B1 – 7 years)	$855,900	$849,845	90.0%	90.0%	760	26.3%
408072155	Missing Tax Transcript Exception	1) 797 FICO Score (vs 700 minimum) 2) Seasoned employment (B1 – 12 years) 3) Post close reserves are 2.5-times the required amount	$840,000	$832,846	80.0%	80.0%	797	21.4%

Loan Number	Exception Type	Compensating Factors	Original Loan Balance ($)	Current Loan Balance ($)	Original LTV (%)	Original CLTV (%)	Original Credit Score of Primary Borrower	DTI (%)
408072237	Gift Funds Exception	1) $12.1k residual monthly income 2) Seasoned employment (B1 – 16 years / B2 – 15 years) 3) Post close reserves are 2.4-times the required amount	$976,000	$968,090	80.0%	80.0%	693	46.7%
408072301	Asset Depletion Exception	1) 50.0% LTV|CLTV (vs 70% maximum) 2) 809 FICO Score (vs 700 minimum) 3) Post close reserves of $5mm (494 months for the subject property)	$1,500,000	$1,488,564	50.0%	50.0%	809	43.0%
408072508	RSU Income Exception	1) 60.0% LTV|CLTV (vs 70% maximum) 2) Seasoned employment (B1 – 5 years) 3) $7.6k residual monthly income (w/o inclusion of RSU income)	$990,000	$982,830	60.0%	60.0%	683	47.5%
408072589	Secondary Financing Exception	1) 778 FICO Score (vs 700 minimum) 2) $11.5k residual monthly income 3) 58.4% LTV | 78.4%CLTV (vs 80% maximum)	$872,500	$573,518	58.4%	78.4%	778	39.7%
408072836	Site Value Exception	1) CDA fully supports value 2) 801 FICO Score (vs 700 minimum) 3) 26.4% DTI (vs 49.99% maximum)	$719,600	$681,328	70.0%	70.0%	788	26.4%
408072881	Credit Event LTV Seasoning Exception	1) Post close reserves of $363k (69 months for the subject property) 2) $24.6k residual monthly income 3) Stable employment as physician (B1 – 7 years)	$722,500	$713,383	85.0%	85.0%	687	36.9%
408072982	Condotel LTV Exception	1) Post close reserves of $450k (48 months for the subject property) 2) $55.3k residual monthly income 3) 775 FICO Score (vs 700 minimum)	$1,015,000	$1,010,598	70.0%	70.0%	775	33.6%
408073057	Excess Acreage Exception	1) CDA fully supports value 2) Post close reserves of $292k (29 months for the subject property) 3) $13.2k residual monthly income	$1,440,000	$1,433,097	80.0%	80.0%	722	48.2%

Loan Number	Exception Type	Compensating Factors	Original Loan Balance ($)	Current Loan Balance ($)	Original LTV (%)	Original CLTV (%)	Original Credit Score of Primary Borrower	DTI (%)
408073093	Missing Tax Transcript Exception	1) $12.4k residual monthly income 2) Seasoned employment (B1 – 3 years / B2 – 14 years) 3) Post close reserves are 1.7-times the required amount	$1,275,000	$1,268,637	75.0%	75.0%	686	48.5%
408073124	Number of Financed Properties Exception	1) 40.0% LTV|CLTV (vs 50% maximum) 2) 32.8% DTI (vs 49.99% maximum) 3) Post close reserves of $271k (43.7 months for the subject property)	$775,600	$772,414	40.0%	40.0%	731	32.8%
408073235	FTHB Gift Funds Exception	1) $12.6k residual monthly income 2) Seasoned employment (B1 – 8 years / B2 – 4 years) 3) Post close reserves of $142k (29.3 months for the subject property)	$773,500	$768,480	85.0%	85.0%	748	36.0%
408073328	Contract Employee Exception	1) 785 FICO Score (vs 700 minimum) 2) Post close reserves of $113k (18.8 months for the subject property) 3) $8.7k residual monthly income	$856,000	$852,137	80.0%	80.0%	785	41.2%
408073339	RSU Income Exception	1) 767 FICO Score (vs 680 minimum) 2) Seasoned employment (B1 – 19 years / B2 – 16 years) 3) 34.9% DTI (vs 45.0% maximum)	$768,000	$765,132	80.0%	80.0%	767	34.9%
408073355	Missing IRA Distribution Date Exception	1) 801 FICO Score (vs 700 minimum) 2) $16.9k residual monthly income 3) Post close reserves of $972k (117 months for the subject property)	$1,120,000	$1,116,475	80.0%	80.0%	801	35.4%
408073491	Missing Tax Transcript Exception	1) $23.0k residual monthly income 2) 28.6% DTI (vs 49.99% maximum) 3) Stable, growing S/E business (B1 – 4 years)	$720,000	$627,663	80.0%	80.0%	665	28.6%
408073570	Gift Funds Exception	1) 780 FICO Score (vs 720 minimum) 2) $39.8k residual monthly income 3) Post close reserves of $617k (71.3 months for the subject property)	$647,500	$645,462	74.3%	74.3%	780	27.6%

Loan Number	Exception Type	Compensating Factors	Original Loan Balance ($)	Current Loan Balance ($)	Original LTV (%)	Original CLTV (%)	Original Credit Score of Primary Borrower	DTI (%)
408073721	IRA Distribution Seasoning Exception	1) 800 FICO Score (vs 700 minimum) 2) $21.4k residual monthly income 3) Post close reserves of $458k (53.0 months for the subject property)	$980,000	$979,342	80.0%	80.0%	800	41.0%
408071125	Missing Tax Transcript Exception and Unique Property Exception	1) 778 FICO Score (vs 700 minimum) 2) 65.0% LTV|CLTV (vs 75% maximum) 3) CDA fully supports value	$1,218,750	$1,206,312	65.0%	65.0%	778	43.0%
408071923	Condotel LTV / DTI Exception	1) 796 FICO Score (vs 680 minimum) 2) $16.6k residual monthly income 3) Post close reserves of $205k (39.6 months for the subject property)	$674,250	$667,967	75.0%	75.0%	775	41.1%
408072727	Cashout Exception and Excess Acreage Property Exception	1) 790 FICO Score (vs 680 minimum) 2) 61.4% LTV|CLTV (vs 75% maximum) 3) CDA fully supports value	$800,000	$794,808	61.3%	61.3%	790	42.0%
408072986	FTHB LTV / Loan Amount Exception and Unique Property Exception	1) 798 FICO Score (vs 680 minimum) 2) 21.8% DTI (vs 49.99% maximum) 3) CDA fully supports value	$1,800,000	$1,785,016	80.0%	80.0%	798	21.8%
408073122	Condotel LTV Exception	1) 797 FICO Score (vs 680 minimum) 2) Post close reserves of $1.9mm (310 months for the subject property) 3) Seasoned employment (B1 – 30 years / B2 – 30 years)	$644,000	$641,264	70.0%	70.0%	797	41.5%
408073314	FTHB Gift Funds LTV Exception	1) Post close reserves of $363k (110 months for the subject property) 2) $10.8k residual monthly income 3) Seasoned employment (B1 – 12 years)	$806,650	$803,010	85.0%	85.0%	746	32.5%
408073466	Excess Acreage Exception and Oil / Gas Lease Exception	1) 778 FICO Score (vs 700 minimum) 2) Post close reserves of $196k (28.8 months for the subject property) 3) $31.7k residual monthly income	$920,000	$916,701	80.0%	80.0%	778	42.3%

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ANNEX B – GLOBAL CLEARANCE, SETTLEMENT AND TAX DOCUMENTATION PROCEDURES

Except in certain limited circumstances, the globally offered Sequoia Mortgage Trust 2023-1, Mortgage Pass-Through Certificates (the "Global Certificates") will be available only in book-entry form. Investors in the Global Certificates may hold such Global Certificates through any of The Depository Trust Company ("DTC"), Clearstream, Luxembourg or Euroclear. The Global Certificates will be tradeable as home market instruments in both the European and U.S. domestic markets. Initial settlement and all secondary trades will settle in same-day funds.

Secondary market trading between investors holding Global Certificates through Clearstream, Luxembourg and Euroclear will be conducted in the ordinary way in accordance with their normal rules and operating procedures and in accordance with conventional Eurocertificate practice (*i.e.*, seven-calendar day settlement).

Secondary market trading between investors holding Global Certificates through DTC will be conducted according to the rules and procedures applicable to U.S. corporate debt obligations and prior mortgage pass-through certificate issues.

Secondary cross-market trading between Clearstream, Luxembourg or Euroclear and DTC Participants holding Global Certificates will be effected on a delivery-against-payment basis through the respective Depositaries of Clearstream, Luxembourg and Euroclear (in such capacity) and as DTC Participants.

Non-U.S. holders (as described below) of Global Certificates will be subject to U.S. withholding taxes unless such holders meet certain requirements and deliver appropriate U.S. tax documents to the securities clearing organizations or their participants.

Initial Settlement

All Global Certificates will be held in book-entry form by DTC in the name of Cede & Co. as nominee of DTC. Investors' interests in the Global Certificates will be represented through financial institutions acting on their behalf as direct and indirect participants in DTC (each, a "DTC Participant"). As a result, Clearstream, Luxembourg and Euroclear will hold positions on behalf of their participants through their respective Depositaries, which in turn will hold such positions in accounts as DTC Participants.

Investors electing to hold their Global Certificates through DTC will follow the settlement practices applicable to other mortgage pass-through certificate issues. Investor securities custody accounts will be credited with their holdings against payment in same-day funds on the settlement date.

Investors electing to hold their Global Certificates through Clearstream, Luxembourg or Euroclear accounts will follow the settlement procedures applicable to conventional Eurocertificates, except that there will be no temporary global security and no "lock-up" or restricted period. Global Certificates will be credited to the securities custody accounts on the settlement date against payment in same-day funds.

Secondary Market Trading

Since the purchaser determines the place of delivery, it is important to establish at the time of the trade where both the purchaser's and seller's accounts are located to ensure that settlement can be made on the desired value date.

Trading Between DTC Participants. Secondary market trading between DTC Participants will be settled using the procedures applicable to prior mortgage pass-through certificate issues in same-day funds.

Trading Between Clearstream, Luxembourg and/or Euroclear Participants. Secondary market trading between Clearstream, Luxembourg Participants or Euroclear Participants will be settled using the procedures applicable to conventional Eurocertificates in same-day funds.

Trading Between DTC Seller and Clearstream, Luxembourg or Euroclear Purchaser. When Global Certificates are to be transferred from the account of a DTC Participant to the account of a Clearstream, Luxembourg Participant or a Euroclear Participant, the purchaser will send instructions to Clearstream, Luxembourg or Euroclear through a Clearstream, Luxembourg Participant or Euroclear Participant at least one business day prior to settlement.

Clearstream, Luxembourg or Euroclear will instruct the respective Depositary, as the case may be, to receive the Global Certificates against payment. Payment will include interest accrued on the Global Certificates from and including the last coupon distribution date to and excluding the settlement date, on the basis of the actual number of days in such accrual period and a year assumed to consist of 360 days. For transactions settling on the 31st of the month, payment will include interest accrued to and excluding the first day of the following month. Payment will then be made by the respective Depositary of the DTC Participant's account against delivery of the Global Certificates. After settlement has been completed, the Global Certificates will be credited to the respective clearing system and by the clearing system, in accordance with its usual procedures, to the Clearstream, Luxembourg Participant's or Euroclear Participant's account. The securities credit will appear the next day (European time) and the cash debt will be back-valued to, and the interest on the Global Certificates will accrue from, the value date (which would be the preceding day when settlement occurred in New York). If settlement is not completed on the intended value date (*i.e.*, the trade fails), the Clearstream, Luxembourg or Euroclear cash debt will be valued instead as of the actual settlement date.

Clearstream, Luxembourg Participants and Euroclear Participants will need to make available to the respective clearing systems the funds necessary to process same-day funds settlement. The most direct means of doing so is to preposition funds for settlement, either from cash on hand or existing lines of credit, as they would for any settlement occurring within Clearstream, Luxembourg or Euroclear. Under this approach, they may take on credit exposure to Clearstream, Luxembourg or Euroclear until the Global Certificates are credited to their accounts one day later.

As an alternative, if Clearstream, Luxembourg or Euroclear has extended a line of credit to them, Clearstream, Luxembourg Participants or Euroclear Participants can elect not to preposition funds and allow that credit line to be drawn upon the finance settlement. Under this procedure, Clearstream, Luxembourg Participants or Euroclear Participants purchasing Global Certificates would incur overdraft charges for one day, assuming they cleared the overdraft when the Global Certificates were credited to their accounts. However, interest on the Global Certificates would accrue from the value date. Therefore, in many cases the investment income on the Global Certificates earned during that one-day period may substantially reduce or offset the amount of such overdraft charges, although this result will depend on each Clearstream, Luxembourg Participant's or Euroclear Participant's particular cost of funds.

Since the settlement is taking place during New York business hours, DTC Participants can employ their usual procedures for sending Global Certificates to the respective European depository for the benefit of Clearstream, Luxembourg Participants or Euroclear Participants. The sale proceeds will be available to the DTC seller on the settlement date. Thus, to the DTC Participants a cross-market transaction will settle no differently than a trade between two DTC Participants.

Trading Between Clearstream, Luxembourg or Euroclear Seller and DTC Purchaser. Due to time zone differences in their favor, Clearstream, Luxembourg Participants and Euroclear Participants may employ their customary procedures for transactions in which Global Certificates are to be transferred by the respective clearing system, through the respective Depositary, to a DTC Participant. The seller will send instructions to Clearstream, Luxembourg or Euroclear through a Clearstream, Luxembourg Participant or Euroclear Participant at least one business day prior to settlement. In these cases Clearstream, Luxembourg or Euroclear will instruct the respective Depositary, as appropriate, to deliver the Global Certificates to the DTC Participant's account against payment. Payment will include interest accrued on the Global Certificates from and including the last coupon payment to and excluding the settlement date on the basis of the actual number of days in such accrual period and a year assumed to consist of 360 days. For transactions settling on the 31st of the month, payment will include interest accrued to and excluding the first day of the following month. The payment will then be reflected in the account of the Clearstream, Luxembourg Participant or Euroclear Participant the following day, and receipt of the cash proceeds in the Clearstream, Luxembourg Participant's or Euroclear Participant's account would be back-valued to the value date (which would be the preceding day, when settlement occurred in New York). Should the Clearstream, Luxembourg Participant or Euroclear Participant have a line of credit with its respective clearing system and elect to be in debt in anticipation of receipt of the sale proceeds in its account, the back-valuation will extinguish any overdraft incurred over that one-day period. If settlement is not completed on the intended valued date (*i.e.*, the trade fails), receipt of the cash proceeds in the Clearstream, Luxembourg Participant's or Euroclear Participant's account would instead be valued as of the actual settlement date.

Finally, day traders that use Clearstream, Luxembourg or Euroclear and that purchase Global Certificates from DTC Participants for delivery to Clearstream, Luxembourg Participants or Euroclear Participants should note that these trades would automatically fail on the sale side unless affirmative action were taken. At least three techniques should be readily available to eliminate this potential problem:

(a) borrowing through Clearstream, Luxembourg or Euroclear for one day (until the purchase side of the day trade is reflected in their Clearstream, Luxembourg or Euroclear accounts) in accordance with the clearing system's customary procedures;

(b) borrowing the Global Certificates in the U.S. from a DTC Participant no later than one day prior to settlement, which would give the Global Certificates sufficient time to be reflected in their Clearstream, Luxembourg or Euroclear account in order to settle the sale side of the trade; or

(c) staggering the value dates for the buy and sell sides of the trade so that the value date for the purchase from the DTC Participant is at least one day prior to the value date for the sale to the Clearstream, Luxembourg Participant or Euroclear Participant.

CERTAIN U.S. FEDERAL INCOME TAX DOCUMENTATION REQUIREMENTS

A holder that is not a "United States person" within the meaning of Section 7701(a)(30) of the Internal Revenue Code of 1986 holding a book-entry certificate through Clearstream, Euroclear or DTC may be subject to U.S. withholding tax at a rate of 30% unless such holder provides certain documentation to the securities administrator or to the U.S. entity required to withhold tax (the "U.S. withholding agent") establishing an exemption from withholding. A holder that is not a United States person may be subject to 30% withholding unless:

I. the securities administrator, or the U.S. withholding agent receives a statement —

  (a) from the holder on IRS Form W-8BEN or IRS Form W-8BEN-E (or any successor form) that —

    (i) is signed by the certificateholder under penalty of perjury;

    (ii) certifies that such owner is not a United States person; and

    (iii) provides the name and address of the certificateholder; or

  (b) from a securities clearing organization, a bank or other financial institution that holds customers' securities in the ordinary course of its trade or business that —

    (i) is signed under penalties of perjury by an authorized representative of the financial institution;

    (ii) states that the financial institution has received an IRS Form W-8BEN or IRS Form W-8BEN-E (or any successor form) from the certificateholder or that another financial institution acting on behalf of the certificateholder has received such IRS Form W-8BEN or IRS Form W-8BEN-E (or any successor form);

    (iii) provides the name and address of the certificateholder; and

    (iv) attaches the IRS Form W-8BEN or IRS Form W-8BEN-E (or any successor form) provided by the certificateholder;

II. the holder claims an exemption or reduced rate based on a treaty and provides a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E (or any successor form) to the securities administrator or the U.S. withholding agent;

III. the holder claims an exemption stating that the income is effectively connected to a U.S. trade or business and provides a properly executed IRS Form W-8ECI (or any successor form) to the securities administrator or the U.S. withholding agent; or

IV. the holder is a "nonwithholding partnership" and provides a properly executed IRS Form W-8IMY (or any successor form) with all necessary attachments to the securities administrator or the U.S. withholding agent. Certain pass-through entities that have entered into agreements with the Internal Revenue Service (for example "qualified intermediaries") may be subject to different documentation requirements; and such holders are encouraged to consult with their tax advisors when purchasing the certificate.

A book-entry certificateholder holding through Clearstream or Euroclear provides the forms and statements referred to above by submitting them to the person through which it holds an interest in the book-entry certificate, which is the clearing agency, in the case of persons holding directly on the books of the clearing agency. Under certain circumstances an IRS Form W-8BEN or IRS Form W-8BEN-E, if furnished with a taxpayer identification number ("TIN"), will remain in effect until the status of the beneficial owner changes, or a change in circumstances makes any information on the form incorrect. An IRS Form W-8BEN or IRS Form W-8BEN-E, if furnished without a TIN, and a Form W-8ECI will remain in effect for a period starting on the date the form is signed and ending on the last day of the third succeeding calendar year, unless a change in circumstances makes any information on the form incorrect.

In addition, a book-entry certificateholder holding through Clearstream, Euroclear or DTC may be subject to backup withholding unless the holder:

I. provides a properly executed IRS Form W-8BEN, IRS Form W-8BEN-E, Form W-8ECI or Form W-8IMY (or any successor forms) if that person is not a United States person;

II. provides a properly executed IRS Form W-9 (or any substitute form) if that person is a United States person; or

III. is a corporation, within the meaning of Section 7701(a) of the Internal Revenue Code of 1986, or otherwise establishes that it is a recipient exempt from United States backup withholding.

This summary does not deal with all aspects of U.S. federal income tax withholding or backup withholding that may be relevant to investors that are not "United States persons" within the meaning of Section 7701(a)(30) of the Internal Revenue Code. Such investors are encouraged to consult their own tax advisors for specific tax advice concerning their holding and disposing of the book-entry certificate.

The term "United States person" means (1) a citizen or resident of the United States, (2) a corporation or partnership organized in or under the laws of the United States or any state or the District of Columbia (other than a partnership that is not treated as a United States person under any applicable Treasury regulations), (3) an estate the income of which is includible in gross income for United States tax purposes, regardless of its source, or (4) a trust if a court within the United States is able to exercise primary supervision over the administration of the issuing entity and one or more United States persons have authority to control all substantial decisions of the trust. Notwithstanding the preceding sentence, to the extent provided in regulations, certain trusts in existence on August 20, 1996 and treated as United States persons prior to such date that elect to continue to be so treated also will be considered United States persons.

ANNEX C – CERTIFICATION FOR EXEMPTION FOR QUALIFIED RESIDENTIAL MORTGAGES

SEQUOIA MORTGAGE TRUST 2023-1
MORTGAGE PASS-THROUGH CERTIFICATES, SERIES 2023-1

CERTIFICATION

Sequoia Residential Funding, Inc. (the "Depositor"), the depositor with respect to the above-referenced securitization transaction, certifies as of the date hereof that it has evaluated the effectiveness of its internal supervisory controls with respect to the process for ensuring that all assets that collateralize the above-referenced securities issued in connection therewith are "qualified residential mortgages" (as defined in the Credit Risk Retention rule codified at 17 C.F.R. Sections 246.1-246.22) or servicing assets and has concluded that its internal supervisory controls are effective. The evaluation described above was performed within 60 days of January 1, 2023, which is the cut-off date for the transaction.

The Depositor has duly caused this certification to be signed on its behalf by its duly authorized signatory.

Date: January 13, 2023

SEQUOIA RESIDENTIAL FUNDING, INC.

DocuSigned by:

By: Jeremy Strom

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Name: Jeremy P. Strom

Title: President and Senior Officer in Charge of Securitization

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OFFERING MEMORANDUM

Sequoia Residential Funding, Inc.
(Depositor)

RWT Holdings, Inc.
(Sponsor)

Asset-Backed Securities
(Issuable in Series)

Please carefully consider our discussion of some of the risks of investing in the securities under "Risk Factors" beginning on page 1.

Unless otherwise specified in the related offering memorandum supplement, neither the securities nor the mortgage loans will be insured or guaranteed by any governmental agency or instrumentality.

The securities will represent obligations of or interests in the related issuing entity only and do not represent an interest in or obligation of Sequoia Residential Funding, Inc., as the depositor, RWT Holdings, Inc., as the sponsor, or any of their affiliates.

The Issuing Entities

Each issuing entity will be established to hold the assets transferred to it by the depositor, Sequoia Residential Funding, Inc. The assets of each issuing entity will be specified in the offering memorandum supplement and may consist of:

- residential mortgage loans secured by senior and junior liens on one-to-four family residential properties, including townhouses, condominiums and cooperative dwelling units;
- various forms of credit enhancement of the types described in this base offering memorandum; and
- other related assets described in this base offering memorandum.

The Securities

The depositor, Sequoia Residential Funding, Inc., will sell the securities pursuant to an offering memorandum supplement. The securities will be grouped into one or more series, each having its own distinct designation. Each series will consist of either certificates representing interests in the assets of the related issuing entity or bonds secured by the issuing entity assets.

Offers of Securities

The securities may be offered through several different methods, including offerings through initial purchasers.

THE SECURITIES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR REGISTERED OR QUALIFIED UNDER ANY STATE SECURITIES LAWS. THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT TO "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT). THE SECURITIES MAY ALSO BE OFFERED OR SOLD ONLY TO CERTAIN PERSONS IN TRANSACTIONS OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S. ACCORDINGLY, THE SECURITIES ARE NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN AND IN THE OFFERING MEMORANDUM SUPPLEMENT.

May 8, 2018

IMPORTANT NOTICE ABOUT INFORMATION IN THIS OFFERING MEMORANDUM AND EACH ACCOMPANYING OFFERING MEMORANDUM SUPPLEMENT

Information about each series of securities is contained in two separate documents.

- this offering memorandum, which provides general information, some of which may not apply to a particular series; and
- the accompanying offering memorandum supplement for a particular series, which describes the specified terms of the securities of that series.

The offering memorandum supplement will contain information about a particular series that supplements the information contained in this offering memorandum.

We have not authorized anyone to provide you with information that is different from that contained in this offering memorandum and the accompanying offering memorandum supplement.

You can find a listing of the pages on which many of the terms used in this offering memorandum are defined under "Index of Defined Terms" beginning on page I-1 of this offering memorandum.

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RISK FACTORS

The following information, which you should carefully consider, identifies certain significant sources of risk associated with an investment in the offered securities. You should also carefully consider the information set forth under "Risk Factors" in the related offering memorandum supplement.

Ratings on the Securities by the Rating Agencies May Not Accurately Reflect the Risks Associated With Those Securities

The ratings on the securities depend primarily on an assessment of the mortgage loans that are assets of the issuing entity, the credit enhancement provided to the securities and the ability of the servicers to service the mortgage loans. Rating agencies rate debt securities based upon their assessment of the likelihood of the receipt of principal and interest payments. Rating agencies do not consider the risks of fluctuations in market value or other factors that may influence the value of debt securities and, therefore, the assigned credit rating may not fully reflect the true risks of an investment in the securities. Credit rating agencies may change their methods of evaluating credit risk and determining ratings on securities backed by mortgage loans. These changes may occur quickly and often.

The ratings of the securities by the rating agencies:

- only address the likelihood of receipt by holders of securities of distributions in the amount of scheduled payments on the mortgage loans;
- do not take into consideration any of the tax aspects associated with the securities;
- do not address the possibility that, as a result of principal prepayments, the yield on your securities may be lower than anticipated;
- do not address the payment of any basis risk shortfalls with respect to the securities; and
- do not comment as to the market price or suitability of the securities for a particular investor.

Ratings are not recommendations to buy, sell or hold the securities. A rating may be changed or withdrawn at any time by the assigning rating agency.

There Is No Source of Payments for Your Securities Other Than the Assets of the Issuing Entity and Any Credit Enhancements.

The assets of the issuing entity together with any applicable credit enhancement are the sole source of payments on the related securities. The securities are not the obligations of any other entity. None of the sponsor, any seller, the depositor, any initial purchaser, the trustee, any administrator, any master servicer, any servicer or any of their affiliates will have any obligation to replace or supplement the credit enhancement, or take any other action to maintain the applicable ratings of the securities. If credit enhancement is not available, holders of securities may suffer losses on their investments.

You Bear the Risk of Losses on the Mortgage Loans; Some Kinds of Mortgage Loans May Be Especially Prone to Default and Losses

Because your securities are backed by mortgage loans, your investment may be affected by losses incurred on the mortgage loans. Losses on residential mortgage loans can occur for many reasons, including: poor origination practices; fraud; faulty appraisals; documentation errors; poor underwriting; legal errors; poor servicing practices; weak economic conditions; increases in payments required to be made by borrowers; declines in the value of homes; earthquakes and other natural events; uninsured property loss; over-leveraging of the borrower; costs of remediation of environmental conditions, such as indoor mold; changes in zoning or building codes and the related costs of compliance; acts of war or terrorism; changes in legal protections for lenders; and other personal events affecting borrowers, such as reduction in income, job loss, divorce, or health problems. To the extent your securities are not covered by credit enhancements, you will bear all of the risks resulting from losses on the mortgage loans. In addition, several types of mortgage loans which have higher than average rates of default and loss may be included in the entity that issues your security, including adjustable rate, interest-only, second lien, balloon, high loan-to-value ratio, and high balance mortgage loans.

Risks Related to Adjustable Rate Mortgage Loans

Recently, an increasingly large proportion of residential mortgage loans originated in the United States have been adjustable rate mortgage loans, including loans that have interest-only or negative amortization features. Mortgage loans that are referred to generally as adjustable rate mortgage loans, or ARMs, may include any of the following types of loans:

- "standard" adjustable rate mortgage loans whose interest rate adjusts on the basis of a variable index plus a margin, with the initial adjustment occurring after a specified period of time from origination of the related mortgage loan and adjustments occurring periodically at specified intervals thereafter; these loans may or may not have a low introductory interest rate;

- "hybrid" mortgage loans, whose interest rate is fixed for the initial period specified in the related mortgage note, and thereafter adjusts periodically based on the related index plus a margin;

- "interest-only" mortgage loans, which provide for payment of interest at the related mortgage interest rate, but no payment of principal, for the period specified in the related mortgage note; thereafter, the monthly payment is increased to an amount sufficient to amortize the principal balance of the mortgage loan over the remaining term and to pay interest at the applicable mortgage interest rate;

- "negative amortization" mortgage loans, which may have a low introductory interest rate, and thereafter have a mortgage interest rate which adjusts periodically based on the related index plus a margin; however, the borrower is only required to make a minimum monthly payment which may not be sufficient to pay the monthly interest accrued, resulting in an increase to the principal balance of the mortgage loan by the amount of unpaid interest; and

- "option ARMs," which combine several of the features described above and permit the borrower to elect whether to make a monthly payment sufficient to pay accrued interest and amortize the principal balance, make an interest-only payment or make a minimum payment that may be insufficient to pay accrued interest (with the unpaid interest added to the principal balance of the loan).

If specified in the related offering memorandum supplement, the issuing entity may include significant concentrations of the standard, hybrid and interest-only types of adjustable rate mortgage loans, which present special default and prepayment risks discussed below. No issuing entity will include negative amortization loans or option ARMs.

The primary attraction to borrowers of these adjustable rate mortgage loan products is that initial monthly mortgage loan payments can be significantly lower than fixed rate or level pay mortgage loans under which the borrower pays both principal and interest at an interest rate fixed for the life of the mortgage loan. As a result, many borrowers have been able to incur substantially greater mortgage debt using one of these adjustable rate mortgage loan products than if they used a fixed rate mortgage loan.

In addition, many borrowers have used adjustable rate mortgage loan products to purchase homes that are comparatively larger or more expensive than they would otherwise have purchased with a fixed rate mortgage loan with relatively higher monthly payments. These borrowers may have taken out these mortgage loan products in the expectation that either (1) their income will rise by the time their fixed rate period or interest-only period expires, thus enabling them to make the higher monthly payments, or (2) in an appreciating real estate market, they will be able to sell their property for a higher price or will be able to refinance the mortgage loan before the expiration of the fixed rate or interest-only period.

When evaluating a mortgage loan application from a prospective borrower for an adjustable rate or interest-only mortgage loan, many mortgage originators determined the amount of loan that borrower could afford based on the borrower's initial scheduled monthly payments, or the scheduled monthly payments on the first mortgage interest rate reset date, rather than based on the adjusted monthly payments as of future mortgage interest reset dates (in the case of adjustable rate mortgage loans) or the principal amortization date (in the case of interest-only mortgage loans). These origination practices have been changed substantially beginning in 2007 with promulgation of guidelines by the Federal Reserve Board and state mortgage regulators and by the subsequent implementation of more conservative underwriting standards by originators. Unless otherwise specified in the related offering memorandum supplement, mortgage loan characteristics and debt-to-income ratios set forth in the offering memorandum supplement will reflect the scheduled mortgage loan payments due or being made as of the "cut-off date," and will not reflect the mortgage loan payment resets that will occur during the life of the mortgage loan.

In recent years, mortgage interest rates have been at historically low levels. If mortgage interest rates rise, borrowers will experience increased monthly payments on their adjustable rate mortgage loans. As the fixed interest rates on hybrid mortgage loans expire and convert to adjustable rates, borrowers may find that the new minimum monthly payments are considerably higher and they may not be able to make those payments.

In addition, without regard to changes in interest rates, the monthly payments on mortgage loans with interest-only features will increase substantially when the principal must be repaid.

Any of these factors, or a combination of these factors, could cause adjustable rate mortgage loan defaults to increase substantially.

Borrowers who intend to avoid increased monthly payments by refinancing their mortgage loans may find that lenders may not in the future be willing or able to offer these adjustable rate mortgage loan products, or to offer these products at relatively low interest rates. A further decline in housing prices generally or in certain regions of the United States could also leave borrowers with insufficient equity in their homes to permit them to refinance. In addition, borrowers who intend to sell their properties on or before the expiration of the fixed rate periods or interest-only periods on their mortgage loans may find that they cannot sell their properties for an amount equal to or greater than the unpaid principal balance of their loans. These events could cause borrowers to default on their mortgage loans.

Rising unemployment and slow wage growth in certain regions of the United States or generally could also impact the ability of many borrowers with adjustable rate mortgage loans to make the higher monthly payments resulting from the expiration of fixed rate periods or interest-only periods, or from increases in interest rates. If borrowers become unemployed in a slowing economy, or if they find that expected increases in personal income have not occurred, they may be unable to make the higher monthly mortgage payments.

Any of the factors described above, alone or in combination, could adversely affect the yield on your securities. Depending upon the type of security purchased and the price paid, the adverse yield effect could be substantial.

See "— Risks Related to Mortgage Loans With Interest-Only Payments" for further discussion of adjustable rate mortgage loans with interest-only features.

Risks Related to Mortgage Loans With Interest-Only Payments

If specified in the related offering memorandum supplement, some of the mortgage loans to be included in the trust may provide for payment of interest at the related mortgage interest rate, but no payment of principal, for the period following origination specified in the related offering memorandum supplement. Following the applicable interest-only period, the monthly payment with respect to each of these mortgage loans will be increased to an amount sufficient to amortize the principal balance of the mortgage loan over the remaining term and to pay interest at the applicable mortgage interest rate.

If applicable, the presence of these mortgage loans in the issuing entity may, absent other considerations, result in longer weighted average lives of the related securities than would have been the case had these loans not been included in the issuing entity. In addition, borrowers may view the absence of any obligation to make a payment of principal during the interest-only period following origination specified in the related offering memorandum supplement as a disincentive to prepayment. Conversely, however, borrowers may be more likely to refinance their mortgage loans when the related interest-only period expires, resulting in increased prepayments.

After a borrower's monthly payment has been increased to include principal amortization, and assuming the borrower does not refinance the related mortgage loan, delinquency or default may be more likely.

See also "— Risks Related to Adjustable Rate Mortgage Loans" for a discussion of risks related to interest-only mortgage loans and economic conditions.

Special Default Risk of Second Lien Mortgage Loans

If the related offering memorandum supplement specifies that the issuing entity includes mortgage loans that are secured by second liens on the related mortgaged properties, these second lien mortgage loans will be subordinate to the rights of the mortgagee under the related first mortgages. Generally, the holder of a second lien mortgage loan will be subject to a loss of its mortgage if the holder of the first mortgage is successful in foreclosure of its mortgage, because no second liens or encumbrances survive such a foreclosure. In addition, due to the priority of the first mortgage, the holder of the second lien mortgage may not be able to control the timing, method or procedure of any foreclosure action relating to the mortgaged property. Furthermore, any liquidation, insurance or condemnation proceeds received on the second lien mortgage will be available to satisfy the outstanding balance of the mortgage loan only to the extent that the claim of the related first mortgage has been satisfied in full, including any foreclosure costs. Accordingly, if liquidation proceeds are insufficient to satisfy the mortgage loan secured by the second lien and all prior liens in the aggregate, and if the credit enhancement provided by any excess interest and overcollateralization (if applicable) has been exhausted or is otherwise unavailable to cover the loss, securityholders will bear the risk of delay in payments while any deficiency judgment against the borrower is sought and the risk of loss if the deficiency judgment is not pursued, cannot be obtained or is not realized for any other reason.

Risks Relating to Declines in Property Values and Second Lien Mortgage Loans

An overall decline in residential real estate prices could adversely affect the values of the mortgaged properties and cause the outstanding principal balances of the second lien mortgage loans, together with the senior lien mortgage loans secured by the same mortgaged properties, to equal or exceed the value of the mortgaged properties. This type of a decline would adversely affect the position of a second mortgagee before having the same effect on the related first mortgagee. A rise in interest rates over a period of time and the general condition of a mortgaged property as well as other factors may have the effect of reducing the value of the mortgaged property from the appraised value at the time the second lien mortgage loan was originated. If there is a reduction in the value of a mortgaged property, the ratio of the sum of the principal balances of the second lien mortgage loan and the related first lien mortgage loan to the value of the mortgaged property may increase, reducing the likelihood of liquidation or other proceeds being sufficient to satisfy the second lien mortgage loan after satisfaction of the senior lien.

Risks Related to Simultaneous Second Liens and Other Borrower Debt

At the time of origination of any first lien mortgage loans in the issuing entity, the originators or other lenders may also have made second lien loans to the same borrowers that may or may not be included in the issuing entity. In addition, other borrowers whose first lien loans are included in the issuing entity may have obtained secondary mortgage financing following origination of the first lien loans. In addition, borrowers may increase their aggregate indebtedness substantially by assuming consumer debt of various types. Consequently, investors should consider that borrowers who have less equity in their homes, or who have substantial mortgage and consumer indebtedness, may be more likely to default and may be more likely to submit to foreclosure proceedings.

In addition, the nature of any second lien may influence the prepayment characteristics of the first lien included in the issuing entity. Borrowers may be more likely to refinance and prepay the first lien when any secondary mortgage financing becomes due in full, and consequently investors should be aware that the rate of prepayment of the first lien mortgage loans in the issuing entity may be affected by any associated second lien loans.

Special Assessments and Energy Efficiency Liens May Take Priority Over the Mortgage Lien

Mortgaged properties securing the mortgage loans may be subject to the lien of special property taxes and/or special assessments. These liens may be superior to the liens securing the mortgage loans, irrespective of the date of the mortgage. In some instances, individual borrowers may be able to elect to enter into contracts with governmental agencies for Property Assessed Clean Energy (PACE) or similar assessments that are intended to secure the payment of energy and water efficiency and distributed energy generation improvements that are permanently affixed to their properties, possibly without notice to or the consent of the mortgagee. These assessments may also have lien priority over the mortgages securing mortgage loans. No assurance can be given that any mortgaged property so assessed will increase in value to the extent of the assessment lien. Additional indebtedness secured by the assessment lien would reduce the amount of the value of the mortgaged property available to satisfy the affected mortgage loan.

Balloon Loans

If specified in the related offering memorandum supplement, the mortgage loans to be included in the issuing entity may include balloon loans. Balloon loans pose a special payment risk because the borrower must pay a large lump sum payment of principal at the end of the loan term. If the borrower is unable to pay the lump sum or refinance such amount, you may suffer a loss if the collateral for the loan is insufficient and the other forms of credit enhancement are insufficient or unavailable to cover the loss.

Mortgage Loans With High Original Loan-to-Value Ratios May Present a Greater Risk of Loss

As specified in the related offering memorandum supplement, a certain number of mortgage loans included in the issuing entity may have original loan-to-value ratios of greater than 80%. Mortgage loans with high loan-to-value ratios, particularly those in excess of 100%, may be more likely to experience default and foreclosure than mortgage loans with low original loan-to-value ratios.

Moreover, mortgage loans with high original loan-to-value ratios are more likely to be subject to a judicial reduction of the loan amount in bankruptcy or other proceedings than mortgage loans with lower original loan-to-value ratios. If a court relieves a borrower's obligation to repay amounts otherwise due on a mortgage loan, none of the servicers or the master servicer will be required to advance funds in respect of relieved amounts, and any related loss may reduce the amount available to be paid to securityholders. In such event, holders of subordinate classes of securities may suffer losses.

Default Risk on High Balance Mortgage Loans

If specified in the related offering memorandum supplement, a certain percentage of the mortgage loans included in the issuing entity may have a principal balance as of the cut-off date in excess of $1,000,000. You should consider the risk that the loss and delinquency experience on these high balance loans may have a disproportionate effect on the issuing entity as a whole.

Geographic Concentration of Mortgage Loans

The mortgage loans to be included in the issuing entity may be concentrated in one or more states, as specified in the related offering memorandum supplement. The rate of delinquencies, defaults and losses on the mortgage loans may be higher than if fewer of the mortgage loans were concentrated in those states because the following conditions will have a disproportionate impact on the mortgage loans in general:

- weak economic conditions in these locations or any other location (which may or may not affect real property values), may affect the ability of borrowers to repay their mortgage loans on time, particularly in the case of interest-only loans;

- properties in certain jurisdictions may be more susceptible than homes located in other parts of the country to certain types of uninsurable hazards, such as earthquakes, as well as floods, hurricanes, wildfires, mudslides and other natural disasters;

- declines in the residential real estate market of a particular jurisdiction may reduce the values of properties located in that jurisdiction, which would result in an increase in the loan-to-value ratios or combined loan-to-value ratios, as the case may be, particularly in the case of interest-only loans; and

- any increase in the market value of properties located in a particular jurisdiction would reduce the loan-to-value ratios or combined loan-to-value ratios, as the case may be, of the mortgage loans and could, therefore, make alternative sources of financing available to the borrowers at lower interest rates, which could result in an increased rate of prepayment of the mortgage loans.

Natural disasters, such as wildfires, severe storms and flooding affecting regions of the United States from time to time may result in prepayments of mortgage loans.

For additional information regarding the geographic concentration of the mortgage loans to be included in the issuing entity, see the geographic distribution table or tables in the related offering memorandum supplement.

Aspects of the Mortgage Loan Origination Process May Result in Higher Expected Delinquencies

Various factors in the process of originating the mortgage loans assigned or pledged to the trust may have the effect of increasing delinquencies and defaults on the mortgage loans. These factors may include any or all of the following:

Appraisal Quality. During the mortgage loan underwriting process, appraisals are generally obtained on each prospective mortgaged property. The quality of these appraisals may vary widely in accuracy and consistency. In some cases, the appraiser may feel pressure from the lender to provide an appraisal in the amount necessary to enable the originator to make the loan, whether or not the value of the property justifies such an appraised value. In addition, in some cases, the lender may not require a full appraisal for the prospective mortgaged property or it may use an automated valuation model, which is a computer generated appraisal report created using formulas based on various factors, including sales trends, title records, neighborhood analysis, tax assessments and other available information regarding the prospective mortgaged property. Inaccurate or inflated appraisals may result in an increase in the number and severity of losses on the mortgage loans.

Underwriting Guideline Exceptions. Although mortgage originators generally underwrite mortgage loans in accordance with their pre-determined loan underwriting guidelines, from time to time and in the ordinary course of business, originators will make exceptions to these guidelines. Loans originated with exceptions may result in a higher number of delinquencies and loss severities than loans originated in strict compliance with the designated underwriting guidelines.

Non-owner Occupied Properties. Mortgage loans secured by properties acquired by investors for the purposes of rental income or capital appreciation, or properties acquired as second homes, tend to have higher frequency of default and/or higher loss severities than properties that are regularly occupied by the related borrowers. In a default, real property investors who do not reside in the mortgaged property may be more likely to abandon the related mortgaged property, increasing the severity of the default.

Fraud. Fraud committed in the origination process may increase delinquencies and defaults on the mortgage loans. For example, a borrower may present fraudulent documentation to a lender during the mortgage loan underwriting process, which may enable the borrower to obtain a mortgage loan in an amount or with terms for which the borrower would not otherwise qualify. In addition, increasingly frequent incidences of identity theft involving borrowers, particularly in the case of mortgage loans originated under streamlined origination programs, may result in an increased number of fraudulent mortgage loans that are not secured by a mortgaged property. You should consider the potential effect of fraud by borrowers and other third parties on the yield on your securities.

Self-employed Borrowers. Self-employed borrowers may be more likely to default on their mortgage loans than salaried or commissioned borrowers and generally have less predictable income. In addition, many self-employed borrowers are small business owners who may be personally liable for their business debt. Consequently, you should consider that a higher number of self-employed borrowers may result in increased defaults on the mortgage loans in the issuing entity.

First-time Borrowers. First-time homebuyers are often younger, have shorter credit histories, are more highly leveraged and have less experience with undertaking mortgage debt and maintaining a residential property than other borrowers. The presence of loans to first time buyers in the mortgage pool may increase the number of defaults on the mortgage loans.

Although the aspects of the mortgage loan origination process described above may be indicative of the performance of the mortgage loans, information regarding these factors may not be available for the mortgage loans held by the issuing entity, unless specified in the offering memorandum supplement.

See "Loan Program — Underwriting Standards" in this offering memorandum and see the offering memorandum supplement for a description of the characteristics of the related mortgage loans and for a general description of the underwriting guidelines applied in originating the related mortgage loans.

Our Due Diligence of the Mortgage Loans Supporting Your Securities May Not Reveal Aspects of Such Mortgage Loans Which Could Lead to Losses

We undertake due diligence efforts with respect to various aspects of the mortgage loans that support your securities, including investigating the strengths and weaknesses of the originator and servicer of the loans and verifying certain aspects of the underlying loans themselves as well as other factors and characteristics that may be material to the performance of the loans. In making the assessment and otherwise conducting due diligence, we rely on resources available to us and, in some cases, investigation by third parties. There can be no assurance that any due diligence process that we conduct will uncover relevant facts that could be determinative of how the mortgage loans will perform. Moreover, our ability to mitigate losses on mortgage loans transferred to an issuing entity is significantly limited by contractual and other constraints of the securitization structure in which such loans are held, including REMIC rules.

Early or Multiple Payment Defaults May Be Indicative of Higher Rates of Delinquencies and Losses in the Future

As specified in the related offering memorandum supplement, a certain number of mortgage loans included in the issuing entity may be delinquent as of the applicable cut-off date or may have been delinquent in payment in the last twelve months on one or more due dates.

Prior delinquencies and, in particular, first or early payment defaults, may be an indication of underwriting errors in assessing the financial means and/or credit history of the borrower or of an adverse change in the financial status of the borrower. These mortgage loans are likely to experience rates of delinquency, foreclosure and bankruptcy that are higher, and that may be substantially higher, than those experienced by mortgage loans whose borrowers have more favorable payment histories

Mortgage Loan Interest Rates May Limit Interest Rates on the Variable Rate Securities

The securities generally will have either fixed or variable interest rates. However, as specified in the related offering memorandum supplement, the interest rates on your securities may be subject to certain limitations, generally based on the weighted average interest rates of the mortgage loans in the issuing entity or as otherwise described in the related offering memorandum supplement, net of certain allocable fees and expenses of the issuing entity and any payments owed on derivative instruments. The mortgage loans to be included in the issuing entity will have interest rates that either are fixed or adjust based on a variable index, as described in the related offering memorandum supplement.

Any adjustable rate mortgage loans in the issuing entity may also have periodic maximum and minimum limitations on adjustments to their interest rates, and may have the first adjustment to their interest rates a number of years after their first payment dates. In addition, adjustable rate mortgage loans generally have lifetime maximum interest rates. As a result, your variable rate securities may accrue less interest than they would accrue if their interest rates were solely based on the specified index plus the specified margin.

A variety of factors could limit the interest rates and adversely affect the yields to maturity on the variable rate securities. Some of these factors are described below.

The interest rates for your securities may adjust monthly based on the one-month LIBOR index or another index, while the interest rates on the mortgage loans to be included in the issuing entity may either adjust less frequently, adjust based on a different index or not adjust at all. Consequently, the limits on the interest rates on these securities may prevent increases in the interest rates for extended periods in a rising interest rate environment.

The interest rates on adjustable rate mortgage loans may respond to economic and market factors that differ from those that affect the one-month LIBOR index or the index applicable to your variable rate securities. It is possible that the interest rates on any adjustable rate mortgage loans may decline while the interest rates on the related securities are stable or rising. It is also possible that the interest rates on any adjustable rate mortgage loans and the interest rates on the related securities may both decline or increase during the same period, but that the interest rates on your securities may decline or may increase more slowly or rapidly.

To the extent that fixed rate or adjustable rate mortgage loans are subject to default or prepayment, the interest rates on the related securities may be reduced as a result of the net funds cap limitations described in the related offering memorandum supplement.

See "Yield and Prepayment Considerations" in this offering memorandum and see the offering memorandum supplement for a description of the interest rates applicable to your securities and for a general description of the interest rates of the related mortgage loans.

Potential Inadequacy of Credit Enhancement

If specified in the related offering memorandum supplement, the features of subordination and loss allocation, excess interest, overcollateralization and limited cross-collateralization, together with any primary mortgage insurance and financial guaranty insurance policies, are intended to enhance the likelihood that holders of more senior classes of securities will receive regular payments of interest and principal, but are limited in nature and may be insufficient to cover all losses on the related mortgage loans.

Subordination and Allocation of Losses. If the applicable subordination is insufficient to absorb losses, then securityholders will likely incur losses and may never receive all of their principal payments. You should consider that:

- if you buy a subordinate security and losses on the related mortgage loans exceed the total principal amount of any securities subordinate to your securities (if any), plus, if applicable to the issuing entity and as specified in the related offering memorandum supplement, any excess interest and any overcollateralization that has been created, the principal amount of your securities will be reduced proportionately with the principal amounts of the other securities of your class by the amount of that excess; and

- if specified in the related offering memorandum supplement, after the total principal amount of the subordinate securities has been reduced to zero, losses on the mortgage loans may reduce the principal amounts (or notional amounts) of the senior securities.

Losses on the related mortgage loans will reduce the loss protection provided by the subordinate securities to the senior securities and will increase the likelihood that the senior securities will not receive all of their expected principal payments.

If the securities have the benefit of overcollateralization and excess interest, and if overcollateralization is maintained at the required amount and the related mortgage loans generate interest in excess of the amount needed to pay interest and principal on your securities, the fees and expenses of the issuing entity and any payments owed to a derivatives counterparty, then excess interest may be used to pay you and the other securityholders of the related securities the amount of any reduction in the aggregate principal balance of the mortgage loans caused by application of losses. These payments will generally be made in order of seniority. We cannot assure you, however, that any excess interest will be generated and, in any event, unless otherwise specified in the related offering memorandum supplement, no interest will be paid to you on the amount by which the principal amount of your securities was reduced because of the application of losses.

Overcollateralization. If the securities have the benefit of excess interest and overcollateralization, as specified in the related offering memorandum supplement, then in order to create and maintain overcollateralization, it will be necessary that the mortgage loans generate more interest than is needed to pay interest on the related securities, as well as any fees and expenses of the issuing entity and any payments owed to a derivative counterparty. If the securities have the benefit of excess interest and/or overcollateralization, we expect that the mortgage loans will generate more interest than is needed to pay those amounts, at least during certain periods, because the weighted average of the interest rates on the mortgage loans is expected to be higher than the weighted average of the interest rates on the related securities plus the weighted average aggregate expense rate. Any remaining interest generated by the mortgage loans will be used to absorb losses on the mortgage loans and to maintain overcollateralization. In addition, on the closing date, the total scheduled principal balance of the mortgage loans may exceed the total principal amount of the securities. This excess is referred to as "overcollateralization" and will be available to absorb losses. We cannot assure you, however, that the mortgage loans will generate enough excess interest to maintain this overcollateralization level as set by the applicable rating agencies. In addition, there may be no amounts available from any interest rate derivative agreement described in the related offering memorandum supplement to cover shortfalls. The following factors will affect the amount of excess interest that the related mortgage loans will generate:

Every time a mortgage loan is prepaid in whole or in part, total excess interest after the date of prepayment will be reduced because that mortgage loan will no longer be outstanding and generating interest or, in the case of a partial prepayment, will be generating less interest. The effect of this reduction on your securities will be influenced by the amount of prepaid loans and the characteristics of the prepaid loans. Prepayment of a disproportionately high number of high interest rate mortgage loans would have a greater negative effect on future excess interest.

If the rates of delinquencies, defaults or losses on the mortgage loans turn out to be higher than expected, excess interest available for overcollateralization or to absorb losses will be reduced. Every time a mortgage loan is liquidated or charged off, excess interest will be reduced because that mortgage loan will no longer be outstanding and generating interest.

Limited Cross-Support. The issuing entity may contain two or more separate mortgage pools, as specified in the related offering memorandum supplement. Principal payments on the senior securities will depend, for the most part, on collections on the mortgage loans in the related pool. However, as specified in the related offering memorandum supplement, the senior securities may have the benefit of credit enhancement in the form of subordination from one or more of the other pools. That means that even if the rate of losses on mortgage loans in the pool related to your class of senior securities is low, losses in an unrelated pool may reduce the loss protection for your securities.

Interest Rate Derivative Agreements. If specified in the related offering memorandum supplement, any amounts received under any interest rate cap or swap agreement will generally be applied as described in the related offering memorandum supplement to pay interest shortfalls and, if applicable, to maintain overcollateralization and cover losses. However, we cannot assure you that any amounts will be received under that interest rate derivative agreement, or that any such amounts that are received will be sufficient to maintain any required overcollateralization or to cover interest shortfalls and losses on the mortgage loans.

Primary Mortgage Insurance. If specified in the related offering memorandum supplement, some of the first lien mortgage loans which have original loan-to-value ratios greater than 80% may be covered by existing borrower- or lender-paid primary mortgage insurance policies. The existing borrower- or lender-paid primary mortgage insurance policies will generally have the effect of reducing the original loan-to-value ratios of those covered mortgage loans to the percentage or percentages specified in the related offering memorandum supplement.

In addition, if specified in the related offering memorandum supplement, one or more loan-level primary mortgage insurance policies may be acquired on behalf of the issuing entity from primary mortgage insurance providers, providing the initial insurance coverage specified in the related offering memorandum supplement for those first lien mortgage loans with original loan-to-value ratios greater than 80%.

These loan-level primary mortgage insurance policies will generally have the effect of reducing the original loan-to-value ratios of those covered mortgage loans to the percentage specified in the related offering memorandum supplement.

However, these policies will only cover first lien mortgage loans and will be subject to various other limitations and exclusions. In addition, borrower-paid primary mortgage insurance may be subject to cancellation by the related borrower. As a result, coverage may be rescinded or denied on some mortgage loans. Primary mortgage insurance providers will generally curtail the insured payments on a foreclosed mortgage loan if the related servicer does not foreclose that mortgage loan within a limited time period determined by the insurance provider. In addition, because the amount of coverage under these policies depends on the loan-to-value ratio of the related mortgaged property at the inception of these policies, a decline in the value of the related mortgaged property will not result in increased coverage, and the issuing entity may still suffer a loss on a covered mortgage loan. Accordingly, these primary mortgage insurance policies will provide only limited protection against losses on the mortgage loans.

Effect of Creditworthiness of Primary Mortgage Insurers on Ratings of Securities

If the related offering memorandum supplement specifies that one or more loan-level primary mortgage insurance policies have been acquired on behalf of the issuing entity from one or more primary mortgage insurance providers, then the ratings assigned to your securities by the applicable rating agencies will be based in part on the financial strength ratings assigned to the insurer or insurers providing the primary mortgage insurance coverage described above. However, these financial strength ratings assigned to the insurer or insurers could be qualified, reduced or withdrawn at any time. In addition, you should consider that a credit rating does not assure you that the insurer or insurers will not default on their obligations.

Any qualification, reduction or withdrawal of the financial strength ratings assigned to the insurer or insurers could result in reduction of the ratings assigned to your securities, which could in turn affect the liquidity and market value of your securities.

Risks Related to Any Interest Rate Swap Agreement

If the related offering memorandum supplement specifies that the issuing entity or related supplemental interest issuing entity includes one or more interest rate swap agreements, then any net swap payment payable to the swap counterparty under the terms of those interest rate swap agreements will reduce amounts available for payment to securityholders, and may reduce payments of interest on the securities. If the rate of prepayments on the mortgage loans is faster than anticipated, the scheduled notional amounts on which payments due under the interest rate swap agreements are calculated may exceed the total principal balance of the mortgage loans, thereby increasing the relative proportion of interest collections on the mortgage loans that must be applied to make swap payments to the swap counterparty and, under certain circumstances, requiring application of principal received on the mortgage loans to make net swap payments to the swap counterparty. Therefore, a rapid rate of prepayments during periods in which the issuing entity makes net payments to a swap counterparty could adversely affect the yields on the securities.

Effect of Creditworthiness of Swap Counterparty on Ratings of Securities

If the related offering memorandum supplement specifies that the issuing entity includes one or more interest rate swap agreements, in the event that the issuing entity, after application of all interest and principal received on the related mortgage loans, cannot make the required swap payments to the swap counterparty, a swap termination payment as described in the related offering memorandum supplement may be owed to the swap counterparty. Any termination payment payable to the swap counterparty in the event of early termination of any interest rate swap agreement will likely reduce amounts available for payment to securityholders.

If the related offering memorandum supplement specifies that the issuing entity includes one or more interest rate swap agreements, the ratings on your securities will be dependent in part upon the credit ratings of the swap counterparty or its credit support provider. If a credit rating of the swap counterparty or its credit support provider is qualified, reduced or withdrawn, or if the swap counterparty or its credit support provider defaults on its obligations, and a substitute counterparty or credit support provider is not obtained in accordance with the terms of the interest rate swap agreement, the ratings of your securities may be qualified, reduced or withdrawn. In such event, the value and marketability of those securities will be adversely affected.

Special Risks for Certain Classes of Securities

The related offering memorandum supplement may specify that certain classes of securities are interest-only or principal-only securities. These securities will have yields to maturity (or early termination) — the yield you will receive if you hold a security until it has been paid in full — that are highly sensitive to prepayments on the related mortgage loans.

If you purchase any of these classes of securities, you should consider the risk that you may receive a lower than expected yield under the following circumstances:

- in the case of any interest-only securities, a faster than expected rate of prepayments on the mortgage loans in the issuing entity; and

- in the case of any principal-only securities, a slower than expected rate of prepayments on the mortgage loans in the issuing entity.

Prepayments on the mortgage loans, including liquidations, purchases and insurance payments, could result in the failure of investors in any interest-only securities to fully recover their initial investments. Prepayments on the mortgage loans may occur as a result of solicitations of the borrowers by mortgage loan providers, including any seller and its affiliates and any master servicer or servicer.

Exercise by a party that has a right to purchase the mortgage loans, as described in the related offering memorandum supplement, will adversely affect the yields on any interest-only securities.

You Will Be Subject to the Risks Associated With Potential Inadequate or Untimely Services From Third-Party Service Providers, Which May Adversely Impact Your Yield; You Will Also Be Dependent on Corporate Trustees to Act on Your Behalf in Enforcing Your Rights

The mortgage loans underlying your securities will be serviced by third-party service providers. Should a servicer experience financial difficulties, it may not be able to perform these obligations. Servicers who have sought bankruptcy protection may, due to application of provisions of bankruptcy law, not be required to make advance payments to you of amounts due from loan obligors. Even if a servicer were able to advance amounts in respect of delinquent loans, its obligation to make the advances may be limited to the extent that it does not expect to recover the advances due to the deteriorating credit or other characteristics of delinquent loans. In addition, as with any externally provided service, there are risks associated with potential inadequate or untimely services for other reasons. Servicers may not advance funds that would ordinarily be due because of errors, miscalculations, or other reasons. Many borrowers require notices and reminders to keep their loans current and to prevent delinquencies and foreclosures, which servicers may fail to provide. In the current economic environment, many servicers are experiencing higher volumes of delinquent loans than they have in the past and, as a result, there is a risk that their operational infrastructures cannot properly process the increased volume.

You will also be dependent on corporate trustees to act on behalf of you and other holders of securities in enforcing your rights. Under the terms of most securities, you do not have the right to directly enforce remedies against the issuer of the security, but instead must rely on a trustee to act on behalf of you and other security holders. Should a trustee not be required to take action under the terms of the securities, or fail to take action, you could experience losses.

Delay in Receipt of Liquidation Proceeds; Liquidation Proceeds May Be Less Than Mortgage Balance

Substantial delays could be encountered in connection with the liquidation of delinquent mortgage loans. Further, reimbursement of advances made by a servicer and liquidation expenses such as legal fees, real estate taxes and maintenance and preservation expenses may reduce the portion of liquidation proceeds payable to securityholders. If a mortgaged property fails to provide adequate security for the related mortgage loan, you could incur a loss on your investment if the applicable credit enhancement is insufficient to cover the loss.

Substantial delays could be encountered in connection with the liquidation of delinquent mortgage loans. Further, reimbursement of advances and liquidation expenses such as legal fees, real estate taxes and maintenance and preservation expenses may reduce the portion of liquidation proceeds payable to certificateholders. If a mortgaged property fails to provide adequate security for the related mortgage loan, you could incur a loss on your investment if the applicable credit enhancement is insufficient to cover the loss.

There Are Risks Relating to Alternatives to Foreclosure

Certain mortgage loans are or may become delinquent after the closing date. A servicer may either foreclose on a delinquent mortgage loan or, under certain circumstances, work out an agreement with the related mortgagor, which may involve waiving or modifying any term of the mortgage loan or charging off a portion of the principal of the mortgage loan. The servicer may also permit a “short sale” of the mortgaged property for less than the amount due on the mortgage loans or sell the mortgage loan for less than the amount due on the mortgage loan. If a servicer extends the payment period or accepts a lesser amount than stated in the mortgage note in satisfaction of the mortgage note or charges off or sells the mortgage loan, your yield may be reduced.

Delinquencies Due to Servicing Transfers

Servicing of mortgage loans may be transferred in the future to other servicers in accordance with the provisions of the pooling and servicing agreement or sale and servicing agreement, as applicable, and the related servicing agreement as a result of, among other things, (1) the occurrence of unremedied events of default in servicer performance under a servicing agreement or (2) the exercise by a seller or servicing administrator of its right to terminate a servicer without cause.

All transfers of servicing involve some risk of disruption in collections due to data input errors, misapplied or misdirected payments, inadequate borrower notification, system incompatibilities and other reasons. As a result, the affected mortgage loans may experience increased delinquencies and defaults, at least for a period of time, until all of the borrowers are informed of the transfer and the related servicing mortgage files and records and all the other relevant data has been obtained by the new servicer. There can be no assurance as to the extent or duration of any disruptions associated with the transfer of servicing or as to the resulting effects on the yields on the securities.

Military Action and Terrorist Attacks

The effects that military action by U.S. forces in Afghanistan or other regions, terrorist attacks in the United States or other incidents and related military action may have on the performance of the mortgage loans in the issuing entity or on the values of mortgaged properties cannot be determined at this time. Investors should consider the possible effects on delinquency, default and prepayment experience of the related mortgage loans. Federal agencies and non-government lenders may defer, reduce or forgive payments and delay foreclosure proceedings in respect of loans to borrowers affected in some way by possible future events. In addition, the activation of additional U.S. military reservists or members of the National Guard may significantly increase the proportion of mortgage loans whose mortgage rates are reduced by application of the Servicemembers Civil Relief Act, as amended, or similar state or local laws. The amount of interest available for payment to securityholders will be reduced by any reductions in the amount of interest collectible as a result of application of the Servicemembers

Civil Relief Act, as amended, or similar state or local laws and no servicer, master servicer nor any other party will be required to fund any interest shortfall caused by any such reduction.

Unpredictability and Effect of Prepayments

The rate of prepayments on the mortgage loans will be sensitive to prevailing interest rates. Generally, if prevailing interest rates decline, mortgage loan prepayments may increase if refinancing is available at lower interest rates. If prevailing interest rates rise, prepayments on the mortgage loans may decrease.

For example, the mortgage loans could be subject to higher prepayment rates if fixed rate mortgage loans at competitive interest rates are available, allowing borrowers to refinance their mortgage loans to “lock-in” lower fixed interest rates. The prepayment experience of the mortgage loans to be included in the trust may differ significantly from that of other first lien residential mortgage loans.

Borrowers may prepay their mortgage loans in whole or in part at any time; however, some or all of the mortgage loans to be included in the issuing entity may require the payment of a prepayment premium in connection with any voluntary prepayments in full, and certain voluntary prepayments in part, made during periods ranging from the periods specified in the related offering memorandum supplement. These prepayment premiums may discourage borrowers from prepaying their mortgage loans during the applicable period.

Prepayments on the mortgage loans may occur as a result of solicitations of the borrowers by mortgage loan originators, the servicer or servicers, as applicable, and any master servicer. In addition, the availability of newer mortgage products with more flexible payment terms or that require lower monthly payments, such as “option ARMs,” may result in an increase in the number of borrowers who prepay their mortgage loans to take advantage of new products.

The timing of prepayments of principal may also be affected by liquidations of or insurance payments on the mortgage loans. In addition, RRAC, as a seller of the mortgage loans to the depositor, or such other seller as specified in the related offering memorandum supplement, may be required to purchase mortgage loans from the issuing entity in the event that certain breaches of representations and warranties made with respect to the mortgage loans are not cured. These purchases will have the same effect on securityholders as prepayments of mortgage loans.

In the event of an occurrence of a natural disaster in an area where mortgaged properties underlying the mortgage loans are located, the insurance proceeds received with respect to any damaged mortgaged properties that are not applied to the restoration of that property will be used to prepay the related mortgage loans in whole or in part. Any repurchases or repayments of the mortgage loans may reduce the weighted average lives and will reduce the yields on the offered certificates to the extent they are purchased at a premium.

A prepayment of a mortgage loan will usually result in a payment of principal on the securities:

- If you purchase securities at a discount, especially any principal only securities, and principal prepayments on the mortgage loans are received at a rate slower than you anticipate, then your yield may be lower than you anticipate.

- If you purchase securities at a premium, especially any interest only securities, and principal prepayments on the related mortgage loans are received at a rate faster than you anticipate, then your yield may be lower than you anticipate.

The prepayment experience of the mortgage loans to be included in the issuing entity may differ significantly from that of other first and second lien residential mortgage loans.

See “Yield and Prepayment Considerations” in this offering memorandum and see the offering memorandum supplement for a description of factors that may influence the rate and timing of prepayments on the mortgage loans.

Violation of Various Federal, State and Local Laws May Result in Losses on the Mortgage Loans

Applicable state laws generally regulate interest rates and other charges, require certain disclosure, and require licensing of lenders. In addition, other state laws, public policy and general principles of equity relating to the protection of consumers, unfair and deceptive practices and debt collection practices may apply to the origination, servicing and collection of mortgage loans.

Mortgage loans are also subject to various federal laws, including:

- the federal Truth-in-Lending Act and Regulation Z promulgated thereunder, which require certain disclosures to borrowers regarding the terms of their mortgage loans;

- the Equal Credit Opportunity Act and Regulation B promulgated thereunder, which prohibit discrimination on the basis of age, race, color, sex, religion, marital status, national origin, receipt of public assistance or the exercise of any right under the Consumer Credit Protection Act, in the extension of credit; and

- the Fair Credit Reporting Act, which regulates the use and reporting of information related to the borrower's credit experience.

Violations of certain provisions of these federal laws may limit the ability of the servicers to collect all or part of the principal of or interest on the related mortgage loans and in addition could subject the issuing entity to damages and administrative enforcement.

The related seller of the mortgage loans will make or assign a representation in the mortgage loan sale agreement described in the related offering memorandum supplement that each mortgage loan was originated in compliance with applicable federal, state and local laws and regulations. In the event of a breach of this representation, that seller or other party described in the related offering memorandum supplement will be obligated to cure the breach or repurchase or replace the affected mortgage loan in the manner described in the related offering memorandum supplement and under "LOAN PROGRAM—Representations by Sellers; Repurchases" in this offering memorandum.

Predatory Lending Laws/High Cost Loans

Various federal, state and local laws have been enacted that are designed to discourage predatory lending practices. The federal Home Ownership and Equity Protection Act of 1994, commonly known as HOEPA, prohibits inclusion of certain provisions in mortgage loans that have mortgage rates or origination costs in excess of prescribed levels, and requires that borrowers be given certain disclosures prior to the origination of mortgage loans. Some states have enacted, or may enact, similar laws or regulations, which in some cases impose restrictions and requirements greater than those in HOEPA.

In addition, under the anti-predatory lending laws of some states, the origination of certain mortgage loans (including loans that are not classified as "high cost" loans under applicable law) must satisfy a net tangible benefits test with respect to the related borrower. This test may be highly subjective and open to interpretation. As a result, a court may determine that a mortgage loan does not meet the test even if the related originator reasonably believed that the test was satisfied.

Failure to comply with these laws, to the extent applicable to any of the mortgage loans, could subject the issuing entity, as an assignee of the related mortgage loans, to monetary penalties and could result in the borrowers rescinding the affected mortgage loans. Lawsuits have been brought in various states making claims against assignees of high cost loans for violations of state law. Named defendants in these cases have included numerous participants within the secondary mortgage market, including some securitization trusts.

A seller will make or assign a representation that the issuing entity does not include any mortgage loans that are subject to HOEPA or that would be classified as "high cost" loans under any similar state or local predatory or abusive lending law. There may be mortgage loans in the issuing entity that are subject to the state or local requirement that the loan provide a net tangible benefit (however denominated) to the borrower; a seller will make or assign a representation that these mortgage loans are in compliance with applicable requirements. If it is determined that the issuing entity includes loans subject to HOEPA or otherwise classified as high cost loans, or which do not comply with applicable net tangible benefit requirements, the related seller or other party described in the related offering memorandum supplement will be required to repurchase the affected loans and to pay any liabilities incurred by the issuing entity due to any violations of these laws. If the loans are found to have been originated in violation of predatory or abusive lending laws and the related seller or such other party does not repurchase the affected loans and pay any related liabilities, securityholders could incur losses.

Financial Regulatory Legislative Reform and Related Regulations Could Have a Significant Impact

In response to the financial crisis, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which President Obama signed into law on July 21, 2010. The Dodd-Frank Act requires the creation of new federal regulatory agencies, and grants additional authorities and responsibilities to existing regulatory agencies to identify and address emerging systemic risks posed by the activities of financial services firms. The Dodd-Frank Act also provides for enhanced regulation of derivatives and mortgage-backed securities offerings, restrictions on executive compensation and enhanced oversight of credit rating agencies. Additionally, the Dodd-Frank Act establishes the Consumer Financial Protection Bureau (the "CFPB") within the Federal Reserve System, a new consumer protection regulator tasked with regulating consumer financial services and products. The Dodd-Frank Act also limits the ability of federal laws to preempt state and local consumer laws.

The impact of the Dodd-Frank Act will depend significantly upon the content and implementation of the rules and regulations issued on its mandate. It is not yet clear how the Dodd-Frank Act and its associated rules and regulations will impact the mortgage-backed securities market and residential mortgage lending generally, and the issuing entity, investors in the securities offered thereby, the sponsor, the depositor, the servicers and their respective businesses and assets specifically. No assurance can be given that the new regulations will not have an adverse impact on these entities or the value of the securities offered hereby.

The CFPB is charged with issuing regulations to implement amendments to TILA made by the Dodd-Frank Act. To the extent the regulations ultimately adopted may impact investors in series of securities offered hereby, they will be described in the related offering memorandum supplement.

Bankruptcy or Insolvency Proceedings Could Delay or Reduce Payments on the Securities

Each transfer of a mortgage loan to RRAC or RRAC-NY (or to such other seller specified in the related offering memorandum supplement), from the related seller to the depositor and from the depositor to the issuing entity, will be intended to be an absolute and unconditional sale of that mortgage loan and will be reflected as such in the applicable documents. However, in the event of the bankruptcy or insolvency of a prior owner of a mortgage loan, a trustee in bankruptcy or a receiver or creditor of the insolvent party could attempt to recharacterize the sale of that mortgage loan by the insolvent party as a borrowing secured by a pledge of the mortgage loan. Such an attempt, even if unsuccessful, could result in delays in payments on the securities. If such an attempt were successful, it is possible that the affected mortgage loans could be sold in order to liquidate the assets of the insolvent entity. In the case of the bankruptcy or insolvency of the applicable seller, there can be no assurance that the proceeds of such a liquidation would be sufficient to repay the securities in full.

One or more of the transferors may be banks that are subject to regulation by the FDIC. The FDIC recently has indicated that it may treat as property of a bank in receivership or conservatorship (i) any property that is shown as an asset on the financial statements of a bank, or (ii) any property that the bank previously transferred if the bank retains a continuing economic interest in the transferred assets. The FDIC has indicated that it may assert these positions notwithstanding that the assets have been sold as a matter of law. The depositor will take certain steps to try to prevent any of the mortgage loans from being shown as assets on the financial statements of any transferor that is a bank and to try in certain cases to prevent a transferor that is a bank from purchasing securities. The depositor, however, can provide no assurances that its efforts will be successful, nor can it provide any assurance that a court will not accept the FDIC's position. As a result, should a transferor that is a bank become the subject of a receivership or conservatorship, should the mortgage loans be shown as assets on its financial statements or should it own any securities, and should the FDIC's position prevail, then the issuing entity may not own all the mortgage loans and there may be delays in payment or losses on the securities. There may also be delays in payments while these issues are being resolved by the FDIC or a court.

Risks Related to Amounts in Pre-Funding Account(s) Being Applied to Pay Principal on the Securities

Amounts remaining in any pre-funding account at the end of the related funding period will be distributed as prepayment of principal to investors on the distribution date immediately following the end of the funding period in the manner specified in the related offering memorandum supplement. Any such payment will reduce the weighted average life of the securities and may adversely affect the yield of the securities. Securityholders will bear any reinvestment risk resulting from such prepayment, such risk being the inability to invest such early payment at a yield that is at least equal to the yield on the securities.

The Addition of Subsequent Mortgage Collateral to the Pre-Funding Account(s) During the Funding Period May Adversely Affect the Performance of the Securities

Although subsequent mortgage collateral must satisfy the characteristics described in the related offering memorandum supplement, subsequent mortgage collateral may have different characteristics, including, without limitation, a more recent origination date than the initial mortgage collateral. As a result, the addition of subsequent mortgage collateral to the pre-funding account may adversely affect the performance of the related securities.

Risks Related to Owning Book-Entry Securities

Limited Liquidity of Securities. Issuance of the securities in book-entry form may reduce their liquidity in the secondary trading market because investors may be unwilling to purchase securities for which they cannot obtain physical certificates.

Limited Ability to Transfer or Pledge Securities. Since transactions in the book-entry securities can be effected only through the Depository Trust Company ("DTC"), participating organizations, indirect participants and certain banks, your ability to transfer or pledge a book-entry security to persons or entities that do not participate in the DTC system or otherwise to take actions in respect of such securities, may be limited due to lack of a physical certificate.

Delays in Distributions. You may experience some delay in the receipt of distributions on book-entry securities because the distributions will be forwarded by the trustee to DTC for DTC to credit the accounts of its participants which will thereafter credit them to your account either directly or indirectly through indirect participants, as applicable.

Limited Ability to Resell Securities

The initial purchaser will not be required to assist in resales of the securities, although it may do so. A secondary market for any class of securities may not develop. If a secondary market does develop, it might not continue or it might not be sufficiently liquid to allow you to resell any of your securities.

The Securities May Not Be Suitable Investments

The securities may not be a suitable investment if you require a regular or predictable schedule of payments, or payment on any specific date. Because the mortgage loans in the issuing entity may include a substantial proportion of loans whose future performance is difficult to predict, such as adjustable rate mortgage loans and interest-only loans, and for the other factors relating to the mortgage loans discussed above, the yields and the aggregate amount and timing of distributions on your securities may be subject to substantial variability from period to period and over the lives of the securities. An investment in these types of securities involves significant risks and uncertainties and should only be considered by sophisticated investors who, either alone or with their financial, tax and legal advisors, have carefully analyzed the mortgage loans and the securities and understand the risks. In addition, investors should not purchase classes of securities that are susceptible to special risks, such as subordinate securities, interest-only securities and principal-only securities, unless the investors have the financial ability to absorb a substantial loss on their investment.

Owners of Original Issue Discount Securities Should Consider Federal Income Tax Consequences

An investor owning a security issued with original issue discount will be required to include original issue discount in ordinary gross income for federal income tax purposes as it accrues, in advance of receipt of the cash attributable to such income. Accrued but unpaid interest on accrual securities will be treated as original issue discount for this federal income tax purpose. (See "MATERIAL FEDERAL INCOME TAX CONSEQUENCES—Taxation of Debt Securities Generally—Original Issue Discount.")

THE SPONSOR AND THE SELLER

General

RWT Holdings, Inc. ("RWT Holdings" or the "Sponsor") is a Delaware corporation and indirect wholly-owned subsidiary of Redwood Trust, Inc. and is headquartered in Mill Valley, California. RWT Holdings has acquired residential mortgage loans, directly or indirectly, from originators since it was organized in February 1998. RWT Holdings has been a sponsor in the securitization market since 2002. As a sponsor, RWT Holdings acquires, directly or indirectly through its subsidiaries, residential mortgage loans in the secondary mortgage market and initiates the securitization of these loans by having them transferred to the depositor, which ultimately transfers them to the issuing entity for the related securitization.

RWT Holdings acquires, directly or indirectly through its subsidiaries, residential mortgage loans secured by first and second liens on one- to four- family residential properties under several loan purchase agreements from mortgage loan originators or sellers nationwide that meet its seller/servicer eligibility requirements. See "LOAN PROGRAM—Qualifications of Sellers" in this offering memorandum for a general description of the characteristics used to determine eligibility of collateral sellers. Prior to acquiring the mortgage loans, RWT Holdings conducts a review of the related mortgage loan seller and of the mortgage loans. RWT Holdings has developed a quality control program to monitor the quality of loan underwriting at the time of acquisition and on an ongoing basis. All loans purchased will be subject to this quality control program. No assurance can be made that the mortgage pool does not contain mortgage loans as to which there may be breaches of the original representations and warranties or that the mortgage loans will not default for other reasons.

Redwood Residential Acquisition Corporation ("RRAC" and a "seller"), is a Delaware corporation and wholly owned subsidiary of RWT Holdings and Redwood Trust, Inc., headquartered in Mill Valley, California. Descriptions of, and references to, RWT Holdings' acquisition of residential mortgage loans include the acquisition of such loans by RRAC. RRAC was organized in 2009 and commenced its business of acquiring residential mortgage loans for securitization in July 2010. RRAC is licensed to acquire residential mortgage loans and related mortgage servicing rights in states where such a license is required. RRAC is an approved seller/servicer in good standing with Fannie Mae and Freddie Mac, but RRAC does not originate or service loans, is not a mortgagee approved by the FHA, and is not an insured depository institution. On the closing date for each series of securities where RRAC is acting as a seller, RRAC will sell all of its interest in the related mortgage loans to the depositor. RWT Holdings and RRAC work in coordination with the initial purchasers and rating agencies in structuring each securitization transaction. RWT Holdings and RRAC do not currently service mortgage loans but rather contract with third-party servicers for servicing the mortgage loans that they acquire. Third-party servicers are assessed based upon the servicing rating and credit quality of the servicing institution, as well as for their systems and reporting capabilities, review of collection procedures and confirmation of servicers' ability to provide detailed reporting on the performance of the securitization pool.

Beginning in April 2018, for mortgage loans secured by real property in the State of New York, RRAC began assigning the rights to such mortgage loans (other than the servicing rights related thereto and the rights as "Purchaser" under the purchase agreement with the related originator, as described below) to RRAC-NY Holdings, Inc., a Delaware corporation ("RRAC-NY"), an affiliate of RRAC. The servicing rights with respect to any mortgage loans secured by properties in the State of New York and the rights as "Purchaser" under the purchase agreement with the related originator, including all rights with respect to the representations and warranties related to such mortgage loans made by the related originator, were retained by RRAC and not assigned to RRAC-NY. Unless otherwise specified herein or therein, all references to RRAC as a "seller" in this offering memorandum and the related offering memorandum supplement with respect to the sale of the mortgage loans by RRAC to the depositor will be deemed to refer to RRAC or RRAC-NY, as applicable, and, unless otherwise specified herein or therein, all references to RRAC as a "seller" in this offering memorandum or the related offering memorandum supplement with respect to representations and warranties, including any enforcement rights or cure, repurchase or substitution obligations with respect thereto, will be deemed to refer only to RRAC. As will be more fully described in the related offering memorandum supplement, with respect to the mortgage loans assigned by RRAC and RRAC-NY, as sellers, to the depositor for a series, only RRAC (and not RRAC-NY) (i) will make certain limited representations and warranties with respect to such mortgage loans, (ii) is obligated to cure a breach, repurchase or substitute for any such mortgage loan as to which a representation and warranty made by the related originator relating to the characteristics of the mortgage loans was true and correct as of the date made by such originator to RRAC but not true and correct as of the closing date (if such breach materially and adversely affects the value of the mortgage loan or the interests of the certificateholders in that mortgage loan) and (iii) except to the extent otherwise specified in the related offering memorandum supplement, with respect to representations and warranties made by each originator, generally will be obligated to cure a breach or repurchase or substitute for any such mortgage loan because of a breach of any such representation and warranty that materially and adversely affects the value of the mortgage loan or the interests of the certificateholders in that mortgage loan to the extent such originator is unable to do so because it is subject to a bankruptcy or insolvency proceeding or no longer in existence.

Sponsor's Pre-Offering Review of the Mortgage Loans

As described in the offering memorandum supplement, the Sponsor will conduct a review of the mortgage loans to be included in the mortgage pool for the purpose of providing reasonable assurance that the disclosure regarding the mortgage pool in the offering memorandum supplement is accurate in all material respects. In conducting the review, the Sponsor may engage third parties to assist it with certain elements of the review. The review conducted by the Sponsor, including the portions of the review conducted with the assistance of the third parties, is referred to herein as the "Sponsor's Pre-Offering Review." The Sponsor will determine the nature, extent and timing of the Sponsor's Pre-Offering Review and the level of assistance provided by any third party. Unless otherwise provided in the related offering memorandum supplement, the Sponsor will not attribute any of the findings and conclusions of the Sponsor's Pre-Offering Review to any of the third parties. The results of the review prepared by the third parties engaged by the Sponsor will generally be disclosed to the initial purchasers.

Unless otherwise provided in the offering memorandum supplement, the Sponsor's Pre-Offering Review will include a credit and compliance component and a component consisting of a review of the independent appraisals of the mortgaged properties obtained by the originators in connection with the origination of the mortgage loans. None of the procedures conducted as part of the Sponsor's Pre-Offering Review will constitute, either separately or in combination, an independent underwriting of the mortgage loans. The Sponsor's Pre-Offering Review also will include a component consisting of procedures designed to verify the Sponsor's data regarding the characteristics of the mortgage loans, which data are used to generate the numerical information about the mortgage pool included in the offering memorandum supplement.

THE DEPOSITOR

Sequoia Residential Funding, Inc., is a Delaware corporation organized on September 1, 1999, for the limited purpose of acquiring, owning and transferring trust assets and selling interests therein or bonds secured thereby. Sequoia Residential Funding, Inc. is a subsidiary of RWT Holdings, Inc. RWT Holdings, Inc. is a taxable REIT subsidiary of Redwood Trust, Inc. Redwood Trust, Inc. is a publicly owned real estate investment trust and is listed on the New York Stock Exchange under the symbol "RWT." The depositor maintains its principal office at One Belvedere Place, Mill Valley, California 94941. The telephone number is (415) 389-7373.

The depositor is generally engaged in the business of serving as depositor of one or more trusts that may authorize, issue, sell and deliver bonds or other evidences of indebtedness or certificates of interest that are secured by a pledge or other assignment of, or represent an interest in, mortgage loans. The depositor is also generally engaged to a limited extent in the business of acquiring, owning, holding, transferring, assigning, pledging and otherwise dealing with mortgage related assets. The depositor generally acquires mortgage loans from RRAC (and to the limited extent described herein, RRAC-NY with respect to certain mortgage loans where the related mortgaged property is located in the State of New York), or if specified in the offering memorandum supplement, from another seller of mortgage loans, in each case in privately negotiated transactions.

The certificate of incorporation of the depositor provides that the depositor may not conduct any activities other than those related to the issue and sale of one or more series and to serve as depositor of one or more trusts that may issue and sell bonds or securities. After the issuance of the securities, the depositor may be required (to the extent specified in the related agreements) to perform certain actions on a continual basis, including but not limited to:

- upon the discovery of the breach of any representation or warranty made by a seller or other party named in the offering memorandum supplement in respect of a mortgage loan that materially and adversely affects the value of that mortgage loan, to cause such seller or such other party to repurchase the mortgage loan from the trustee, or deliver a substitute mortgage loan as described herein;

- to make all initial filings establishing or creating a security interest over the mortgage loans and make all filings necessary to maintain the effectiveness of any original filings necessary under the relevant UCC to perfect the trustee’s security interest in or lien on the mortgage loans;

- to arrange for replacement interest rate cap contracts, interest rate swap agreements and yield supplement agreements in the event the applicable derivative instrument is terminated early;

- to appoint a successor trustee or securities administrator, as applicable, in the event either the trustee or the securities administrator resigns, is removed or becomes ineligible to continue servicing in such capacity under the related agreement;

- to prepare and file, or cause the preparation and filing of, any reports required under the Exchange Act;

- to notify the rating agencies and any other relevant parties of the occurrence of any event of default or other event specified in the related agreements;

- to exercise any approval or consent rights retained under the servicing agreements; and

- to provide the trustee, the securities administrator and the master servicer with any information they may reasonably require to comply with the terms of the agreements.

THE ISSUING ENTITIES AND THE ISSUING ENTITY ASSETS

General

Sequoia Residential Funding, Inc., the depositor, will establish a trust as the issuing entity for each series of asset-backed securities and convey to the related trustee certain assets, as specified in the offering memorandum supplement. Each issuing entity will be created as of the first day of the month in which the securities are issued or another date which will be specified in the offering memorandum supplement (the “cut-off date”). All references in this offering memorandum to “pool,” “certificates,” “bonds,” “securities,” “depositor” or “securityholders” should be deemed to apply to one specific series, issuing entity and offering memorandum supplement, unless otherwise noted.

The certificates of a series (“certificates”) will represent interests in the assets of the issuing entity related to that series and the bonds of a series (“bonds”) will be secured by the pledge of the issuing entity assets related to that series. The issuing entity assets for each series will be held by the trustee for the benefit of the related securityholders. The securities will be entitled to payment from the assets of the issuing entity or other assets pledged for the benefit of the securityholders, as specified in the offering memorandum supplement, and will not be entitled to payments in respect of the assets of any other issuing entity established by the depositor.

The issuing entity assets will be acquired by the depositor, either directly or through affiliates, from one or more sellers which may be affiliates of the depositor, and conveyed without recourse (except as herein described) by the depositor to the issuing entity. Each seller will have originated or acquired the loans as described in the offering memorandum supplement. Loans acquired by the depositor will have been originated in accordance with the underwriting criteria described under “LOAN PROGRAM—Underwriting Standards” or as otherwise described in the offering memorandum supplement.

The depositor will cause the issuing entity assets to be assigned or pledged to the trustee named in the offering memorandum supplement for the benefit of the holders of the securities (“certificateholders,” or “bondholders,” as the case may be). For a fee, one or more servicers named in the offering memorandum supplement will service the issuing entity assets, either directly or through other servicing institutions, or subservicers, pursuant to servicing agreements assigned to the trustee. With respect to loans serviced by a servicer through a subservicer, such servicer will remain liable for its servicing obligations under the related agreement as if the servicer were servicing such loans. To the extent described in the offering memorandum supplement, a master servicer may be named to monitor the servicers.

With respect to each issuing entity, prior to the initial offering of the securities, the issuing entity will have no assets or liabilities. No issuing entity is expected to engage in any activities other than acquiring, managing and holding the trust assets and other assets specified in the offering memorandum supplement and the proceeds thereof, issuing securities and making payments and distributions thereon and certain related activities. No issuing entity is expected to have any source of capital other than its assets and any related credit enhancement.

If specified in the applicable offering memorandum supplement, the issuing entity for a series will be a special purpose statutory trust organized under the laws of the State of Delaware or such other state as is specified.

The property of the issuing entity for each series of securities will generally consist of (including any combination of):

- mortgage loans secured by properties of the types described in this offering memorandum;
- amounts held from time to time in the collection account, distribution account or other account established for a series of securities;
- mortgaged properties that secured a mortgage loan and that are acquired on behalf of the securityholders by foreclosure, deed in lieu of foreclosure or repossession;
- any reserve fund established pursuant to the agreements for a series of securities, if specified in the offering memorandum supplement;
- any security insurance policy, pool insurance policy, special hazard insurance policy, bankruptcy bond, interest rate cap agreement, interest rate swap agreement, currency swap agreement or other form of credit enhancement described in this offering memorandum and specified in the offering memorandum supplement;
- any servicing agreements relating to mortgage loans in the issuing entity, to the extent that these agreements are assigned to the trustee;
- any primary mortgage insurance policies or limited purpose surety bonds relating to mortgage loans in the issuing entity; and

- investments held in any fund or account or any guaranteed investment contract and income from the reinvestment of these funds, if specified in the offering memorandum supplement.

The offering memorandum supplement may specify that a certain amount or percentage of a mortgage loan will not be sold by the depositor or by the related seller of the mortgage loan, but will be retained by that party (the "retained interest").

Therefore, amounts received with respect to retained interest in a mortgage loan included in the issuing entity for a series will not be included in the issuing entity but will be payable to the related seller of the respective asset, or to the master servicer if any), servicer, depositor or another party, free and clear of the interest of securityholders under the agreements.

If so specified in the applicable offering memorandum supplement, the depositor, an affiliate of the depositor or an unaffiliated loan seller will have the right or obligation to purchase, or to substitute a replacement mortgage loan that satisfies the substitution criteria specified in the related offering memorandum supplement for, mortgage loans due to breaches of representations and warranties, defaults or such other reason as is specified in the offering memorandum supplement. If so specified in the applicable offering memorandum supplement, the depositor, an affiliate of the depositor, as servicer or the master servicer will have the right to purchase a specified amount or percentage of the mortgage loans, or specified mortgage loans, under the circumstances described in the offering memorandum supplement.

The Loans

The loans included in an issuing entity will be mortgage loans secured by one-to-four-family residential properties. The loans may be either first or junior lien loans and will be closed-end loans. There will be no revolving credit line loans. As described in the offering memorandum supplement, the loans may be underwritten to "A" quality standards or to standards that may be regarded as "Alt-A" or "A minus." A non-material portion of an issuing entity's loans may be comprised of "exception loans" that may be regarded as "subprime." See "*LOAN PROGRAM—Underwriting Standards*."

The loans will have monthly payments due on the first day of each month or on such other day of the month specified in the offering memorandum supplement. The payment terms of the loans to be included in an issuing entity will be described in the offering memorandum supplement and may include any of the following features (or combination thereof):

- Interest may be payable at a fixed rate, a rate adjustable from time to time in relation to an index, a rate that is fixed for a period of time or under certain circumstances and is followed by an adjustable rate, a rate that otherwise varies from time to time, a rate that is convertible from an adjustable rate to a fixed rate, or a rate that is convertible from one index to another, in each case as specified in the offering memorandum supplement. Changes to an adjustable rate may be subject to periodic limitations, maximum rates, minimum rates or a combination of such limitations.

- Principal may be payable on a level debt service basis to fully amortize the loan over its term, may be calculated on the basis of an assumed amortization schedule that is significantly longer than the original term to maturity or on an interest rate that is different from the loan rate or may not be amortized during all or a portion of the original term. Certain loans may provide for monthly payments of interest but no payments of principal for either the first five or ten years or any other period specified after origination. Certain loans may require payment of all or a substantial portion of the principal upon maturity, commonly referred to as a "balloon payment."

- Monthly payments of principal and interest may be fixed for the life of the loan, may increase over a specified period of time or may change from period to period.

- Loans may include limits on periodic increases or decreases in the amount of monthly payments and may include maximum or minimum amounts of monthly payments.

- Prepayments of principal may be subject to a prepayment fee, which may be fixed for the life of the loan or may change over time. Certain loans may permit prepayments after expiration of certain periods, commonly referred to as "lockout periods." Other loans may permit prepayments without payment of a fee unless the prepayment occurs during specified time periods. The loans may include "due on sale" clauses which permit the mortgagee to demand payment of the entire loan in connection with the sale or certain transfers of the related property. Other loans may be assumable by persons meeting the then applicable standards set forth in the underlying loan documents.

Types of adjustable rate mortgage loans with the above features that may be included in an issuing entity include the following:

- "standard" adjustable rate mortgage loans whose interest rate adjusts on the basis of a variable index plus a margin, with the initial adjustment typically occurring one year or less after origination of the related mortgage loan and adjustments occurring periodically thereafter;

- "hybrid" mortgage loans, whose interest rate is fixed for the initial period specified in the related mortgage note (typically for a period of a year or more after origination), and thereafter adjusts periodically based on the related index; and

- "interest-only" mortgage loans, which provide for payment of interest at the related mortgage interest rate, but no payment of principal, for the period specified in the related mortgage note; thereafter, the monthly payment is increased to an amount sufficient to amortize the principal balance of the mortgage loan over the remaining term and to pay interest at the applicable interest rate borne by such mortgage loan.

The following types of adjustable rate mortgage loans will not be included in an issuing entity:

- "negative amortization" mortgage loans, which may have a low introductory interest rate, and thereafter have a mortgage interest rate which adjusts periodically based on the related Index; however, the borrower is only required to make a minimum or specified monthly payment which may not be sufficient to pay the monthly interest accrued, resulting in an increase to the principal balance of the mortgage loan by the amount of unpaid interest; or

- "option ARMs," which combine several of the features described above and permit the borrower to elect whether to make a monthly payment sufficient to pay accrued interest and amortize the principal balance, make an interest-only payment or make a minimum payment that may be insufficient to pay accrued interest (with the unpaid interest added to the principal balance of the mortgage loan).

An issuing entity may contain buydown loans. A buydown loan includes provisions whereby a third party partially subsidizes the monthly payments of the borrower on the related loan during the early years of repayment under the loan, the partial subsidy being made from a buydown fund contributed by the third party at the time of origination of the loan. A buydown fund will be in an amount equal either to the discounted value or full aggregate amount of future payment subsidies. The underlying assumption of a buydown plan is that the income of the borrower will increase during the buydown period as a result of normal increases in compensation and inflation, so that the borrower will be able personally to make the full loan payments at the end of the buydown period without the continued assistance of the partial subsidy. To the extent that this assumption as to increased income is not fulfilled, the possibility of default on a buydown loan is increased. The offering memorandum supplement will contain information with respect to any buydown loan concerning limitations on the interest rate paid by the borrower initially, on annual increases in the interest rate and on the length of the buydown period.

If provided for in the applicable offering memorandum supplement, an issuing entity may contain mortgage loans under which the monthly payments by the borrower during the early years following origination are less than the amount of interest that would otherwise be payable ("GPM loans"). GPM loans generally provide for a schedule of fixed, gradually increasing monthly payments over time. If stated in the related offering memorandum supplement, the resulting difference in payment on the early payments due under a GPM loan will be compensated for from amounts on deposit in a segregated fund ("GPM fund"). In lieu of cash deposit, the depositor may deliver to the trustee a letter of credit guaranteed investment contract or another instrument acceptable to the related rating agency to fund the GPM fund.

If specified in the related offering memorandum supplement, an issuing entity may contain re-performing loans, which are generally previously delinquent loans that have been brought current, mortgage loans that are subject to a repayment plan or bankruptcy plan and that had arrearages of at least three monthly payments when the repayment plan or bankruptcy plan was entered into, and mortgage loans that have been modified. These mortgage loans may be acquired from a wide variety of sources through bulk or periodic sales. The rate of default on re-performing mortgage loans may be higher than the rate of default on mortgage loans that have not previously been in arrears. An issuing entity will not contain any non-performing loans as of the related cut-off date.

If specified in the applicable offering memorandum supplement, the mortgage loans may include "step-down" mortgage loans, which permit the servicer to reduce the interest rate on the mortgage loan if the borrower has been current in its monthly payments of principal and interest. The amount by which the mortgage rate may be reduced and the period during which the mortgage loan must have been current will be specified in the mortgage note.

The interest rate of an adjustable rate mortgage loan in an issuing entity may adjust in accordance with one or more of the following indices as specified in the applicable offering memorandum supplement:

- U.S. Dollar LIBOR ("LIBOR"), which is the average of the London Interbank Offer Rate, a rate at which banks in London, England, lend U.S. dollars to other banks in the U.S. dollar wholesale or interbank money markets for a specified duration.

- London Interbank Offer Swap Rate ("LIBORSWAP"), a rate which is the difference between the negotiated and fixed rate of a swap, with the spread determined by characteristics of market supply and creditor worthiness.

- Constant Maturity Treasury ("CMT") Indices, which is the weekly or monthly average yield on United States Treasury securities adjusted to a specified constant maturity, as published by the Federal Reserve Board.

- Treasury Bill ("T-Bill") Indices, which is a rate based on the results of auctions that the U.S. Department of Treasury holds for its Treasury bills, notes or bonds or is derived from its daily yield curve.

- Federal Funds Rate, which is the interest rate that banks charge each other on overnight loans made between them, as determined by the Federal Reserve Board.

- Prime Rate ("Prime Rate") Index, which is an index based on the interest rate that banks charge to their most credit-worthy customers for short-term loans. The Prime Rate may differ among financial institutions.

- Monthly Treasury Average ("MTA") Index, which is a per annum rate equal to the 12-month average yields on United States Treasury securities adjusted to a constant maturity of one year, as published by the Federal Reserve Board.

- Cost of Funds Index ("COFI"), which is the monthly weighted average cost of funds for savings institutions that are member institutions of various federal banking districts, most commonly the 11th District members of the Federal Home Loan Bank of San Francisco.

The Indices described above which are applicable to the mortgage loans for a particular issuing entity will be disclosed in the related offering memorandum supplement.

If stated in the applicable offering memorandum supplement, an issuing entity may include mortgage loans that provide for payments at monthly intervals or at bi-weekly, semi-monthly, quarterly, semi-annual, annual or other intervals, or that provide for payments of interest only for a period of time; and that have terms to more than 40 years; or that have such other characteristics as are specified in the applicable offering memorandum supplement.

The real property that secures repayment of the loans is referred to in this offering memorandum as the mortgaged properties. In the case of junior lien loans, such liens generally will be subordinated to one or more senior liens on the related mortgaged properties as described in the offering memorandum supplement. Loans will be secured by mortgages or deeds of trust or other similar security instruments creating a lien on a mortgaged property. Some liens will be subordinated to one or more senior liens on the related mortgaged properties as described in the offering memorandum supplement. The properties relating to loans will consist of detached or semi-detached one-to four-family dwelling units, townhouses, rowhouses, individual condominium units, manufactured homes, individual units in planned unit developments, and certain other dwelling units. Such properties may include vacation and second homes, investment properties and dwellings situated on leasehold estates. The loans may include cooperative apartment loans secured by security interests in shares issued by private, nonprofit, cooperative housing corporations and in the related proprietary lease or occupancy agreements granting exclusive rights to occupy specific dwelling units in the cooperatives' building. In the case of leasehold interests, the term of the leasehold will exceed the scheduled maturity of the loan by at least five years, unless otherwise specified in the offering memorandum supplement.

The properties may be located in any one of the fifty states, the District of Columbia, Guam, Puerto Rico or any other territory of the United States.

Loans with certain loan-to-value ratios and/or certain principal balances may be covered wholly or partially by primary mortgage guaranty insurance policies. The existence, extent and duration of any such coverage will be described in the offering memorandum supplement.

Certain loans, in addition to being secured by real property, may be secured by a security interest in a limited amount of additional collateral owned by the borrower or a third-party guarantor. Such additional collateral may no longer be required when the principal balance of such additional collateral mortgage loan is reduced to a predetermined amount set forth in the related pledge agreement or guaranty agreement, as applicable, or when the loan-to-value ratio for such additional collateral mortgage loan is reduced to the applicable loan-to-value ratio for such additional collateral mortgage loan by virtue of an increase in the appraised value of the mortgaged property as determined by the related servicer.

Each offering memorandum supplement will contain information to the extent then specifically known to the depositor, with respect to the loans contained in the pool, generally including:

- the original principal balance of the mortgage loans;
- the total principal balance of the mortgage loans as of the applicable cut-off date (and if there is more than one servicer, the balance by servicer);
- the types and percentages of mortgaged properties securing the mortgage loans;
- the range of original terms to maturity of the mortgage loans;
- the range of remaining terms to maturity of the mortgage loans;
- the range of ages of the mortgage loans;
- mortgage loan purpose (e.g., whether a purchase or refinance);
- the range of original and remaining amortization period for the mortgage loans;

- the range of principal balances and average principal balance of the mortgage loans;
- the earliest origination date and latest maturity date of the mortgage loans;
- the loan-to-value and debt service coverage ratios, as applicable;
- mortgage loans having loan-to-value ratios at origination exceeding 80%;
- the number of fixed rate mortgage loans and the number of adjustable rate mortgage loans;
- the interest rate or range of interest rates borne by the mortgage loans;
- the weighted average of interest rate borne by the mortgage loans;
- the geographical distribution of the mortgage loans;
- the total principal balance of buydown loans or GPM loans, if applicable;
- the delinquency status of the mortgage loans as of the cut-off date;
- with respect to adjustable rate mortgage loans, the adjustment dates, the relevant indices, the highest, lowest and weighted average margin, the limitations on the adjustment of the interest rates on any adjustment date and over the life of the loans; and
- whether the mortgage loan provides for an interest-only period and whether the principal balance of that mortgage loan is fully amortizing or is amortized on the basis of a period of time that extends beyond the maturity date of the mortgage loan.

The total principal balance of the mortgage loans in an issuing entity as stated in the related offering memorandum supplement is subject to a permitted variance of plus or minus five percent.

The "loan-to-value ratio" of a loan at any given time is the fraction, expressed as a percentage, the numerator of which is the principal balance of the loan and the denominator of which is the collateral value of the property. The "combined loan-to-value ratio" of a loan at any given time is the ratio, expressed as a percentage, of (i) the sum of (a) the principal balance of the loan and (b) the outstanding principal balance of any senior mortgage loan(s) to (ii) the collateral value of the property. The "effective loan-to-value ratio" of a loan at any given time is the fraction, expressed as a percentage, the numerator of which is the principal balance of the loan, less the amount secured by additional collateral, if any, and the denominator of which is the collateral value of the property.

The "collateral value" of a property, other than with respect to certain loans the proceeds of which were used to refinance an existing mortgage loan (each, a "refinance loan"), is the lesser of (a) the appraised value determined in an appraisal obtained at origination of such loan and (b) the sales price for the property if the proceeds of the loan are used to purchase the related property. In the case of a refinance loan, the collateral value of the related property is the appraised value of the property as determined by an appraisal obtained at the time of refinancing.

No assurance can be given that collateral values of the properties have remained or will remain at the levels at which they are originally calculated. If the residential real estate market should experience an overall decline in property values such that the sum of the outstanding principal balances of the loans and any primary or secondary financing on the properties, as applicable, in a particular pool become equal to or greater than the value of the properties, the actual rates of delinquencies, foreclosures and losses experienced with respect to that pool could be higher than those now generally experienced in the mortgage lending industry. In addition, adverse economic conditions and other factors (which may or may not affect real property values) may affect the timely payment by borrowers of scheduled payments of principal and interest on the loans and, accordingly, the actual rates of delinquencies, foreclosures and losses with respect to any pool. To the extent that such losses are not covered by subordination provisions or alternative arrangements, such losses will be borne by the securityholders of the affected series to the extent that the credit enhancement provisions relating to the series do not protect the securityholders from such losses.

Pre-Funding

If stated in the related offering memorandum supplement, a portion of the issuance proceeds of the securities of a particular series will be deposited in a pre-funding account to be established with the trustee, which will be used to acquire additional mortgage loans from time to time during the time period specified in the related offering memorandum supplement. Prior to the application of amounts on deposit in the related pre-funding account to purchase additional mortgage loans, those amounts may be invested in one or more investments permitted under the applicable agreements. See "THE AGREEMENTS—Servicing Provisions—Investment of Funds" for a description of the types of eligible investments that may be permitted under the applicable agreements.

Additional mortgage loans that are purchased with amounts on deposit in a pre-funding account will be required to satisfy certain eligibility criteria set forth in the related offering memorandum supplement. The eligibility criteria for additional mortgage loans will be consistent with the eligibility criteria of the mortgage loans included in the related issuing entity as of the closing date subject to the exceptions stated in the related offering memorandum supplement.

Although the specific parameters of a pre-funding account with respect to any issuance of securities will be specified in the related offering memorandum supplement, it is anticipated that:

- the period during which additional mortgage loans may be purchased from amounts on deposit in the related pre-funding account will not exceed 90 days from the related closing date, unless otherwise specified; and

- the additional mortgage loans to be acquired by the related issuing entity will be subject to the same representations and warranties as the mortgage loans included in the related issuing entity on the closing date, although additional criteria may also be required to be satisfied, as described in the related offering memorandum supplement.

In no event will the period during which additional mortgage loans may be purchased exceed one year. In addition, no more than 50% of the proceeds of the offering of a particular series may be used to fund the pre-funding account.

USE OF PROCEEDS

The net proceeds to be received from the sale of the securities will be applied by the depositor to the purchase of issuing entity assets and payment of related expenses or will be used by the depositor for general corporate purposes. The depositor expects to sell securities in series from time to time, but the timing and amount of offerings of securities will depend on a number of factors, including the volume of issuing entity assets acquired by the depositor, prevailing interest rates, availability of funds and general market conditions.

LOAN PROGRAM

The loans will have been purchased by the depositor, either directly or through affiliates, from sellers. Unless otherwise specified in the offering memorandum supplement, the loans acquired by the depositor will have been originated in accordance with the underwriting criteria described below.

Underwriting Standards

Each seller or other party named in the related offering memorandum supplement will represent and warrant that all loans originated and/or sold by it to the depositor will have been underwritten in accordance with standards described in the offering memorandum supplement.

Underwriting standards are applied by or on behalf of a lender to evaluate the borrower's credit standing and repayment ability, and the value and adequacy of the related property as collateral. In general, a prospective borrower applying for a mortgage loan is required to fill out a detailed application designed to provide to the underwriting officer pertinent credit information. As part of the description of the borrower's financial condition, the borrower generally is required to provide a current list of assets and liabilities and a statement of income and expenses, as well as an authorization to apply for a credit report which summarizes the borrower's credit history with local merchants and lenders and any record of bankruptcy or other significant public records. In most cases, an employment verification is obtained from an independent source (typically the borrower's employer), which verification reports the length of employment with that organization, the borrower's current salary and whether it is expected that the borrower will continue such employment in the future. If a prospective borrower is self-employed, the borrower may be required to submit copies of signed tax returns. The borrower may also be required to authorize verification of deposits at financial institutions where the borrower has demand or savings accounts.

In determining the adequacy of the property as collateral, an appraisal will generally be made of each property considered for financing. The appraiser is required to inspect the property and verify that it is in good repair and that construction, if new, has been completed. The appraisal is based on the market value of comparable homes, the estimated rental income (if considered applicable by the appraiser) and the cost of replacing the home.

Once all applicable employment, credit and property information is received, a determination generally is made as to whether the prospective borrower has sufficient monthly income available:

- to meet the borrower's monthly obligations on the proposed mortgage loan (generally determined on the basis of the monthly payments due in the year of origination) and other expenses related to the property (such as property taxes and hazard insurance); and

- to meet monthly housing expenses and other financial obligations and monthly living expenses.

The underwriting standards applied by a seller, particularly with respect to the level of loan documentation and the borrower's income and credit history, may be varied in appropriate cases where factors such as low combined loan-to-value ratios or other favorable credit aspects exist.

If specified in the offering memorandum supplement, a portion of the loans in the pool may have been originated under a limited documentation program. Under a limited documentation program, more emphasis is placed on the value and adequacy of the property as collateral and other assets of the borrower than on credit underwriting. Under a limited documentation program, certain credit underwriting documentation concerning income or income verification and/or employment verification is waived. The offering memorandum supplement will indicate the types of limited documentation programs pursuant to which the loans were originated and the underwriting standards applicable to such limited documentation programs.

In the case of a loan secured by a leasehold interest in real property, the title to which is held by a third-party lessor, the related seller will represent and warrant, among other things, that the remaining term of the lease and any sublease is at least five years longer than the remaining term on the related mortgage note.

Certain of the types of loans that may be included in an issuing entity may involve additional uncertainties not present in traditional types of loans. For example, certain of such loans may provide for escalating or variable payments by the borrower. These types of loans are underwritten on the basis of a judgment that the borrowers have the ability to make the monthly payments required initially. In some instances, however, a borrower's income may not be sufficient to permit continued loan payments as such payments increase. These types of loans may also be underwritten primarily upon the basis of combined loan-to-value ratios or other favorable credit factors.

From time to time and in the ordinary course of business, lenders may approve loans that do not comply with all of the applicable underwriting standards ("exception loans"), provided sufficient compensating factors are present. For example, lenders may permit debt-to-income ratios to exceed guidelines if one or more compensating factors are present such as low loan-to-value, borrower high liquid net worth or documented excess funds in reserves, or strong borrower credit history and credit scores. There are no limitations on the specific underwriting standards that may be waived by the lenders and there are no requirements of specific compensating factors that must be present. Lenders exercise a significant amount of discretion as to when an exception loan should still be approved. There are no limitations on the amount of exception loans that may be included in the assets of the issuing entity backing securities offered hereby. The offering memorandum supplement will set forth the number and aggregate principal amount of exception loans known to the sponsor and will include a narrative summary disclosure of the characteristics of the exception loans.

Qualifications of Sellers

Except as otherwise set forth herein or in the offering memorandum supplement, each seller must be an institution experienced in originating and servicing loans of the type contained in the pool in accordance with accepted practices and prudent guidelines, and must maintain satisfactory facilities to originate and service those loans; each seller must be a seller/servicer approved by either Fannie Mae or Freddie Mac; and each seller must be a mortgagee approved by the FHA or an institution the deposit accounts of which are insured by the Federal Deposit Insurance Corporation.

Quality Control

A quality control program has been developed to monitor the quality of loan underwriting at the time of acquisition and on an ongoing basis. All loans purchased will be subject to this quality control program. A legal document review of each loan acquired will be conducted to verify the accuracy and completeness of the information contained in the mortgage notes, security instruments and other pertinent documents in the file. A sample of loans to be acquired, selected by focusing on those loans with higher risk characteristics, will normally be submitted to a third-party nationally recognized underwriting review firm for a compliance check of underwriting and review of income, asset and appraisal information. Details of the quality control measures adopted and the sponsor's pre-offering review of the loans for each issuing entity will be set forth in the applicable offering memorandum supplement.

Representations and Warranties; Repurchases

In the mortgage loan purchase and sale agreement or similar agreement, pursuant to which the depositor will purchase the mortgage loans from a seller, the related seller will make or assign certain representations and warranties to the depositor concerning the mortgage loans. If so indicated in the applicable offering memorandum supplement, a seller may, rather than itself making representations and warranties, cause the representations and warranties made by an originator to the seller in connection with the purchase of mortgage loans by such seller to be assigned to the depositor. In these cases, these representations and warranties may have been made as of a date prior to the date of execution of the mortgage loan purchase and sale agreement. The trustee will be assigned all right, title and interest in the mortgage loan purchase and sale agreement or similar agreement insofar as they relate to such representations and warranties made or assigned by a seller. A seller or other party named in the offering memorandum supplement will be obligated to repurchase (or, within the period provided in the Agreement, to substitute a replacement mortgage loan for) any mortgage loan as to which there exists an uncured breach of certain of its representations and warranties, which breach materially and adversely affects the value of, or interest of the securityholders in, the mortgage loan.

These representations and warranties will include the following as to each mortgage loan, among others, unless otherwise specified in the offering memorandum supplement:

- The information set forth in the mortgage loan schedule is true and correct in all material respects;
- Immediately prior to the sale of the mortgage loan pursuant to the mortgage loan purchase and sale agreement, the seller was a sole owner and holder of the mortgage loan. The mortgage loan is not assigned or pledged, and the seller has good and marketable title thereto, and has full right to transfer and sell the mortgage loan to the depositor free and clear of any encumbrance, equity, lien, pledge, charge, claim or security interest not specifically set forth in the related mortgage loan schedule and has full right and authority subject to no interest or participation of, or agreement with, any other party, to sell and assign the mortgage loan pursuant to the terms of the mortgage loan

purchase and sale agreement;

- The mortgage is a valid, subsisting, enforceable and perfected first lien on the mortgaged property (subject, as to enforceability, to bankruptcy and other creditor rights laws), including all improvements on the mortgaged property, subject only to (i) the lien of non-delinquent current real property taxes and assessments not yet due and payable; (ii) covenants, conditions and restrictions, rights of way, easements and other matters of public record as of the date of recording which are acceptable to mortgage lending institutions generally and either (A) which are referred to or otherwise considered in the appraisal made for the originator of the mortgage loan or (B) which do not adversely affect the appraised value (as evidenced by an appraisal referred to in such definition) of the mortgaged property; and (iii) other matters to which like properties are commonly subject that do not materially interfere with the benefits of the security intended to be provided by the mortgage or the use, enjoyment, value or marketability of the related mortgaged property;

- As of the closing date, there is no default, breach, violation or event of acceleration existing under the mortgage or the mortgage note and no event which, with the passage of time or with notice and the expiration of any grace or cure period, would constitute a default, breach, violation or event permitting acceleration, and the seller and its affiliates have not waived any default, breach, violation or event permitting acceleration;

- No fraud, error, omission, misrepresentation, gross negligence or similar occurrence with respect to the mortgage loan has taken place on the part of the seller or any originator or servicer or the mortgagor or on the part of any other party involved in the origination of the mortgage loan;

- Each mortgage loan secured by a first priority mortgage, other than any mortgage loan secured by a mortgaged property located in any jurisdiction as to which an opinion of counsel in lieu of title insurance is instead received, is covered by an ALTA lender's title insurance policy or other form of policy or insurance generally acceptable to Fannie Mae or Freddie Mac, issued by a title insurer acceptable to Fannie Mae or Freddie Mac and qualified to do business in the jurisdiction where the mortgaged property is located;

- All payments due on each mortgage loan have been made and no mortgage loan was more than 30 days past due more than once in the preceding 12 months and any such delinquency did not exceed one payment;

- All taxes and government assessments which previously became due and owing have been paid by the borrower, or escrow funds from the borrower have been established to pay any such items;

- There is no offset, defense, counterclaim to any mortgage note, except as stated in the mortgage loan purchase and sale agreement;

- Each mortgaged property is undamaged by waste, vandalism, fire, hurricane, earthquake or other casualty adversely affecting the value of the mortgaged property;

- Each mortgage loan at the time of origination complied in all material respects with applicable state and federal laws including truth in lending, real estate settlement procedures, consumer credit protection, equal credit opportunity and disclosure laws applicable to the mortgage loan;

- Each mortgage loan with a loan-to-loan value ratio at origination in excess of 80% is and will be subject to a primary mortgage insurance policy issued by a qualified insurer, which provides coverage in an amount at least equal to that which would be required by Fannie Mae. All provisions of such mortgage insurance policy have been and are being complied with, such policy is in full force and effect, and all premiums due thereunder have been paid;

- All hazard insurance required under the mortgage loan sale agreement has been obtained and remains in full force and effect;

- The mortgage note and the related mortgage are genuine and each is the legal, valid and binding obligation of the maker thereof, enforceable in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization or similar laws;

- Each mortgage loan is a "qualified mortgage" within Section 860G(a)(3) of the Code;

- None of the mortgage loans are high-cost as defined by the applicable local, state and federal predatory and abusive lending laws; and

- Each mortgage loan at the time it was made complied in all material respects with applicable local, state and federal predatory and abusive lending laws.

A seller may also repurchase a mortgage loan as to which there exists an uncured breach of certain representations and warranties made by the party from which such seller acquired the mortgage loan.

The servicer or the trustee will promptly notify the relevant seller of any breach of any representation or warranty made or assigned by it in respect of a loan which materially and adversely affects the interests of the securityholders in such loan. Unless otherwise specified in the offering memorandum supplement, if such seller cannot cause such breach to be cured within the time period specified in the offering memorandum supplement following notice from the servicer or the trustee, as the case may be, then such seller or other party named in the offering memorandum supplement will be obligated to repurchase such loan from the issuing entity at a purchase price equal to 100% of the unpaid principal balance thereof as of the date of the repurchase plus accrued interest thereon to the first day of the month following the month of repurchase at the loan rate (less any advances or amount payable as related servicing compensation if such seller is the servicer) and may elect to substitute for such loan a replacement loan that satisfies the criteria specified in the offering memorandum supplement. This repurchase or substitution obligation will constitute the sole remedy available to holders of securities or the trustee for a breach of representation made or assigned by a seller.

If an election is being made to treat the issuing entity as a "real estate mortgage investment conduit" or "REMIC," the servicer, the trustee or a holder of the related residual certificate generally will be obligated to pay any prohibited transaction tax which may arise in connection with any such repurchase or substitution and the trustee may require delivery of a satisfactory opinion of counsel that any such substitution will not cause the issuing entity to lose its status as a REMIC or otherwise subject the issuing entity to a prohibited transaction tax.

Neither the depositor nor the servicer will be obligated to purchase or substitute a loan if a seller or other party named in the offering memorandum supplement defaults on its obligation to do so, and no assurance can be given that sellers or such other parties will carry out their respective repurchase or substitution obligations with respect to loans.

Status of the Mortgage Loans and Related Assets in the Event of Insolvency of a Seller

Each transfer of a mortgage loan to the applicable seller, from such seller to the depositor and from the depositor to the issuing entity, will have been intended to be an absolute and unconditional sale of such mortgage loan. However, in the event of bankruptcy or insolvency of a prior owner of a mortgage loan, a trustee in bankruptcy or a receiver or creditor of the insolvent party could attempt to recharacterize the sale of that mortgage loan by such insolvent party as a borrowing secured by a pledge of the mortgage loan. Such an attempt, even if unsuccessful, could result in delays in payments on the securities of the related series. If such an attempt were successful, it is possible that the affected mortgage loans could be sold in order to liquidate the assets of the insolvent entity. In the case of the bankruptcy or insolvency of a seller, there can be no assurance that the proceeds of such liquidation would be sufficient to repay the securities in full.

DESCRIPTION OF THE SECURITIES

Each series of securities issued in the form of certificates will be issued pursuant to a pooling and servicing agreement among the depositor, a master servicer and the trustee or pursuant to agreements containing comparable provisions, as described in the offering memorandum supplement. The loans will be serviced pursuant to one or more servicing agreements assigned to the trustee. Each series of securities issued in the form of bonds will be issued pursuant to an indenture between the related issuing entity (formed by a trust agreement) and the entity named in the offering memorandum supplement as trustee or pursuant to agreements containing comparable provisions, as described in the offering memorandum supplement, and the related loans will be serviced by the servicer pursuant to a servicing agreement.

As used in this offering memorandum, “Agreement” means, with respect to a series consisting of certificates, the pooling and servicing agreement and related servicing agreements, and, with respect to a series consisting of bonds, the trust agreement, the indenture and the related servicing agreements or sale and servicing agreements, or, in either case, such other agreements containing comparable provisions as set forth in the offering memorandum supplement as the context requires.

The trustee under the pooling and servicing agreement for a series, or, if applicable, the indenture trustee under the indenture and the owner trustee under the trust agreement for a series, will be identified in the applicable offering memorandum supplement. References in this offering memorandum to “trustee” are intended to refer as to any particular series of securities to the pooling and servicing agreement trustee, indenture trustee or owner trustee, as applicable, unless the context requires otherwise.

A series of securities may consist of both bonds and certificates. The provisions of each Agreement will vary depending upon the nature of the securities to be issued thereunder and the nature of the issuing entity. The following are descriptions of the material provisions which may appear in each Agreement. The descriptions are subject to, and are qualified in their entirety by reference to, all of the provisions of the specific Agreements applicable to series of securities. The sponsor will provide a copy of the Agreements (without exhibits) relating to any series without charge upon written request of a holder of record of a security of such series addressed to the sponsor, One Belvedere Place, Suite 310, Mill Valley, California 94941, Attention: Secretary.

General

Unless otherwise described in the offering memorandum supplement the securities of each series:

- will be issued in book-entry or fully registered form, in the authorized denominations specified in the offering memorandum supplement;
- will, in the case of certificates, evidence specified beneficial ownership interests in the assets of the issuing entity;
- will, in the case of bonds, be secured by the assets of the issuing entity; and
- will not be entitled to payments in respect of the assets included in any other issuing entity established by the depositor.

Unless otherwise specified in the offering memorandum supplement, the securities will not represent obligations of the depositor or any affiliate of the depositor. Certain of the loans may be guaranteed or insured as set forth in the offering memorandum supplement. Each issuing entity will consist of, to the extent provided in the related Agreement:

- mortgage loans secured by properties of the types described in this offering memorandum;
- amounts held from time to time in the collection account, distribution account or other account established for a series of securities;
- mortgaged properties that secured a mortgage loan and that are acquired on behalf of the securityholders by foreclosure, deed in lieu of foreclosure or repossession;
- any reserve fund established pursuant to the agreements for a series of securities, if specified in the

offering memorandum supplement;

- any security insurance policy, pool insurance policy, special hazard insurance policy, bankruptcy bond, interest rate cap agreement, interest rate swap agreement, currency swap agreement or other form of credit enhancement described in this offering memorandum and specified in the offering memorandum supplement;
- any servicing agreements relating to mortgage loans in the issuing entity, to the extent that these agreements are assigned to the trustee;
- any primary mortgage insurance policies or limited purpose surety bonds relating to mortgage loans in the issuing entity;
- investments held in any fund or account or any guaranteed investment contract and income from the reinvestment of these funds, if specified in the offering memorandum supplement; and
- any other asset, instrument or agreement relating to the issuing entity described in this offering memorandum and specified in the offering memorandum supplement.

Each series of securities will be issued in one or more classes. Each class of certificates of a series will evidence beneficial ownership of a specified percentage (which may be 0%) or portion of future interest payments and a specified percentage (which may be 0%) or portion of future principal payments on, and each class of bonds of a series will be secured by, the related issuing entity assets. A series of securities may include one or more classes that are senior in right to payment to one or more other classes of securities of such series. Certain series or classes of securities may be covered by insurance policies, surety bonds or other forms of credit enhancement, in each case as described in the offering memorandum supplement. One or more classes of securities of a series may be entitled to receive distributions of principal, interest or any combination thereof. Distributions on one or more classes of a series of securities may be made prior to one or more other classes, after the occurrence of specified events, in accordance with a schedule or formula or on the basis of collections from designated portions of the related issuing entity assets, in each case as specified in the offering memorandum supplement. The timing and amounts of such distributions may vary among classes or over time as specified in the offering memorandum supplement.

Distributions of principal and interest (or, where applicable, of principal only or interest only) on the related securities will be made by the trustee or the payment agent on each payment date in proportion to the percentages described in the offering memorandum supplement. Payment dates will occur either monthly, quarterly, semi-annually or at other specified intervals and will occur on the dates as are described in the offering memorandum supplement. Distributions will be made to the persons in whose names the securities are registered at the close of business on the record date relating to payment date. Distributions will be made in the manner described in the offering memorandum supplement to the persons entitled thereto at the address appearing in the register maintained for securityholders; provided, however, that, unless otherwise provided in the offering memorandum supplement, the final distribution in retirement of the securities will be made only upon presentation and surrender of the securities at the office or agency of the trustee or other person specified in the notice to securityholders of such final distribution.

The securities will be freely transferable and exchangeable at the corporate trust office of the trustee specified in the offering memorandum supplement. No service charge will be made for any registration of exchange or transfer of securities of any series, but the trustee may require payment of a sum sufficient to cover any related tax or other governmental charge.

The sale or transfer of certain classes of securities to employee benefit plans and retirement arrangements that are subject to the provisions of Title I of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or Section 4975 of the Internal Revenue Code of 1986, as amended (the "Code"), may be restricted. The offering memorandum supplement for each series of securities will describe any such restrictions. The sale and transfer of the securities may be subject to other restrictions on transfer, as described in the offering memorandum supplement.

As to each series, an election may be made to treat the related issuing entity or designated portions thereof as one or more REMICs as defined in the Code. The offering memorandum supplement will specify whether a REMIC election is to be made. Alternatively, the Agreement for a series of securities may provide that a REMIC election may be made at the discretion of the depositor or the servicer and may only be made if certain conditions are satisfied. As to any such series, the terms and provisions applicable to the making of a REMIC election will be set forth in the offering memorandum supplement. If such an election is made with respect to a series of securities, one of the classes will be designated as evidencing the sole class of residual interests in the REMIC. All other classes of securities in such a series will constitute regular interests in the REMIC. As to each series of securities with respect to which a REMIC election is to be made; the servicer, the trustee and/or a holder of the residual certificate will be obligated to take all actions required in order to comply with applicable laws and regulations.

Distributions on Securities

General. In general, the method of determining the amount of distributions on a particular series of securities will depend on the type of credit support, if any, that is used with respect to such series. Set forth below are descriptions of various methods that may be used to determine the amount of distributions on the securities of a particular series. The offering memorandum supplement for each series of securities will describe the method to be used in determining the amount of distributions on the securities of that series.

Distributions allocable to principal and interest on the securities will be made by the trustee out of, and only to the extent of, funds in the related collection account, including any funds transferred from any reserve account. As between securities of different classes and as between distributions of principal (and, if applicable, between distributions of principal prepayments and scheduled payments of principal) and interest, distributions made on any payment date will be applied as specified in the offering memorandum supplement. The offering memorandum supplement will also describe the method for allocating distributions among securities of a particular class.

Available Funds. All distributions on the securities of each series on each payment date will be made from the available funds described below, in accordance with the terms described in the offering memorandum supplement and specified in the Agreement. Available funds for each payment date will generally equal the amount on deposit in the related Collection Account on such payment date (net of related fees and expenses payable by the related issuing entity) other than amounts to be held therein for distribution on future payment dates.

Distributions of Interest. Interest will accrue on the aggregate principal balance of the securities (or, in the case of securities entitled only to distributions allocable to interest, the aggregate notional amount) of each class of securities (the "class security balance") entitled to interest from the date, at the pass-through rate or interest rate, as applicable, and for the periods specified in the related offering memorandum supplement. The pass-through rate or interest rate applicable to each class of securities will be specified in the related offering memorandum supplement as either a fixed rate or adjustable rate. Any interest rate will be a conventional rate of interest on debt and will not be calculated with reference to a commodities or securities index. Other than with respect to a class of securities that provides for interest that accrues but is not currently payable ("accrual securities"), to the extent funds are available for the payment of interest on a class of securities, interest accrued during each specified period on that class of securities entitled to interest will be distributable on the payment dates specified in the offering memorandum supplement until the aggregate class security balance of those securities has been distributed in full or, in the case of securities entitled only to distributions allocable to interest, until the aggregate notional amount of those securities is reduced to zero or for the period of time designated in the offering memorandum supplement. Except in the case of the accrual securities, the original class security balance of each security will equal the aggregate distributions allocable to principal to which such security is entitled. Distributions allocable to interest on each security that is not entitled to distributions allocable to principal will be calculated based on the notional amount of such security. The notional amount of a security will not evidence an interest in or entitlement to distributions allocable to principal but will be used solely for convenience in expressing the calculation of interest and for certain other purposes.

Interest payable on the securities of a series on a payment date will include all interest accrued during the period specified in the offering memorandum supplement. In the event interest accrues over a period ending two or more days prior to a payment date, the effective yield to securityholders will be reduced from the yield that would otherwise be obtainable if interest payable on the security were to accrue through the day immediately preceding such payment date, and the effective yield (at par) to securityholders will be less than the indicated coupon rate.

With respect to any class of accrual securities, as specified in the offering memorandum supplement, any interest that has accrued but is not paid on a given payment date may be added to the aggregate class security balance of such class of securities on that payment date and thereafter may itself accrue interest as part of the aggregate class security balance. Distributions of interest on any class of accrual securities will commence only after the occurrence of the events specified in such offering memorandum supplement. Prior to the occurrence of those specified events, the beneficial ownership interest in the issuing entity or the principal balance, as applicable, of such class of accrual securities, as reflected in the aggregate class security balance of such class of accrual securities, will increase on each payment date by the amount of interest that accrued on that class of accrual securities during the preceding interest accrual period.

Distributions of Principal. The offering memorandum supplement will specify the method by which the amount of principal to be distributed on the securities on each payment date will be calculated and the manner in which such amount will be allocated among the classes of securities entitled to distributions of principal. The aggregate class security balance of any class of securities entitled to distributions of principal generally will equal the aggregate original class security balance specified in the related offering memorandum supplement for that class, reduced by all distributions allocable to principal previously made to the holders of that class of securities and by any allocations of realized losses to that class, and, in the case of accrual securities, increased by all interest accrued but not then distributable on such accrual securities, as specified in the offering memorandum supplement.

If so provided in the offering memorandum supplement, one or more classes of securities will be entitled to receive all or a disproportionate percentage of the principal payments or prepayments made with respect to a payment date in the percentages and under the circumstances or for the periods specified in that offering memorandum supplement. This allocation of principal payments or prepayments to that class or those classes of securities will have the effect of accelerating the amortization of those securities while increasing the interests evidenced by one or more other classes of securities issued by the related trust. Increasing the interests of the other classes of securities relative to that of certain securities is intended to preserve the availability of the subordination provided by those other classes of securities.

Unscheduled Distributions. If specified in the offering memorandum supplement, the securities will be subject to receipt of distributions before the next scheduled payment date under the circumstances and in the manner described below and in such offering memorandum supplement. If applicable, the trustee will be required to make these unscheduled distributions on the day and in the amount specified in the offering memorandum supplement if, due to substantial payments of principal (including principal prepayments, redemptions of securities or termination of the issuing entity) on the issuing entity assets, the trustee or the servicer determines that the funds available or anticipated to be available from the collection account and, if applicable, any reserve account, on the next scheduled payment date may be insufficient to make required distributions on the securities on that payment date. Unless otherwise specified in the offering memorandum supplement, the amount of any such unscheduled distribution that is allocable to principal will not exceed the amount that would otherwise have been required to be distributed as principal on the securities on the next payment date. Unless otherwise specified in the offering memorandum supplement, the unscheduled distributions will include interest at the applicable pass-through rate, if any, or interest rate, if any, on the portion of the unscheduled distribution that is allocable to principal for the period and to the date specified in the offering memorandum supplement.

Categories of Classes of Securities

The securities of any series may be comprised of one or more classes. These classes generally fall into different categories. The following chart identifies and generally defines certain of the more typical categories of security classes. The offering memorandum supplement for a series of securities may identify the classes which comprise that series by reference to the following categories.

Categories of Classes	Definition
	PRINCIPAL TYPES
Accretion Directed	A class that receives principal payments that are funded from collections that would have otherwise funded interest payments on the accreted interest from specified accrual classes. An accretion directed class also may receive principal payments from principal paid on the issuing entity assets.
Component Securities	A class consisting of "components." The components of a class of component securities may have different principal and/or interest payment characteristics but together constitute a single class. Each component of a class of component securities may be identified as falling into one or more of the categories in this chart.
Notional Amount Securities	A class having no principal balance and bearing interest on the related notional amount. The notional amount is used for purposes of the determination of interest distributions.
Planned Principal Class or PACs	A class that is designed to receive principal payments using a predetermined principal balance schedule derived by assuming two constant prepayment rates for the issuing entity assets. These two rates are the endpoints for the "structuring range" for the planned principal class. The planned principal classes in any series of securities may be subdivided into different categories (e.g., primary planned principal classes, secondary planned principal classes and so forth) having different effective structuring ranges and different principal payment priorities. The structuring range for the secondary planned principal class of a series of securities will be narrower than that for the primary planned principal class of such series.
Scheduled Principal Class	A class that is designated to receive principal payments using a predetermined principal balance schedule but is not designated as a planned principal class or targeted principal class. In many cases, the schedule is derived by assuming two constant prepayment rates for the issuing entity assets. These two rates are the endpoints for the "structuring range" for the scheduled principal class.
Sequential Pay	Classes that receive principal payments in a prescribed sequence, that do not have predetermined principal balance schedules and that receive payments of principal, when amounts are available to make payments of principal, continuously from the first payment date on which they receive principal until they are retired. A single class that receives principal payments before or after all other classes in the same series of securities may be identified as a sequential pay class.
Strip	A class that receives a constant proportion, or "strip," of the principal payments on the issuing entity assets. The constant proportion of such principal payments may or may not vary for each asset included in the issuing entity and will be calculated in the manner described in the offering memorandum supplement. These classes may also receive payments of interest.

Support Class (or companion class)	A class that receives principal payments on any payment date only if scheduled payments have been made on specified planned principal classes, targeted principal classes and/or scheduled principal classes.
Targeted Principal Class	A class that is designated to receive principal payments using a predetermined principal balance schedule derived by assuming a single constant prepayment rate for the issuing entity assets.

INTEREST TYPES

Accrual	A class that adds accrued interest otherwise distributable on the class to the principal balance of the class on each applicable payment date. The accretion may continue until some specified event has occurred or until the class is retired.
Fixed Rate	A class with a pass-through rate or interest rate that is fixed throughout the life of the class.
Floating Rate	A class with an interest rate that resets periodically based upon a designated index and that varies directly with changes in that index.
Inverse Floating Rate	A class with an interest rate that resets periodically based upon a designated index and that varies inversely with changes in such index.
Interest Only or IO	A class that receives some or all of the interest payments made on the issuing entity assets and little or no principal. Interest only certificates have either a nominal principal balance or a notional amount. A nominal principal balance represents actual principal that will be paid on the class. It is referred to as nominal since it is extremely small compared to other classes. A notional amount is an amount used as a reference to calculate the amount of interest due on an interest only security but is never actually paid out as principal on the class.
Partial Accrual	A class that adds a portion of the amount of accrued interest thereon to the principal balance of the class on each applicable payment date, with the remainder of the accrued interest to be distributed currently as interest on the class on each applicable payment date. The accretion of designated amounts of the interest may continue until a specified event has occurred or until the class is retired.
Principal Only or PO	A class that does not bear interest and is entitled to receive only distributions in respect of principal.
Variable Rate	A class with a pass-through rate of interest rate that resets periodically and is calculated by reference to the rate or rates of interest applicable to specified assets or instruments (e.g., the loan rates borne by the loans in the issuing entity).

Subordinate Securities. A series of securities may include one or more classes of subordinate securities that provide some or all of the credit enhancement for the senior securities in the series. The rights of holders of some classes of securities (the “subordinate securities”) to receive distributions will be subordinate in right and priority to the rights of holders of senior securities of the series (the "senior securities") but only to the extent described in the offering memorandum supplement. If the mortgage loans are divided into separate asset groups, evidenced by separate classes, credit enhancement may be provided by a cross-support feature. This feature requires in general that distributions be made to senior securities prior to making distributions on subordinate securities backed by assets in another asset group within the issuing entity. Unless rated in one of the four highest rating categories by at least one nationally recognized statistical rating organization (each a "rating agency"), subordinate securities will not be offered by this offering memorandum or the offering memorandum supplement. See "CREDIT ENHANCEMENT — Subordination" in this offering memorandum.

Exchangeable Securities

If specified in the offering memorandum supplement, one or more classes of securities will be exchangeable securities. At any time after the initial issuance of exchangeable securities, the holders of such securities will be entitled, after notice and payment of an administrative fee, to exchange all or a portion of those securities for proportionate interests in one or more other classes of exchangeable securities. Exchanges of securities will be allowed only if the aggregate payments on the securities received in the exchange will be made in the same amounts and at the same times as the aggregate payments that would have been made on the securities being exchanged. The offering memorandum supplement will describe any additional conditions that must be satisfied in order for a holder to exchange its exchangeable securities for related exchangeable securities. The procedures that must be followed in order for a securityholder to exchange its exchangeable securities for other exchangeable securities also will be set forth in the offering memorandum supplement.

Compensating Interest

Payments may be received on loans in the issuing entity which represent either a principal prepayment in full or a principal payment which is in excess of the scheduled monthly payment and which is not intended to cure a delinquency. If specified in the offering memorandum supplement, the servicer will be required to remit to the trustee with respect to each of these types of payments during any due period an amount equal to either (1) the excess, if any, of (a) 30 days' interest on the principal balance of the related loan at the loan rate net of the per annum rate at which the servicer's servicing fee accrues, over (b) the amount of interest actually received on the loan during the related due period, net of the servicer's servicing fee or (2) such other amount as described in the offering memorandum supplement. This amount remitted to the trustee by the servicer will be limited to amounts otherwise payable to the servicer as servicing compensation.

Reports to Securityholders

Prior to or concurrently with each distribution on a payment date, the servicer or the trustee will furnish to each securityholder of record of the related series a statement setting forth, to the extent applicable to such series of securities, among other things:

- any applicable record dates, accrual dates, determination dates for calculating distributions and actual distribution dates for the distribution period;
- the amount of cashflows received and the sources thereof for distributions, fees and expenses;
- the amount of fees and expenses accrued and paid, the purpose of such fees and expenses and the identification of each payee, including the amount of fees paid to the trustee, the custodian, the master servicer, the securities administrator, the servicers and subservicers for such distribution date;
- the amount of payments accrued and paid with respect to credit enhancement or other support for the related transaction, including, insurance premiums and payments to swap or cap providers, the purpose of such payments and the identification of each payee;
- the amount of the distribution with respect to each class of securities;

- the amount of such distributions allocable to principal, separately identifying the aggregate amount of any prepayments or other unscheduled recoveries of principal included in such amount;
- the amount of such distributions allocable to interest;
- the class principal balance of each class of securities (other than interest-only securities) as of such distribution date together with the principal balance of the securities of the related class (based on a security in the original principal balance of $1,000), after giving effect to any payment of principal on such distribution date;
- the class notional balance of each class of interest only securities as of such distribution date together with the principal balance of the securities of the related class (based on a security in the original principal balance of $1,000), after giving effect to any payment of principal on such distribution date;
- if applicable, a statement that interest payable on one or more classes of securities on such distribution date represents interest accrued on those classes at a rate equal to the applicable available funds cap, net weighted average cap or other limitation;
- the amount, terms and general purpose of any Advances for such distribution date, including the general use of funds advanced and the general source of funds for reimbursements, and the amount of any outstanding Advances remaining after such distribution date;
- the purchase price deposited into the collection account with respect to any mortgage loan;
- the total number of mortgage loans and the aggregate principal balances thereof, together with the number and aggregate principal balances of mortgage loans (a) 30-59 days delinquent, (b) 60-89 days delinquent and (c) 90 or more days delinquent;
- the number and aggregate principal balance of mortgage loans in foreclosure proceedings (and whether any such mortgage loans are also included in any of the statistics described in the preceding clause);
- the pool balance as of such distribution;
- any applied loss amount for any class of securities;
- the amount of any basis risk shortfall with respect to any class of securities;
- the amount of excess cash flow or excess spread and the disposition of such excess cash flow or excess spread;
- the overcollateralization amount for such distribution date;
- the amount of any shortfalls in distributions of interest with respect to each class of securities on such distribution date and the cumulative amount of any unreimbursed shortfalls in distributions of interest from prior distribution dates;
- any amounts drawn on any credit enhancement or other support, as applicable, and the amount of coverage remaining under any such enhancement, if known and applicable;
- delinquency and loss information for the distribution period with respect to the mortgage loans in the pool;
- the number of properties and the unpaid principal balance with respect to each property relating to

defaulted mortgage loans in the issuing entity;

- the beginning and ending balances of the distribution account, reserve account or other transaction account and any material account activity during the related period;
- any material modifications, extensions or waivers to pool asset terms, fees, penalties or payments during the distribution period or that have cumulatively become material over time;
- information with respect to material breaches of pool asset representations or warranties or transaction covenants;
- information on ratio, coverage or other tests used for determining any early amortization, liquidation or other performance trigger and whether the trigger was met;
- information regarding any changes to the mortgage loans in the pool, including any additions or removals in connection with a pre-funding period, repurchases or substitutions;
- the amounts on deposit in any pre-funding account;
- information regarding any material changes in the solicitation, credit granting, underwriting, origination, acquisition or pool selection criteria or procedures, as applicable, used to originate, acquire or select additional mortgage loans acquired during a pre-funding period or in connection with a substitution; and
- such other information as is required under the applicable Agreement.

In addition, within a reasonable period of time after the end of each calendar year, the trustee will furnish a report to each person that was a holder of record of any class of securities at any time during such calendar year. This report will include information as to the aggregate of amounts reported pursuant to the first three clauses above for such calendar year or, in the event such person was a holder of record of a class of securities during a portion of such calendar year, for the applicable portion of such year.

The trustee may, at its option, distribute or cause to be distributed monthly statements to securityholders by first class mail or by making such statement available via an internet website. In the event that an internet website is used, securityholders will be entitled to receive paper copies of monthly statements by mail if they so request.

Optional Termination

If specified in the offering memorandum supplement for a series of securities, the depositor, the servicer or master servicer, or any other designated entity may, at its option, purchase or direct the sale of a portion of the mortgage loans of the issuing entity, or cause an early termination of the issuing entity by purchasing all of the mortgage loans from the issuing entity or directing the sale of the mortgage loans. This termination may occur on a date on or after the date on which either (1) the total principal balance of the mortgage loans is less than a specified percentage of the initial total principal balance, or (2) the total principal balance of the securities (or of certain classes in a series) is less than a specified percentage of their initial total principal balance, or on or after another date, as described in the offering memorandum supplement. If specified in the offering memorandum supplement, the trustee or other specified party will, either upon direction of a specified party or parties or upon the occurrence of a specified date or event, solicit bids for purchase of the assets of the issuing entity. This bid process may be subject to a minimum bid price.

The optional termination described in this section will be in addition to terminations that may result from other events, such as events of default described elsewhere herein.

Optional Purchase of Securities

The offering memorandum supplement for a series of securities may provide that one or more classes of the series may be purchased, in whole or in part, at the option of the depositor, the servicer or master servicer, or another designated entity (including holders of another class of securities), at specified times and purchase prices, and under particular circumstances. Notice of any purchase must be given by the trustee or other specified party prior to the optional purchase date, as specified in the offering memorandum supplement.

Other Purchases or Redemption

If specified in the offering memorandum supplement for a series, any class of securities in the series may be subject to redemption, in whole or in part, at the option of the issuing entity, or to mandatory purchase by the depositor, the servicer or master servicer, or another designated entity at specified times, and under particular circumstances, set forth in the offering memorandum supplement (but in no event at the request or discretion of the holders of that class). The redemption price will be equal to the outstanding principal of the securities together with accrued interest thereon. The other terms and conditions of any redemption or mandatory purchase with respect to a class of securities will be described in the offering memorandum supplement.

The depositor may also have the option to obtain for any series of securities one or more guarantees from a company or companies acceptable to the rating agencies. As specified in the offering memorandum supplement, these guarantees may provide for one or more of the following for any series of securities:

- call protection for any class of securities of a series;
- a guarantee of a certain prepayment rate of some or all of the mortgage loans underlying the series; or
- certain other guarantees described in the offering memorandum supplement.

Book-Entry Registration of Securities

As described in the offering memorandum supplement, if not issued in fully registered form, each class of securities will be registered as book-entry securities. Persons acquiring beneficial ownership interests in the securities, or “beneficial owners,” will hold their securities through DTC in the United States, or Clearstream Banking, société anonyme (formerly Cedelbank), commonly known as Clearstream, Luxembourg, or the Euroclear system, in Europe. Clearstream, Luxembourg and Euroclear will hold omnibus positions for Clearstream, Luxembourg participants and Euroclear participants, respectively, through customers’ securities accounts in Clearstream, Luxembourg’s and Euroclear’s names on the books of their respective depositaries. The depositaries will hold these positions in customers’ collection accounts in the depositaries names on DTC’s books. The offering memorandum supplement will state if the securities will be in physical rather than book-entry form, and may describe additional restrictions on the transfer and holding of the securities.

DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a clearing corporation within the meaning of the Uniform Commercial Code and a clearing agency registered under Section l7A of the Securities Exchange Act. DTC was created to hold securities for its participants and facilitate the clearance and settlement of securities transactions between its participants through electronic book-entry changes in their accounts, eliminating the need for physical movement of certificates. DTC’s participants include securities brokers and dealers, banks, trust companies and clearing corporations and may include other organizations. Indirect access to the DTC system also is available to indirect participants such as brokers, dealers, banks and trust companies that clear through or maintain a custodial relationship with a DTC participant, either directly or indirectly.

Transfers between DTC participants will occur according to DTC rules. Transfers between Clearstream, Luxembourg participants and Euroclear participants will occur according to their applicable rules and operating procedures.

Cross-market transfers between persons holding directly or indirectly through DTC, on the one hand, and directly or indirectly through Clearstream, Luxembourg participants or Euroclear participants, on the other, will be effected in DTC according to DTC rules on behalf of the relevant European international clearing system by its depositary; however, those cross-market transactions will require the counterparty to deliver instructions to the relevant European international clearing system according to the counterparty rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its depositary to take action to effect final settlement on its behalf by delivering or receiving securities in DTC, and making or receiving payment according to normal procedures for same-day funds settlement applicable to DTC, Clearstream, Luxembourg participants and Euroclear participants may not deliver instructions directly to the depositaries.

Because of time-zone differences, credits of securities in Clearstream, Luxembourg or Euroclear resulting from a transaction with a DTC participant will be made during the subsequent securities settlement processing, dated the business day following the DTC settlement date, and the credits or any transactions in the securities settled during the processing will be reported to the relevant Clearstream, Luxembourg participant or Euroclear participant on that business day. Cash received in Clearstream, Luxembourg or Euroclear resulting from sales or securities by or through a Clearstream, Luxembourg participant or a Euroclear participant to a DTC participant will be received with value on the DTC settlement date but will be available in the relevant Clearstream, Luxembourg or Euroclear cash account only as of the business day following settlement in DTC.

Clearstream, Luxembourg was incorporated in 1970 as Cedel S.A., a company with limited liability under Luxembourg law (a société anonyme). Cedel S.A. subsequently changed its name to Cedelbank. On January 10, 2000, Cedelbank's parent company, Cedel International, société anonyme, merged its clearing, settlement and custody business with that of Deutsche Börse Clearing AG.

Clearstream, Luxembourg holds securities for its customers and facilitates the clearance and settlement of securities transactions between Clearstream, Luxembourg customers through electronic book-entry changes in accounts of Clearstream, Luxembourg customers, thereby eliminating the need for physical movement of certificates. Transactions may be settled by Clearstream, Luxembourg in any of 36 currencies, including U.S. dollars. Clearstream, Luxembourg provides, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream, Luxembourg also deals with domestic securities markets in over 30 countries through established depository and custodial relationships. Clearstream, Luxembourg is registered as a bank in Luxembourg, and as such is subject to regulation by the Commission de Surveillance du Secteur Financier which supervises Luxembourg banks. Clearstream, Luxembourg's customers are world-wide financial institutions including underwriters, securities brokers and dealers, banks, trust companies and clearing corporations. Clearstream, Luxembourg's U.S. customers are limited to securities brokers and dealers, and banks. Currently, Clearstream, Luxembourg has approximately 2,000 customers located in over 80 countries, including all major European countries, Canada, and the United States. Indirect access to Clearstream, Luxembourg is available to other institutions that clear through or maintain a custodial relationship with an account holder of Clearstream, Luxembourg. Clearstream, Luxembourg has established an electronic bridge with Morgan Guaranty Trust Company of New York as the operator of the Euroclear System in Brussels to facilitate settlement of trades between Clearstream, Luxembourg and Euroclear.

Euroclear was created in 1968 to hold securities for participants of Euroclear and to clear and settle transactions between Euroclear participants through simultaneous electronic book-entry delivery against payment, thereby eliminating both the need for physical movement of securities and any risk from lack of simultaneous transfers of securities and cash. Transactions may now be sealed in any of 37 currencies, including United States dollars. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries generally similar to the arrangements for cross-market transfers with DTC described above. Euroclear is operated by the Brussels, Belgium office of Morgan Guaranty Trust Company of New York, under contract with Euroclear Clearance Systems S.C., a Belgian cooperative corporation. All operations are conducted by the Euroclear operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear operator, not Euroclear Clearance. Euroclear Clearance establishes policy for Euroclear on behalf of Euroclear participants. Euroclear participants include banks (including central banks), securities brokers and dealers, and other professional financial intermediaries. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear participant, either directly or indirectly.

The Euroclear operator is the Belgian branch of a New York banking corporation which is a member bank of the Federal Reserve System. As such, it is regulated and examined by the Board of Governors of the Federal Reserve System and the New York State Banking Department, as well as the Belgian Banking Commission.

Securities clearance accounts and cash accounts with the Euroclear operator are governed by the Terms and Conditions Governing Use of Euroclear and the related operating procedures of the Euroclear system and applicable Belgian law. The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific securities to specific securities clearance accounts. The Euroclear operator acts under the Terms and Conditions only on behalf of Euroclear participants, and has no record of or relationship with persons holding through Euroclear participants.

Under a book-entry format, securityholders that are not DTC participants or indirect participants but desire to purchase, sell or otherwise transfer ownership of securities registered in the name of Cede, as nominee of DTC, may do so only through participants and indirect participants. In addition, these securityholders will receive all distributions of principal of and interest on the securities from the trustee through DTC and its participants. Securityholders may receive payments after the payment date because DTC will forward these payments to its participants, which thereafter will be required to forward these payments to indirect participants or securityholders. Unless and until physical securities are issued, it is anticipated that the only securityholder will be Cede, as nominee of DTC, and that the beneficial holders of securities will not be recognized by the trustee as securityholders under the Agreements. Securityholders which are not DTC participants will only be permitted to exercise their rights under the Agreements through DTC or through its participants.

Under the rules, regulations and procedures creating and affecting DTC and its operations, DTC is required to make book-entry transfers among its participants and is required to receive and transmit payments of principal of and interest on the securities. DTC's participants and indirect participants are required to make book-entry transfers and receive and transmit payments on behalf of their respective securityholders. Accordingly, although securityholders will not possess physical securities, the rules provide a mechanism by which securityholders will receive distributions and will be able to transfer their interests.

Unless and until physical securities are issued, securityholders who are not DTC participants may transfer ownership of securities only through DTC participants by instructing those participants to transfer securities, through DTC for the account of the purchasers of the securities, which account is maintained with their respective participants. Under DTC's rules and in accordance with DTC's normal procedures, transfers of ownership of securities will be executed through DTC and the accounts of the respective participants at DTC will be debited and credited. Similarly, the respective participants will make debits or credits, as the case may be, on their records on behalf of the selling and purchasing securityholders.

Because DTC can only act on behalf of its participants, who in turn act on behalf of indirect participants and some banks, the ability of a securityholder to pledge securities to persons or entities that do not participate in the DTC system, or otherwise take actions in respect of the securities may be limited due to the lack of a physical certificate for the securities.

DTC advises that it will take any action permitted to be taken by a securityholder under the Agreements only at the direction of one or more of its participants to whose account the securities are credited. Additionally, DTC advises that it will take actions only at the direction of and on behalf of its participants whose holdings include current principal amounts of outstanding securities that satisfy the minimum percentage established in the Agreements. DTC may take conflicting actions if directed by its participants.

Any securities initially registered in the name of Cede, as nominee of DTC, will be issued in fully registered, certificated form to securityholders or their nominees, rather than to DTC or its nominee only under the events specified in the Agreements and described in the offering memorandum supplement. Upon the occurrence of any of the events specified in this offering memorandum or in the Agreements and the offering memorandum supplement, DTC will be required to notify its participants of the availability through DTC of physical certificates. Upon surrender by DTC of the securities and receipt of instruction for re-registration, the trustee will issue the securities in the form of physical certificates, and thereafter the trustee will recognize the holders of the physical certificates as securityholders. Thereafter, payments of principal of and interest on the securities will be made by the trustee directly to securityholders in accordance with the procedures set forth in the Agreements. The final distribution of any security whether physical certificates or securities registered in the name of Cede, however, will be made only upon presentation and surrender of the securities on the final payment date at the office or agency specified in the notice of final payment to securityholders.

None of the depositor, the servicer, any finance subsidiary, or the trustee will have any liability for any actions taken by DTC or its nominee or Cedel or Euroclear, including, without limitation, actions for any aspect of the records relating to or payments made on account of the securities held by Cede, as nominee for DTC, or for maintaining, supervising or reviewing any records relating to the securities.

CREDIT ENHANCEMENT

General

Credit enhancement may be provided with respect to one or more classes of a series of securities or with respect to the related issuing entity assets and will be described in the offering memorandum supplement for such series of securities. Credit enhancement may be in the form of:

- the subordination of one or more classes of the securities of such series;
- a limited financial guaranty policy issued by an entity named in the offering memorandum supplement;
- the establishment of one or more reserve accounts;
- the use of a cross-collateralization feature;
- use of a mortgage pool insurance policy;
- excess spread;
- overcollateralization;
- letter of credit or demand note;
- guaranteed investment contract;
- primary mortgage insurance;
- other pledged assets;
- corporate guarantees;
- surety bond;
- special hazard insurance policy;
- bankruptcy bond;
- derivatives;

- certain other forms of credit enhancement as and to the extent specified in the related offering memorandum supplement; and.

- any combination of the foregoing.

Unless otherwise specified in the offering memorandum supplement, credit enhancement will not provide protection against all risks of loss and will not guarantee repayment of the entire principal balance of the securities and interest on the securities. If losses occur which exceed the amount covered by credit enhancement or which are not covered by the credit enhancement, securityholders will bear their allocable share of any deficiencies.

If specified in the offering memorandum supplement, the coverage provided by one or more of the forms of credit enhancement described in this offering memorandum may apply concurrently to two or more separate issuing entities. If applicable, the offering memorandum supplement will identify the issuing entities to which such credit enhancement relates and the manner of determining the amount of coverage provided to those issuing entities by the credit enhancement and of the application of that coverage to the related issuing entities.

Subordination

If specified in the offering memorandum supplement, protection afforded to holders of one or more classes of securities of a series may be made by means of a subordination feature. This protection may be accomplished by providing a preferential right to holders of senior securities in a series to receive distributions in respect of scheduled principal, principal prepayments, interest or any combination thereof that otherwise would have been payable to holders of subordinate securities in that series, under the circumstances and to the extent specified in the offering memorandum supplement. Subordination protection may also be afforded to the holders of senior securities by reducing the ownership interest (if applicable) of the related subordinate securities, which protection may or may not be in conjunction with the protection described in the immediately preceding sentence. Finally, protection may be afforded to the holders of senior securities by application of a subordination feature in another manner as described in the offering memorandum supplement.

If a subordination feature is present with respect to a given series, delays in receipt of scheduled payments on the loans and losses on defaulted loans may be borne first by the various classes of subordinate securities and only thereafter by the various classes of senior securities, in each case under the circumstances and subject to the limitations specified in the offering memorandum supplement. The aggregate distributions in respect of delinquent payments on the loans over the lives of the securities or at any time, the aggregate losses in respect of defaulted loans which must be borne by the subordinate securities by virtue of subordination and the amount of the distributions otherwise distributable to the subordinate securityholders that will be distributable to senior securityholders on any payment date all may be limited as specified in the offering memorandum supplement. If aggregate distributions in respect of delinquent payments on the loans or aggregate losses in respect of the related loans were to exceed the amount specified in the offering memorandum supplement, then holders of senior securities would experience losses.

As specified in the offering memorandum supplement, all or any portion of distributions otherwise payable to holders of subordinate securities on any payment date may instead be deposited into one or more reserve accounts established with the trustee or distributed to holders of senior securities. The offering memorandum supplement will describe whether deposits are made into a reserve account on each payment date, only during specified periods, only until the balance in the related reserve account has reached a specified amount, only to replenish amounts in the related reserve account following payments from the reserve account to holders of senior securities or otherwise. Amounts on deposit in a reserve account may be released to the holders of certain classes of securities at the times and under the circumstances specified in the offering memorandum supplement.

If specified in the offering memorandum supplement, various classes of senior securities and subordinate securities may themselves be subordinate in their right to receive certain distributions to other classes of senior and subordinate securities, respectively, through a cross-collateralization mechanism or otherwise. As between classes of senior securities and as between classes of subordinate securities, distributions may be allocated among the classes:

- in the order of their scheduled final payment dates;
- in accordance with a schedule or formula;
- in relation to the occurrence of events; or
- otherwise, as specified in the offering memorandum supplement.

As between classes of subordinate securities, payments to holders of senior securities on account of delinquencies or losses and payments to any reserve account will be allocated as specified in the offering memorandum supplement.

Derivative Instruments

The issuing entity may include one or more derivative instruments for credit enhancement purposes, as described in this section. Derivative instruments included in any issuing entity will be used only in a manner that reduces or alters risk resulting from the mortgage loans or other assets in the pool, and only in a manner such that the return on the offered securities will be based primarily on the performance of the mortgage loans or other assets in the pool. Derivative instruments may include (1) interest rate swaps (or caps, floors or collars) or yield supplement agreements, (2) currency swaps or currency options and (3) market value swaps.

For a further description of these derivative instruments, see "Derivatives" below.

Insurance Policies, Surety Bonds and Guaranties

If provided in the offering memorandum supplement, deficiencies in amounts otherwise payable on the securities or certain classes of securities will be covered by insurance policies and/or surety bonds provided by one or more insurance companies or sureties. These instruments may cover, with respect to one or more classes of securities, timely distributions of interest and/or full distributions of principal on the basis of a schedule of principal distributions set forth in or determined in the manner specified in the offering memorandum supplement. In addition, if specified in the offering memorandum supplement, an issuing entity may also include a bankruptcy bond, a special hazard insurance policy or other insurance or guaranties for the purpose of:

- maintaining timely payments or providing additional protection against losses on the assets included in such issuing entity;
- paying administrative expenses; or
- establishing a minimum reinvestment rate on the payments made in respect of those assets or principal payment rate on those assets.

These arrangements may include agreements under which securityholders are entitled to receive amounts deposited in various accounts held by the trustee upon the terms specified in the offering memorandum supplement.

Special Hazard Insurance Policies

If so specified in the applicable offering memorandum supplement, a separate special hazard insurance policy will be obtained for the related issuing entity from the insurer named in the offering memorandum supplement. The special hazard insurance policy, subject to the limitations described in the applicable offering memorandum supplement, will protect against loss by reason of damage to mortgaged properties caused by certain hazards not insured against under the standard form of hazard insurance policy for the respective states in which the mortgaged properties are located. The amount and principal terms of any such coverage will be set forth in the offering memorandum supplement.

Cross Support

If specified in the offering memorandum supplement, separate groups of assets included in an issuing entity may be evidenced by or secure only specified classes of the related series of securities. If this is the case, credit support may be provided by a cross support feature. This cross support feature would require that cashflow received with respect to a particular group of assets first be distributed as payments on the class of securities specifically related to those assets, but after the necessary payments with respect to that class were made, remaining cashflow from those assets would be available to make payments on one or more other classes issued by the same issuing entity. The offering memorandum supplement for a series of securities which includes a cross support feature will describe the manner and conditions for applying this cross support feature.

Reserve Accounts

If specified in the offering memorandum supplement, credit support with respect to a series of securities will be provided by the establishment and maintenance with the related trustee, in trust, of one or more reserve accounts for the series. The offering memorandum supplement will specify whether or not any reserve accounts so established will be included in the issuing entity for such series.

Amounts to be deposited in the reserve account for a series will be specified in the offering memorandum supplement and will be funded by:

- the retention by the servicer of certain payments on the mortgage loans;
- the deposit with the trustee, in escrow, by the depositor of a pool of mortgage loans or other assets with the total principal balance, as of the related cut-off date, set forth in the related offering memorandum supplement;
- an initial deposit;
- any combination of the foregoing; or
- some other manner as specified in the related offering memorandum supplement.

Any amounts on deposit in the reserve account and the proceeds of any other instrument deposited therein upon maturity will be held in cash or will be invested in investments consisting of United States government securities and other high-quality investments acceptable to the related rating agencies as being consistent with the ratings of the securities. See THE AGREEMENTS—Servicing Provisions—Investment of Funds." Any instrument deposited in a reserve account will name the trustee, in its capacity as trustee for securityholders, or such other entity as is specified in the offering memorandum supplement, as beneficiary and will be issued by an entity acceptable to each rating agency that rates the securities. Additional information with respect to instruments deposited in the reserve accounts will be set forth in the offering memorandum supplement.

Any amounts on deposit in the reserve accounts and payments on instruments deposited therein will be available for withdrawal from the reserve account for distribution to the holders of securities of the related series for the purposes, in the manner and at the times specified in the offering memorandum supplement.

Pool Insurance Policies

If specified in the offering memorandum supplement, a separate pool insurance policy will be obtained for the pool and issued by the credit enhancer named in the offering memorandum supplement. Each pool insurance policy will, subject to the limitations described below, cover loss by reason of default in payment on loans in the pool in an amount equal to a percentage specified in the offering memorandum supplement of the aggregate principal balance of those loans on the cut-off date. As more fully described below, the servicer will present claims under the pool insurance policy to the credit enhancer on behalf of itself, the trustee and the holders of the securities of the related series. The pool insurance policies, however, are not blanket policies against loss, since claims thereunder may only be made respecting particular defaulted loans and only upon satisfaction of certain conditions precedent described below. The pool insurance policies generally will not cover losses due to a failure to pay or denial of a claim under a primary mortgage insurance policy.

The pool insurance policies generally will provide that no claims may be validly presented unless:

- any required primary mortgage insurance policy is in effect for the defaulted loan and a claim thereunder has been submitted and settled;

- hazard insurance on the related property has been kept in force and real estate taxes and other protection and preservation expenses have been paid;

- if there has been physical loss or damage to the property, it has been restored to its physical condition (reasonable wear and tear excepted) at the time of issuance of the policy; and

- the insured has acquired good and merchantable title to the property free and clear of liens except certain permitted encumbrances.

Upon satisfaction of these conditions, the credit enhancer will have the option either:

- to purchase the property securing the defaulted loan at a price equal to the principal balance thereof plus accrued and unpaid interest at the loan rate to the date of such purchase and certain expenses incurred by the servicer on behalf of the trustee and securityholders, net of certain amounts paid or assumed to have been paid under the related primary mortgage insurance policy; or

- to pay the amount by which the sum of the principal balance of the defaulted loan plus accrued and unpaid interest at the loan rate to the date of payment of the claim and the aforementioned expenses exceeds the proceeds received from an approved sale of the property, net of certain amounts paid or assumed to have been paid under the related primary mortgage insurance policy.

If any property securing a defaulted loan is damaged and proceeds, if any, from the related hazard insurance policy or the applicable special hazard insurance policy are insufficient to restore the damaged property to a condition sufficient to permit recovery under the pool insurance policy, the servicer will not be required to expend its own funds to restore the damaged property unless it determines that (a) such a restoration will increase the proceeds to securityholders on liquidation of the loan after reimbursement of the servicer for its expenses and (b) those expenses it incurs will be recoverable by it through proceeds of the sale of the property or proceeds of the related pool insurance policy or any related primary mortgage insurance policy.

Like many primary insurance policies, the pool insurance policies may not insure against loss sustained by reason of default arising from, among other things:

- fraud or negligence in the origination or servicing of a loan, including misrepresentation by the borrower, the originator or persons involved in the origination of the loan;

- failure to construct a property in accordance with plans and specifications; or

- losses arising from special hazards, such as earthquakes, floods, mudslides or vandalism.

A failure of coverage attributable to one of these events might result in a breach of the related representations regarding the loan and might give rise to an obligation on the part of a seller or other entity to repurchase the defaulted loan if it is unable to cure the breach. Many primary mortgage policies do not cover, and no pool insurance policy will cover, a claim in respect of a defaulted loan if the servicer of the loan was not approved by the applicable insurer either at the time of default or thereafter.

The amount of coverage available under each pool insurance policy generally will be reduced over the life of the related securities by the positive difference, if any, between the aggregate dollar amount of claims paid under the pool insurance policy minus the aggregate of the net amounts realized by the credit enhancer upon disposition of the related foreclosed properties. The amount of claims paid will include certain expenses incurred by the servicer as well as accrued interest on delinquent loans to the date of payment of the claim or another date set forth in the offering memorandum supplement. Accordingly, if aggregate net claims paid under any pool insurance policy reach the original policy limit, coverage under that pool insurance policy will be exhausted and any further losses will be borne by the related securityholders.

Bankruptcy Bonds

In the event of a personal bankruptcy of a borrower, a bankruptcy court may establish the value of the related mortgaged property or cooperative dwelling at an amount less than the then outstanding principal balance of the related mortgage loan. The amount of the secured debt could be reduced to that lesser value, and the holder of the mortgage loan thus would become an unsecured creditor to the extent the outstanding principal balance of that mortgage loan exceeds the value so assigned to the related mortgaged property or cooperative dwelling by the bankruptcy court. In addition, certain other modifications of the terms of a mortgage loan can result from a bankruptcy proceeding. If stated in the related offering memorandum supplement, losses resulting from a bankruptcy proceeding affecting the mortgage loans in a pool will be covered under a borrower bankruptcy bond, or any other instrument that will not result in a downgrading of the rating of the securities of a series by the related rating agencies. Any borrower bankruptcy bond will provide for coverage in an amount acceptable to the related rating agency, which will be set forth in the related offering memorandum supplement. Subject to the terms of the bankruptcy bond, the issuer thereof may have the right to purchase any mortgage loan with respect to which a payment or drawing has been made or may be made for an amount equal to the outstanding principal balance of that mortgage loan plus accrued and unpaid interest thereon. The coverage of the bankruptcy bond with respect to a series of securities may be reduced as long as any reduction will not result in a reduction of the outstanding rating of the securities of that series by the related rating agency.

Overcollateralization

Overcollateralization exists when the principal balance of the loans supporting a class or classes of securities exceeds the principal balance of the class or classes of securities themselves. If provided for in the offering memorandum supplement, a portion of the interest payment received on the loans during a due period may be paid to the securityholders on the related payment date as an additional distribution of principal on a certain class or classes of securities. This payment of interest as principal would accelerate the rate of payment of principal on the class or classes of securities relative to the principal balance of the loans in the related issuing entity and thereby create or increase overcollateralization.

Letter of Credit or Demand Note

If so specified in the offering memorandum supplement, a letter of credit or demand note may be obtained as credit enhancement for the offered securities. Letters of credit differ from demand notes primarily in form only. A letter of credit is generally in the form of a letter from a financial institution addressed to the issuing entity setting forth the terms on which draws may be made thereunder. A demand note generally is in the form of a promissory note issued by a financial institution in favor of the issuing entity which contains the terms under which draws may be made thereunder.

The letter of credit or demand note, if any, with respect to a series of securities will be issued by the bank or financial institution specified in the offering memorandum supplement. Under the letter of credit or demand note, the issuing bank will be obligated to honor drawings thereunder in an aggregate fixed dollar amount, net of unreimbursed payments thereunder, equal to the percentage specified in the offering memorandum supplement of the aggregate principal balance of the loans on the related cut-off date or of one or more classes of securities. If specified in the offering memorandum supplement, the letter of credit or demand note may permit drawings in the event of losses not covered by insurance policies or other credit support, such as losses arising from damage not covered by standard hazard insurance policies, losses resulting from the bankruptcy of a borrower and the application of certain provisions of the federal Bankruptcy Code, or losses resulting from denial of insurance coverage due to misrepresentations in connection with the origination of a loan. The amount available under the letter of credit or demand note will, in all cases, be reduced to the extent of the unreimbursed payments thereunder. The obligations of the issuing bank under the letter of credit or demand note for each series of securities will expire at the earlier of the date specified in the offering memorandum supplement or the termination of the issuing entity.

Prospective purchasers of securities of a series with respect to which credit enhancement is provided by a letter of credit or demand note must look to the credit of the issuing bank or financial institution, to the extent of its obligations under the letter of credit or demand note, in the event of default by obligors on the assets in the issuing entity. If the amount available under the letter of credit or demand note is exhausted, or the issuing bank or financial institution becomes insolvent, and amounts in the reserve fund, if any, with respect to that series are insufficient to pay the entire amount of the loss and still be maintained at the level specified in the related offering memorandum supplement, the securityholders, in the priority specified in the related offering memorandum supplement, will thereafter bear all risks of loss resulting from default by obligors, including losses not covered by insurance or other credit enhancement, and must look primarily to the value of the properties securing defaulted mortgage loans for recovery of the outstanding principal and unpaid interest.

DERIVATIVES

If specified in the related offering memorandum supplement, the issuing entity may include one or more derivative instruments for credit enhancement purposes, as described in this section. Derivative instruments included in any issuing entity will be used only in a manner that reduces or alters risk resulting from the mortgage loans or other assets in the pool, and only in a manner such that the return on the offered securities will be based primarily on the performance of the mortgage loans or other assets in the pool. Derivative instruments may include (1) interest rate swaps (or caps, floors or collars) or yield supplement agreements, (2) currency swaps or currency options, and (3) market value swaps that are referenced to the value of one or more of the mortgage loans or other assets included in the issuing entity or to a class of offered securities, as described below.

An interest rate swap is an agreement between two parties to exchange one stream of interest payments on an agreed hypothetical or "notional" principal amount for another. No principal amount is exchanged between the counterparties to an interest rate swap. In the typical swap, one party agrees to pay a fixed rate on a notional principal amount, while the counterparty pays a floating rate based on one or more reference interest rates, including LIBOR, a specified bank's prime rate or U.S. Treasury Bill rates. Interest rate swaps also permit counterparties to exchange a floating rate obligation based on one reference interest rate (such as LIBOR) for a floating rate obligation based on another referenced interest rate (such as U.S. Treasury Bill rates). An interest rate cap, collar or floor is an agreement pursuant to which the counterparty agrees to make payments representing interest on a notional principal amount when a specified reference interest rate is above a strike rate, outside of a range of strike rates, or below a strike rate, as specified in the agreement, generally in exchange for a fixed amount paid to the counterparty at the time the agreement is entered into. A yield supplement agreement is a type of cap agreement, and is substantially similar to a cap agreement as described above. The counterparty under a floor agreement may be an affiliate of the depositor.

The trustee on behalf of an issuing entity may enter into interest rate swaps, caps, floors and collars, or yield supplement agreements, to minimize the risk to securityholders from adverse changes in interest rates, or to provide supplemental credit support. Cap agreements and yield supplement agreements may be entered into in order to supplement the sources available to make interest payments on one or more classes of securities of any series.

In the event of the withdrawal of the credit rating of a derivative counterparty or the downgrade of such credit rating below levels specified in the derivative contract (where the derivative contract is relevant to the ratings of the offered securities, such levels generally are set by the rating agencies rating the offered securities), the derivative counterparty may be required to post collateral for the performance of its obligations under the derivative contract, or take certain other measures intended to assure performance of those obligations.

Derivative contracts will generally be documented based upon the standard forms provided by ISDA. These forms generally consist of an ISDA master agreement, a schedule to the master agreement and a confirmation, although in some cases the schedule and the confirmation will be combined in a single document and the standard ISDA master agreement will be incorporated therein by reference. The terms of any derivatives and information regarding the counterparties will be set forth in the offering memorandum supplement.

There can be no assurance that the issuing entity will be able to enter into derivatives at any specific time or at prices or on other terms that are advantageous. In addition, although the terms of the derivatives may provide for termination under various circumstances, there can be no assurance that the issuing entity will be able to terminate a derivative when it would be economically advantageous to the issuing entity to do so.

YIELD AND PREPAYMENT CONSIDERATIONS

Yield

The yield to maturity of a security will depend on the price paid by the holder of the security, the interest rate if the security is entitled to payments of interest, the rate and timing of principal, payments on the related mortgage loans, including prepayments, liquidations and repurchases, and the allocation of principal payments to reduce the principal balance or notional balance of the security, among other factors.

In general, if a security is purchased at a premium over its face amount and payments of principal on the related loan occur at a rate faster than anticipated at the time of purchase, the purchaser's actual yield to maturity will be lower than that assumed at the time of purchase. This is particularly true for interest-only securities. In addition, if a class of securities is purchased at a discount from its face amount and payments of principal on the related loan occur at a rate slower than anticipated at the time of purchase, the purchaser's actual yield to maturity will be lower than assumed. This is particularly true for principal-only securities. The effect of principal prepayments, liquidations and purchases of mortgage loans on yield will be particularly significant in the case of a class of securities entitled to payments of interest only or disproportionate payments of interest. In addition, the total return to investors of securities evidencing a right to distributions of interest at a rate that is based on the weighted average net loan rate of the loans from time to time will be adversely affected by principal prepayments on loans with loan rates higher than the weighted average loan rate on the loans. In general, loans with higher loan rates prepay at a faster rate than loans with lower loan rates. In some circumstances rapid prepayments may result in the failure of the holders to recoup their original investment. In addition, the yield to maturity on other types of classes of securities, including accrual securities, securities with an interest rate that fluctuates inversely with or at a multiple of an index or other classes in a series including more than one class of securities, may be relatively more sensitive to the rate of prepayment on the related loans than other classes of securities.

A class of securities may be entitled to payments of interest at a fixed, variable or adjustable interest rate, or any combination of interest rates, each as specified in the accompanying offering memorandum supplement, or may not be entitled to payments of interest at all. A variable interest rate may be calculated based on the weighted average of the net loan rates, net of servicing fees and any excess spread, of the related loans for the month preceding the distribution date. An adjustable interest rate may be calculated by reference to an index or otherwise.

The total payments of interest on a class of securities, and the yield to maturity on that security, will be affected by the rate of payment of principal on the securities, or the rate of reduction in the notional balance of securities entitled to payments of interest only, and, in the case of securities evidencing interests in adjustable-rate mortgage loans, by changes in the net loan rates on the adjustable-rate mortgage loans. The yields on the securities will also be affected by liquidations of loans following borrower defaults and by purchases of mortgage loans in the event of breaches of representations made for the loans by a seller and others, or conversions of adjustable-rate mortgage loans to a fixed interest rate.

In general, defaults on mortgage loans are expected to occur with greater frequency in their early years. The rate of default on cash out refinance, limited documentation or no documentation mortgage loans, and on loans with high loan-to-value ratios or combined loan-to-value ratios, as applicable, may be higher than for other types of loans. Likewise, the rate of default on loans that have been originated under lower than traditional underwriting standards may be higher than those originated under traditional standards. An issuing entity may include mortgage loans that are one month or more delinquent at the time of offering of the related series of securities or which have recently been several months delinquent. The rate of default on delinquent mortgage loans or mortgage loans with a recent history of delinquency, including re-performing loans, is likely to be higher than the rate of default on loans that have a current payment status.

The rate of defaults and the severity of losses on mortgage loans with document deficiencies may be higher than for mortgage loans with no documentation deficiencies. To the extent that any document relating to a loan is not in the possession of the trustee, the deficiency may make it difficult or impossible to realize on the mortgaged property in the event of foreclosure, which will affect the timing and the amount of liquidation proceeds received by the trustee.

The risk of loss may also be greater on mortgage loans with loan-to-value ratios or combined loan-to-value ratios greater than 80% and no primary insurance policies. The yield on any class of securities and the timing of principal payments on that class may also be affected by modifications or actions that may be taken or approved by the master servicer, the servicer or any of their affiliates as described in this offering memorandum under "THE AGREEMENTS," in connection with a mortgage loan that is in default, or if a default is reasonably foreseeable.

In addition, the rate and timing of prepayments, defaults and liquidations on the mortgage loans will be affected by the general economic condition of the region of the country or the locality in which the related mortgaged properties are located. The risk of delinquencies and loss is greater and prepayments are less likely in regions where a weak or deteriorating economy exists, as may be evidenced by, among other factors, increasing unemployment or falling property values.

For some loans, including adjustable-rate mortgage loans, the loan rate at origination may be below the rate that would result if the index and margin relating to those loans were applied at origination. Under the applicable underwriting standards, the borrower under each of the loans may be qualified on the basis of the loan rate in effect at origination which reflects a rate significantly lower than the maximum rate. The repayment of any loan may thus be dependent on the ability of the borrower to make larger monthly payments following the adjustment of the loan rate. In addition, the periodic increase in the amount paid by the borrower of a buydown loan during or at the end of the applicable buydown period may create a greater financial burden for the borrower, who might not have otherwise qualified for a mortgage under the applicable underwriting guidelines, and may accordingly increase the risk of default for the related loan.

For any loan secured by a junior lien on the related mortgaged property, the inability of the borrower to pay off the balance thereof may be affected by the ability of the borrower to obtain refinancing of any related senior loan, thereby preventing a potential improvement in the borrower's circumstances.

The holder of a loan secured by a junior lien on the related mortgaged property will be subject to a loss of its mortgage if the holder of a senior mortgage is successful in foreclosure of its mortgage and its claim, including any related foreclosure costs, is not paid in full, since no junior liens or encumbrances survive such a foreclosure. Also, due to the priority of the senior mortgage, the holder of a loan secured by a junior lien on the related mortgaged property may not be able to control the timing, method or procedure of any foreclosure action relating to the mortgaged property. Investors should be aware that any liquidation, insurance or condemnation proceeds received relating to any loans secured by junior liens on the related mortgaged property will be available to satisfy the outstanding balance of such loans only to the extent that the claims of the holders of the senior mortgages have been satisfied in full, including any related foreclosure costs. For loans secured by junior liens that have low balances relative to the amount secured by more senior mortgages, foreclosure costs may be substantial relative to the outstanding balance of the loan, and the amount of any liquidation proceeds available to securityholders may be smaller as a percentage of the outstanding balance of the loan than would be the case for a first lien residential loan. In addition, the holder of a loan secured by a junior lien on the related mortgaged property may only foreclose on the property securing the related loan subject to any senior mortgages, in which case the holder must either pay the entire amount due on the senior mortgages to the senior mortgagees at or prior to the foreclosure sale or undertake the obligation to make payments on the senior mortgages.

Similarly, a borrower of a balloon loan will be required to pay the balloon amount at maturity. Those loans pose a greater risk of default than fully amortizing loans, because the borrower's ability to make such a substantial payment at maturity will in most cases depend on the borrower's ability to obtain refinancing or to sell the mortgaged property prior to the maturity of the loan. The ability to obtain refinancing will depend on a number of factors prevailing at the time refinancing or sale is required, including, without limitation, the borrower's personal economic circumstances, the borrower's equity in the related mortgaged property, real estate values, prevailing market interest rates, tax laws and national and regional economic conditions. None of the depositor, any seller or any of their affiliates will be obligated to refinance or repurchase any loan or to sell any mortgaged property, unless that obligation is specified in the accompanying offering memorandum supplement.

If stated in the accompanying offering memorandum supplement, an issuing entity may contain GPM loans or buydown loans that have monthly payments that increase during the first few years following origination. Borrowers may be qualified for those loans on the basis of the initial monthly payment. To the extent that the related borrower's income does not increase at the same rate as the monthly payment, such a loan may be more likely to default than a mortgage loan with level monthly payments.

If credit enhancement for a series of securities is provided by a letter of credit, demand note, insurance policy or bond that is issued or guaranteed by an entity that suffers financial difficulty, that credit enhancement may not provide the level of support that was anticipated at the time an investor purchased its security. In the event of a default under the terms of a letter of credit, demand note, insurance policy or bond, any realized losses on the loans not covered by the credit enhancement will be applied to a series of securities in the manner described in the accompanying offering memorandum supplement and may reduce an investor's anticipated yield to maturity.

The accompanying offering memorandum supplement may describe other factors concerning the mortgage loans underlying a series of securities or the structure of that series that will affect the yield on the securities.

No assurance can be given that the value of the mortgaged property securing a loan has remained or will remain at the level existing on the date of origination. If the residential real estate market should experience an overall decline in property values such that the outstanding balances of the loans and any secondary financing on the mortgaged properties in a particular pool become equal to or greater than the value of the mortgaged properties, the actual rates of delinquencies, foreclosures and losses could be higher than those now generally experienced in the mortgage lending industry.

Generally, when a full prepayment is made on a mortgage loan, the borrower under the mortgage loan is charged interest for the number of days actually elapsed from the due date of the preceding monthly payment up to the date of such prepayment, at a daily interest rate determined by dividing the mortgage rate by 365. Full prepayments will reduce the amount of interest paid by the related borrower or borrower because interest on the principal balance of any mortgage loan so prepaid will be paid only to the date of prepayment instead of for a full month; however, unless otherwise provided in the applicable offering memorandum supplement, the related servicer will be required to pay from its own funds the portion of any interest at the related mortgage rate, in each case less the servicing fee rate, that is not so received, up to a maximum amount equal to the servicer's servicing fee. Partial prepayments generally are applied on the first day of the month following receipt, with no resulting reduction in interest payable for the period in which the partial prepayment is made. To the extent not covered by the servicer, prepayments will reduce the yield to maturity of the securities. See "— Maturity and Prepayment" below.

Maturity and Prepayment

The original terms to maturity of the loans in a given issuing entity will vary depending on the types of loans included in that issuing entity. The offering memorandum supplement for a series of securities will contain information regarding the types and maturities of the loans in the related issuing entity. The prepayment experience, the timing and rate of repurchases and the timing and amount of liquidations for the related loans will affect the weighted average life of and yield on the related series of securities.

Prepayments on loans are commonly measured relative to a prepayment standard or model. The offering memorandum supplement for each series of securities may describe one or more prepayment standards or models and may contain tables setting forth the projected yields to maturity on each class of securities or the weighted average life of each class of securities and the percentage of the original principal balance of each class of securities of that series that would be outstanding on the specified distribution dates for the series based on the assumptions stated in the accompanying offering memorandum supplement, including assumptions that prepayments on the loans are made at rates corresponding to various percentages of the prepayment standard or model. There is no assurance that prepayment of the loans underlying a series of securities will conform to any level of the prepayment standard or model specified in the accompanying offering memorandum supplement.

The following is a list of some of the factors that may affect prepayment experience:

- homeowner mobility;
- economic conditions;
- changes in borrowers' housing needs;
- job transfers;
- unemployment;
- borrowers' equity in the properties securing the mortgages;
- servicing decisions;
- enforceability of due-on-sale clauses;
- mortgage market interest rates;
- mortgage recording taxes;
- solicitations and the availability of mortgage funds; and
- the obtaining of secondary financing by the borrower.

All statistics known to the depositor that have been compiled for prepayment experience on loans indicate that while some loans may remain outstanding until their stated maturities, a substantial number will be paid significantly earlier than their respective stated maturities. The rate of prepayment for conventional fixed-rate loans has fluctuated significantly in recent years. In general, however, if prevailing interest rates fall significantly below the loan rates on the loans underlying a series of securities, the prepayment rate of those loans is likely to be significantly higher than if prevailing rates remain at or above the rates borne by those loans. Conversely, when prevailing interest rates increase, borrowers are less likely to prepay their loans.

Some mortgage loans may only be prepaid by the borrowers during specified periods upon the payment of a prepayment fee or penalty. The requirement to pay a prepayment fee or penalty may, to the extent that the prepayment penalty is enforceable under applicable law, discourage some borrowers from prepaying their mortgage loans. The servicer will be entitled to all prepayment charges and late payment charges received on the loans and those amounts will not be available for payment on the securities, except to the extent specified in the related offering memorandum supplement. However, some states' laws restrict the imposition of prepayment charges even when the mortgage loans expressly provide for the collection of those charges. As a result, it is possible that prepayment charges may not be collected even on mortgage loans that provide for the payment of these charges.

The addition of any deferred interest to the principal balance of any related class of securities may lengthen the weighted average life of that class of securities and may adversely affect yield to holders of those securities.

Mortgage loans with fixed interest rates generally contain due-on-sale clauses permitting the mortgagee or obligee to accelerate the maturity thereof upon conveyance of the mortgaged property. In most cases, the servicer may permit proposed assumptions of mortgage loans where the proposed buyer meets the underwriting standards applicable to that mortgage loan. This assumption would have the effect of extending the average life of the mortgage loan.

An adjustable-rate mortgage loan is assumable, in some circumstances, if the proposed transferee of the related mortgaged property establishes its ability to repay the loan and, in the reasonable judgment of the servicer, the security for the adjustable-rate mortgage loan would not be impaired by the assumption. The extent to which adjustable-rate mortgage loans are assumed by purchasers of the mortgaged properties rather than prepaid by the related borrowers in connection with the sales of the mortgaged properties will affect the weighted average life of the related series of securities.

The terms of the agreements for a specific series generally will require the related servicer or special servicer, if applicable, to enforce any due-on-sale clause to the extent it has knowledge of the conveyance or the proposed conveyance of the underlying mortgaged property or cooperative dwelling; provided, however, that any enforcement action that would impair or threaten to impair any recovery under any related insurance policy will not be required or permitted. See “THE AGREEMENTS—Servicing Provisions—Due-on-Sale Clauses; Assumptions” and “CERTAIN LEGAL ASPECTS OF MORTGAGE LOANS” in this offering memorandum for a description of certain provisions of the agreements and certain legal developments that may affect the prepayment experience on the related mortgage loans.

At the request of the related borrowers, the servicer may refinance the mortgage loans in any pool by accepting prepayments on those mortgage loans and making new loans secured by a mortgage on the same property. Upon any refinancing, the new loans will not be included in the related pool and a prepayment of the affected mortgage loan will occur. A borrower may be legally entitled to require the servicer to allow a refinancing. Any such repurchase of a refinanced mortgage loan will have the same effect as a prepayment in full of the related mortgage loan.

For any index used in determining the rate of interest applicable to any series of securities or loan rates of the underlying mortgage loans, there are a number of factors that affect the performance of that index and may cause that index to move in a manner different from other indices. If an index applicable to a series responds to changes in the general level of interest rates less quickly than other indices, in a period of rising interest rates, increases in the yield to securityholders due to those rising interest rates may occur later than that which would be produced by other indices, and in a period of declining rates, that index may remain higher than other market interest rates which may result in a higher level of prepayments of the loans, which adjust in accordance with that index, than of mortgage loans which adjust in accordance with other indices.

If stated in the offering memorandum supplement relating to a specific series, the depositor or other specified entity will have the option to repurchase the assets included in the related issuing entity under the conditions stated in the related offering memorandum supplement. For any series of securities for which the depositor has elected to treat the issuing entity as a REMIC (as defined herein), any optional repurchase of assets will be effected in compliance with the requirements of Section 860F(a)(4) of the Code (as defined herein) so as to constitute a “qualifying liquidation” thereunder. In addition, the depositor will be obligated, under certain circumstances, to repurchase certain assets of the related issuing entity. The sellers will also have certain repurchase obligations or options, as more fully described in this offering memorandum.

THE AGREEMENTS

Set forth below is a description of the material provisions of the Agreements which are not described elsewhere in this offering memorandum. The description is subject to, and qualified in its entirety by reference to, the provisions of each Agreement. Where particular provisions or terms used in the Agreements are referred to, such provisions or terms are as specified in the Agreements. As specified in the related offering memorandum supplement, certain of the rights of securityholders described below may be exercised by the credit enhancer for the related series of securities without the consent of the securityholders and certain rights of securityholders may not be exercised without the written consent of the credit enhancer.

Assignment of the Issuing Entity Assets

Assignment of the Loans. At the time of issuance of the securities, the applicable seller or sellers will convey the mortgage loans to the depositor and the depositor will cause the loans to be assigned or pledged to the trustee for the benefit of the securityholders, without recourse, together with all principal and interest received by or on behalf of the depositor on or with respect to such loans after the cut-off date, other than principal and interest due on or before the cut-off date and other than any amounts specified in the offering memorandum supplement. Concurrently with this sale, the trustee will deliver the securities to the depositor in exchange for the loans. Each loan will be identified in a schedule appearing as an exhibit to the related Agreement. Such schedule will include information as to the outstanding principal balance of each loan after application of payments due on or before the cut-off date, as well as information regarding the loan rate or annual percentage rate, the maturity of the loan, the loan-to-value ratios, combined loan-to-value ratios or effective loan-to-value ratios, as applicable, at origination and certain other information.

Unless otherwise specified in the offering memorandum supplement, the related Agreement will require that, within the time period specified therein, the depositor will also deliver or cause to be delivered to the trustee or, if so indicated in the offering memorandum supplement, a separate custodian appointed by the trustee pursuant to a custodial agreement, as to each mortgage loan, among other things:

- the mortgage note endorsed without recourse in blank or to the order of the trustee;

- the mortgage, deed of trust or similar instrument with evidence of recording indicated thereon, except that in the case of any mortgage not returned from the public recording office, the depositor will deliver or cause to be delivered a copy of such mortgage together with a certificate that the original of the mortgage was delivered to such recording office;

- an assignment of the mortgage to the trustee, which assignment will be in recordable form in the case of a mortgage assignment; and

- all other security documents, including those relating to any senior interests in the property, that are specified in the offering memorandum supplement or the related Agreement.

Unless otherwise specified in the applicable offering memorandum supplement, the depositor will cause to be delivered to the trustee, its agent or custodian, with respect to any cooperative loan, the related original security agreement, the proprietary lease or occupancy agreement, the recognition agreement, an executed financing statement and the relevant stock certificate and related blank stock powers. A financing statement will be filed in the appropriate office evidencing the trustee's security interest in each cooperative loan.

If specified in the offering memorandum supplement, the depositor will promptly cause the assignments of the loans to be recorded in the appropriate public office for real property records. If specified in the offering memorandum supplement, some or all of the loan documents may not be delivered to the trustee until after the occurrence of certain events specified in the offering memorandum supplement.

In lieu of delivering the mortgage or deed of trust and an assignment of the mortgage to the trustee, for any loans registered on the MERS® System the depositor will cause the trustee to be recorded as the beneficial owner of the loans pursuant to the MERS rules for electronically tracking changes in ownership rights.

The trustee or the appointed custodian will review the loan documents within the time period specified in the offering memorandum supplement after receipt thereof to ascertain that all required documents have been properly executed and received, and the trustee will hold the loan documents in trust for the benefit of the related securityholders. Unless otherwise specified in the offering memorandum supplement, if any loan document is found to be missing or defective in any material respect, the trustee or the custodian, as appropriate, will notify the servicer and the depositor, and the servicer will notify the related seller. If the related seller or other specified party cannot cure the omission or defect within the time period specified in the offering memorandum supplement after receipt of notice from the servicer and, if specified in the offering memorandum supplement, such defect also constitutes a breach of a representation and warranty, the related seller or other party will be obligated to either purchase the related loan from the issuing entity at the purchase price or, if so specified in the offering memorandum supplement, remove such loan from the issuing entity and substitute in its place one or more other loans that meets certain requirements as set forth in the offering memorandum supplement. There can be no assurance that a seller will fulfill this purchase or substitution obligation. Unless otherwise specified in the offering memorandum supplement, this obligation to cure, purchase or substitute constitutes the sole remedy available to the securityholders or the trustee for omission of, or a material defect in, a loan document.

Notwithstanding the foregoing provisions, with respect to an issuing entity for which a REMIC election is to be made, no purchase or substitution of a loan will be made if the purchase or substitution would result in a prohibited transaction tax under the Code.

No Recourse to Sellers, Depositor or Servicer. As described above under "—Assignment of the Loans," the depositor will cause the loans comprising the issuing entity to be assigned or pledged to the trustee, without recourse. However, each seller or other party named in the related offering memorandum supplement will be obligated to repurchase or substitute for any loan as to which certain representations and warranties are breached or for failure to deliver certain documents relating to the loans as described in this offering memorandum under "Assignment of the Loans" and "LOAN PROGRAM—Representations by Sellers; Repurchases." These obligations to purchase or substitute constitute the sole remedy available to the securityholders or the trustee for a breach of any such representation or warranty or failure to deliver a constituent document.

Servicing Provisions

The Master Servicer. A master servicer may be named in the related offering memorandum supplement to act under any Agreement. The entity acting as master servicer under any Agreement may be an affiliate of the depositor, the trustee, the servicer and any of their respective affiliates. If the related offering memorandum supplement does not name a master servicer, references in this offering memorandum to master servicer may relate to obligations that will be required to be performed by the servicer or the trustee.

Payments on Loans; Deposits to Collection Account. The servicer will establish and maintain or cause to be established and maintained with respect to the each issuing entity a separate account or accounts for the collection of payments on the assets in the issuing entity (the "collection account"). The offering memorandum supplement may provide for other requirements for the collection account, but if it does not, then the collection account must be either:

- maintained with a depository institution the short-term debt obligations of which (or, in the case of a depository institution that is the principal subsidiary of a holding company, the short-term debt obligations of such holding company) are rated in one of the two highest short-term rating categories by the rating agency that rated one or more classes of the related series of securities;

- an account or accounts the deposits in which are fully insured by the FDIC;

- an account or accounts the deposits in which are insured by the FDIC to the limits established by the FDIC and the uninsured deposits in which are otherwise secured such that, as evidenced by an opinion of counsel, securityholders have a claim with respect to the funds in such account or accounts, or a perfected first-priority security interest against any collateral securing those funds, that is superior to the claims of any other depositors or general creditors of the depository institution with which such account or accounts are maintained; or

- an account or accounts otherwise acceptable to the rating agency.

The collateral eligible to secure amounts in the collection account is limited to eligible investments. See "—Investment of Funds" below. A collection account may be maintained as an interest bearing account or the funds held therein may be invested pending each succeeding payment date in eligible investments. The servicer, the trustee or any other entity described in the offering memorandum supplement may be entitled to receive interest or other income earned on funds in the collection account as additional compensation and will be obligated to deposit in the collection account the amount of any loss when realized. The collection account may be maintained with the servicer or with a depository institution that is an affiliate of the servicer, provided it meets the standards set forth above.

The servicer or trustee will deposit or cause to be deposited in the collection account for each issuing entity, to the extent applicable and unless otherwise specified in the offering memorandum supplement and provided in the related Agreement, the following payments and collections received or advances made by or on behalf of it subsequent to the cut-off date (other than certain payments due on or before the cut-off date and any excluded amounts):

- all payments on account of principal and interest (which may be net of the applicable servicing compensation), including principal prepayments and, if specified in the offering memorandum supplement, any applicable prepayment penalties, on the loans;
- all net insurance proceeds, less any incurred and unreimbursed advances made by the servicer, of the hazard insurance policies and any primary mortgage insurance policies, to the extent such proceeds are not applied to the restoration of the property or released to the mortgagor in accordance with the services normal servicing procedures;
- all proceeds received in connection with the liquidation of defaulted loans, less any expenses of liquidation and any unreimbursed advances made by the servicer with respect to the liquidated loans;
- any net proceeds received on a monthly basis with respect to any properties acquired on behalf of the securityholders by foreclosure or deed in lieu of foreclosure;
- all advances as described in this offering memorandum under "DESCRIPTION OF THE SECURITIES—Advances";
- all proceeds of any loan or property in respect thereof repurchased by any seller as described under "LOAN PROGRAM—Representations by Sellers; Repurchases" or "—Assignment of Issuing Entity Assets" above and all proceeds of any loan repurchased in connection with termination of the issuing entity;
- all payments required to be deposited in the collection account with respect to any deductible clause in any blanket insurance policy described under "—Hazard Insurance" below;
- any amount required to be deposited by the servicer in connection with losses realized on investments for the benefit of the servicer of funds held in the collection account and, to the extent specified in the offering memorandum supplement, any payments required to be made by the servicer in connection with prepayment interest shortfalls; and
- all other amounts required to be deposited in the collection account pursuant to the related Agreement.

The servicer or the depositor, as applicable, may from time to time direct the institution that maintains the collection account to withdraw funds from the collection account for the following purposes:

- to transfer funds to an account created by the trustee for distribution of payments due on the securities and other purposes set forth in the offering memorandum supplement (the "distribution account");
- to pay to the servicer the servicing fees described in the offering memorandum supplement and, as additional servicing compensation, earnings on or investment income with respect to funds in the collection account credited thereto;
- to reimburse the servicer for advances made with respect to a loan, but only from amounts received that represent late payments of principal on, late payments of interest on, insurance proceeds received with respect to or liquidation proceeds received with respect to the same loan;

- to reimburse the servicer for any advances previously made which the servicer has determined to be nonrecoverable;

- to reimburse the servicer from insurance proceeds for expenses incurred by the servicer and covered by insurance policies;

- to reimburse the servicer for unpaid servicing fees and unreimbursed out-of-pocket costs and expenses incurred by the servicer in the performance of its servicing obligations, such right of reimbursement being limited to amounts received representing late recoveries of the payments for which the original advances were made;

- to pay to the servicer, with respect to each loan or property acquired in respect thereof that has been purchased by the servicer pursuant to the Agreement, all amounts received thereon and not taken into account in determining the principal balance of that repurchased loan;

- to reimburse the servicer or the depositor for expenses incurred and reimbursable pursuant to the Agreement;

- to pay or reimburse the trustee or any other party as provided in the offering memorandum supplement;

- to withdraw any amount deposited in the collection account that was not required to be deposited therein; and

- to clear and terminate the collection account upon termination of the Agreement.

In addition, unless otherwise specified in the offering memorandum supplement, on or prior to the business day immediately preceding each payment date, the servicer shall withdraw from the collection account the amount of available funds, to the extent on deposit, for deposit in the distribution account maintained by the trustee.

The applicable Agreement may require the servicer to establish and maintain one or more escrow accounts into which mortgagors deposit amounts sufficient to pay taxes, assessments, hazard insurance premiums or comparable items. Withdrawals from the escrow accounts maintained for mortgagors may be made to effect timely payment of taxes, assessments and hazard insurance premiums or comparable items, to reimburse the servicer out of related assessments for maintaining hazard insurance, to refund to mortgagors amounts determined to be overages, to remit to mortgagors, if required, interest earned, if any, on balances in any of the escrow accounts, to repair or otherwise protect the property and to clear and terminate any of the escrow accounts. The servicer will be solely responsible for administration of the escrow accounts and will be expected to make advances to such accounts when a deficiency exists therein.

Investment of Funds. Funds on deposit in the collection account and the distribution account, and any other accounts for a series that may be invested by the trustee or by the master servicer (or by the servicer, if any), may be invested only in "eligible investments" acceptable to each rating agency, which may include, without limitation:

- direct obligations of, and obligations fully guaranteed as to timely payment of principal and interest by, the United States of America, Freddie Mac, Fannie Mae or any agency or instrumentality of the United States of America, the obligations of which are backed by the full faith and credit of the United States of America;

- demand and time deposits, certificates of deposit or banker's acceptances;

- repurchase obligations pursuant to a written agreement with respect to any security described in the first clause above;

- securities bearing interest or sold at a discount issued by any corporation incorporated under the laws of the United States of America or any state;

- commercial paper (including both non-interest-bearing discount obligations and interest-bearing obligations payable on demand or on a specified date not more than one year after the date of issuance thereof);

- a guaranteed investment contract issued by an entity having a credit rating acceptable to each rating agency; and

- any other demand, money market or time deposit or obligation, security or investment as would not adversely affect the then current rating by the rating agencies.

Eligible investments with respect to a series will include only obligations or securities that mature on or before the date on which the amounts in the collection account are required to be remitted to the trustee or the securities administrator, as applicable, and amounts in the distribution account for the related series are required or may be anticipated to be required to be applied for the benefit of securityholders of the series.

If so provided in the offering memorandum supplement, the reinvestment income from a collection account, the distribution account or other account may be property of the master servicer, a servicer, the trustee or another party and not available for distributions to securityholders.

Subservicing by Sellers. The servicer may enter into subservicing agreements with any servicing entity which will act as the subservicer for the loans, which subservicing agreements will not contain any terms inconsistent with the related Agreement. While each subservicing agreement will be a contract solely between the servicer and the subservicer, the Agreement pursuant to which a series of securities is issued may provide that, if for any reason the servicer for that series of securities is no longer the servicer of the loans, the trustee or any successor servicer must recognize the subservicer's rights and obligations under the related subservicing agreement. Notwithstanding any subservicing arrangement, unless otherwise provided in the offering memorandum supplement, the servicer will remain liable for its servicing duties and obligations under the servicing agreement as if the servicer alone were servicing the loans.

Collection Procedures. The servicer, directly or through one or more subservicers, will make reasonable efforts to collect all payments called for under the loans and will, consistent with each Agreement and any pool insurance policy, primary mortgage insurance policy, bankruptcy bond or alternative arrangements, follow those collection procedures that are customary with respect to loans that are comparable to the loans. Consistent with the above, unless otherwise specified in the offering memorandum supplement, the servicer generally may, in its discretion:

- waive any prepayment charge, assumption fee, late payment or other charge in connection with a loan; and

- to the extent not inconsistent with the rules applicable to REMICs, and with the coverage of an individual loan by a pool insurance policy, primary mortgage insurance policy, bankruptcy bond or alternative arrangements, if applicable, waive, modify or vary any term of any mortgage loan or consent to the postponement of strict compliance with any such term or in any manner grant indulgence to the related mortgagor if in the servicer's reasonable and prudent determination such waiver, modification, postponement or indulgence is in the interests of the trustee on behalf of securityholders; provided, however, that if specified in the offering memorandum supplement, the servicer may not permit any modification with respect to any mortgage loan that would vary the mortgage interest rate, defer or forgive the payment of interest or of any principal, reduce the outstanding principal amount (other than as a result of its actual receipt of payment of principal on), extend the final maturity date of such mortgage loan, or accept substitute or additional collateral or release any collateral for a mortgage loan, unless it has obtained the consent of the depositor.

Unless otherwise specified in the offering memorandum supplement, the servicer's obligation, if any, to make or cause to be made advances on a loan will remain during any period of this type of arrangement.

Due-on-Sale Clauses; Assumptions. Unless otherwise specified in the applicable offering memorandum supplement, the servicing agreements will provide that, when any mortgaged property has been conveyed by the borrower, the servicer will, to the extent it has knowledge of the reconveyance, exercise its rights on behalf of the trustee to accelerate the maturity of the mortgage loan under any "due-on-sale" clause applicable thereto, if any, unless (1) it reasonably believes that such enforcement is not exercisable under applicable law or regulations, or that the borrower generally is likely to bring a legal action to challenge such acceleration, or (2) in certain cases, the servicer determines that such enforcement would adversely affect collectability of the mortgage loans or would not be in the best economic interest of the securityholders. In either such case, where the due-on-sale clause will not be exercised, a servicer is authorized to take or enter into an assumption and modification agreement from or with the person to whom such mortgaged property has been or is about to be conveyed, pursuant to which that person becomes liable under the mortgage note and, unless prohibited by applicable state law, the borrower remains liable thereon, provided that the mortgage loan will continue to be covered by any related primary mortgage insurance policy. In the case of an FHA mortgage loan, such an assumption can occur only with HUD approval of the substitute borrower. Each servicer will also be authorized, with the prior approval of the insurer under any required insurance policies, to enter into a substitution of liability agreement with such person, pursuant to which the original borrower is released from liability and such person is substituted as borrower and becomes liable under the mortgage note. See "CERTAIN LEGAL ASPECTS OF MORTGAGE LOANS—Due-on-Sale Clauses."

Prepayment Interest Shortfalls. When a borrower prepays a mortgage loan in full or in part between due dates, the borrower generally is required to pay interest on the amount prepaid only from the last scheduled due date to the date of prepayment, with a resulting reduction in interest payable for the month during which the prepayment is made. To the extent specified in the applicable offering memorandum supplement, if, on any distribution date, as a result of principal prepayments in full, but not in part, on the mortgage loans during the applicable prepayment period, the amount of interest due on the affected mortgage loans is less than a full month's interest, the applicable servicer (or other party under contract with the trustee or the master servicer), will be required to remit the amount of such insufficiency. Unless otherwise provided in the applicable offering memorandum supplement, this obligation will be limited to the amount of the applicable servicer's servicing fee for the related period or to some lesser amount. Generally, neither the servicers nor the master servicer will be obligated to remit the amount of any such insufficiency due to a prepayment in part.

Advances. Unless otherwise provided in the applicable offering memorandum supplement, prior to each distribution date, each servicer (or other party under contract with the trustee or the master servicer) will be required to make advances (out of its own funds or funds held in its servicing account for future distribution or withdrawal) with respect to any monthly payments (net of the related servicing fees) that were due on the mortgage loans it services during the immediately preceding due period and delinquent at the close of business on the related determination date (each, a "delinquency advance"); provided, however, that with respect to delinquent balloon payments a servicer's obligation to make a delinquency advance will be limited to an amount equal to the assumed monthly payment that would have been due on the related due date based on the original principal amortization schedule for the related balloon mortgage loan.

Delinquency advances will be required to be made only to the extent they are deemed by a servicer to be recoverable from related late collections, insurance proceeds or liquidation proceeds. The purpose of making delinquency advances is to maintain a regular cash flow to the securityholders, rather than to guarantee or insure against losses. The servicers will not be required to make any advances with respect to reductions in the amount of the monthly payments on the mortgage loans due to debt service reductions or the application of the Relief Act or similar legislation or regulations.

The servicers generally will also be obligated to make advances in respect of certain taxes, insurance premiums and, if applicable, property protection expenses not paid by borrowers on a timely basis and, to the extent deemed recoverable, foreclosure costs, including reasonable attorney's fees (collectively, "servicing advances"). Property protection expenses are certain costs and expenses incurred in connection with defaulted mortgage loans, acquiring title or management of REO property or the sale of defaulted mortgage loans or REO properties.

We refer to delinquency advances and servicing advances collectively as "Advances." In order to fund Advances, a servicer may contract with the servicing administrator or a third party lender under a servicing advance facility to provide for the funds required. If a servicer fails to make an Advance as required under the applicable servicing agreement, unless otherwise specified in the applicable offering memorandum supplement, the master servicer, if it becomes successor servicer, will be obligated to make any such Advance, subject to the master servicer's determination of recoverability and otherwise in accordance with the terms of the pooling and servicing agreement.

All Advances will be reimbursable to the servicers and master servicer on a first priority basis from either late collections, insurance proceeds or liquidation proceeds from the mortgage loan as to which the unreimbursed Advance was made. In addition, any Advances previously made that are deemed by the servicers or the master servicer to be nonrecoverable from related late collections, insurance proceeds or liquidation proceeds may be reimbursed to the servicers out of any funds in the collection account prior to remittance to the trustee or master servicer and reimbursed to the master servicer out of any funds in the distribution or collection account prior to distribution on the securities.

Hazard Insurance. Except as otherwise specified in the offering memorandum supplement, the servicer will require the mortgagor or obligor on each loan to maintain a hazard insurance policy providing coverage against loss by fire and other hazards which are covered under the standard extended coverage endorsement customary for the type of property in the state in which such property is located. This hazard insurance coverage will be in an amount that is at least equal to the lesser of:

- the maximum insurable value of the improvements securing the loan from time to time; and
- either the combined principal balance owing on the loan and any mortgage loan senior to such loan or an amount such that the proceeds of the policy shall be sufficient to prevent the mortgagor or obligor and/or the lender from becoming a co-insurer, whichever is greater.

All amounts collected by the servicer under any hazard policy (except for amounts to be applied to the restoration or repair of the property or released to the mortgagor or obligor in accordance with the servicer's normal servicing procedures) will be deposited in the related collection account. In the event that the servicer maintains a blanket policy insuring against hazard losses on all the loans comprising part of an issuing entity, it will conclusively be deemed to have satisfied its obligation relating to the maintenance of hazard insurance. If the blanket policy relating to an issuing entity contains a deductible clause, the servicer will be required to deposit from its own funds into the collection account an amount equal to the amount which would have been deposited therein but for the deductible clause.

In general, the standard form of fire and extended coverage policy covers physical damage to or destruction of the improvements securing a loan by fire, lightning, explosion, smoke, windstorm and hail, riot, strike and civil commotion, subject to the conditions and exclusions listed in each policy. Although the policies relating to the loans may have been underwritten by different insurers under different state laws in accordance with different applicable forms and therefore may not contain identical terms and conditions, the basic terms of these types of policies are dictated by respective state laws, and most hazard policies typically do not cover (among other things) any physical damage resulting from the following:

- war;
- revolution;
- governmental actions;
- floods and other water-related causes;
- earth movement, including earthquakes, landslides and mud flows;

- nuclear reactions;

- wet or dry rot;

- vermin, rodents, insects or domestic animals; or

- theft and, in certain cases, vandalism.

The foregoing list is merely indicative of certain kinds of uninsured risks and is not intended to be all-inclusive.

If, however, any mortgaged property at the time of origination of the related loan is located in an area identified by the Flood Emergency Management Agency as having special flood hazards and flood insurance has been made available, the servicer will cause to be maintained with a generally acceptable insurance carrier a flood insurance policy in accordance with mortgage servicing industry practice. Any flood insurance policy so maintained will provide coverage in an amount at least equal to the lesser of the principal balance of the loan and the minimum amount required under the terms of coverage to compensate for any damage or loss on a replacement cost basis. The amount of coverage provided will not be greater than the maximum amount of flood insurance available for the related mortgaged property under either the regular or emergency programs of the National Flood Insurance Program.

The hazard insurance policies covering properties securing the loans typically contain a clause which in effect requires the insured at all times to carry insurance of a specified percentage (generally 80% to 90%) of the full replacement value of the insured property in order to recover the full amount of any partial loss. If the insured's coverage falls below this specified percentage, then the insurer's liability in the event of partial loss will not exceed the larger of (a) the replacement costs of the improvements less physical depreciation and (b) such proportion of the loss as the amount of insurance carried bears to the specified percentage of the full replacement cost of the improvements. Since the amount of hazard insurance the servicer may cause to be maintained on the improvements securing a loan declines as the principal balances owing on the loan itself decrease, and since improved real estate generally has appreciated in value over time (except in recent years), the effect of this requirement in the event of partial loss may be that hazard insurance proceeds will be insufficient to restore fully the damaged property.

Primary Mortgage Insurance. The servicer will maintain or cause to be maintained, as the case may be and as permitted by law, in full force and effect, to the extent specified in the offering memorandum supplement, a primary mortgage insurance policy with regard to each loan for which that coverage is required under the applicable Agreement. Unless required by law, the servicer will not cancel or refuse to renew any primary mortgage insurance policy in effect at the time of the initial issuance of a series of securities that is required to be kept in force under the applicable Agreement unless the replacement primary mortgage insurance policy for the cancelled or nonrenewed policy is maintained with an insurer whose claims-paying ability is sufficient to maintain the current rating of the classes of securities of that series that have been rated.

Although the terms and conditions of primary mortgage insurance vary, the amount of a claim for benefits under a primary mortgage insurance policy covering a mortgage loan will consist of the insured percentage of the unpaid principal amount of the covered loan and accrued and unpaid interest on the loan and reimbursement of certain expenses, less:

- all rents or other payments collected or received by the insured (other than the proceeds of hazard insurance) that are derived from or in any way related to the property;

- hazard insurance proceeds in excess of the amount required to restore the property and which have not been applied to the payment of the loan;

- amounts expended but not approved by the insurer of the related primary mortgage insurance policy;

- claim payments previously made by the insurer; and

- unpaid premiums.

Primary mortgage insurance policies reimburse certain losses sustained by reason of default in payments by borrowers. Primary mortgage insurance policies will not insure against, and exclude from coverage, losses sustained by reason of a default arising from or involving certain matters, including:

- fraud or negligence in origination or servicing of the loans, including misrepresentation by the originator, mortgagor (or obligor) or other persons involved in the origination of the loan;
- failure to construct the property subject to the loan in accordance with specified plans;
- physical damage to the property; and
- the related subservicer not being approved as a servicer by the insurer.

Evidence of each primary mortgage insurance policy will be provided to the trustee simultaneously with the transfer to the trustee of the loan. The servicer, on behalf of itself, the trustee and the securityholders, is required to present claims to the insurer under any primary mortgage insurance policy and to take reasonable steps that are necessary to permit recovery thereunder with respect to defaulted loans. Amounts collected by the servicer on behalf of the servicer, the trustee and the securityholders shall be deposited in the related collection account for distribution as set forth above.

Claims Under Insurance Policies and Other Realization Upon Defaulted Loans. The servicer or subservicers, on behalf of the trustee and securityholders, will present claims to the insurer under any applicable insurance policies. If the property securing a defaulted loan is damaged and proceeds, if any, from the related hazard insurance policy are insufficient to restore the damaged property, the servicer is not required to expend its own funds to restore the damaged property unless it determines (a) that such restoration will increase the proceeds to securityholders on liquidation of the loan after reimbursement of the servicer for its expenses and (b) that the expenditure will be recoverable by it from related insurance proceeds or liquidation proceeds.

If recovery on a defaulted loan under any insurance policy is not available, or if the defaulted loan is not covered by an insurance policy, the servicer will be obligated to follow or cause to be followed those normal practices and procedures that it deems necessary or advisable to realize upon the defaulted loan. If the net proceeds after reimbursable expenses of any liquidation of the property securing the defaulted loan are less than the principal balance of the loan plus interest accrued thereon that is payable to securityholders, the issuing entity will realize a loss in the amount of that difference plus the aggregate of expenses incurred by the servicer in connection with the liquidation proceedings and which are reimbursable under the Agreement.

The proceeds from any liquidation of a loan will be applied in the following order of priority:

- first, to reimburse the servicer for any unreimbursed expenses incurred by it to restore the related property and any unreimbursed servicing compensation payable to the servicer with respect to the loan;
- second, to reimburse the servicer for any unreimbursed advances with respect to the loan;
- third, to accrued and unpaid interest (to the extent no advance has been made for that amount) on the loan; and
- fourth, as a recovery of principal of the loan.

The master servicer will be required, and the servicers will generally be required, to obtain and thereafter maintain in effect a bond, a corporate guaranty or similar form of insurance coverage (which may provide blanket coverage), or any combination thereof, insuring against loss occasioned by the errors and omissions of their respective officers and employees.

Servicing and Other Compensation and Payment of Expenses. The servicer's primary compensation for its activities as servicer will come from the payment to it, with respect to each interest payment on a loan, of the amount specified in the offering memorandum supplement. As principal payments are made on the loans, the portion of each monthly payment which represents interest will decline, and thus servicing compensation to the servicer will decrease as the loans amortize. Prepayments and liquidations of loans prior to maturity will also cause servicing compensation to the servicer to decrease. Subservicers, if any, will be entitled to a monthly servicing fee as described in the offering memorandum supplement in compensation for their servicing duties. In addition, the servicer or subservicer will retain all prepayment charges, assumption fees and late payment charges, to the extent collected from borrowers, and any benefit that may accrue as a result of the investment of funds in the applicable collection account (unless otherwise specified in the offering memorandum supplement).

The servicer will pay or cause to be paid certain ongoing expenses associated with each issuing entity and incurred by it in connection with its responsibilities under the related Agreement, including, without limitation, and only if specified in the offering memorandum supplement, payment of any fee or other amount payable in respect of any credit enhancement arrangements, the trustee, any custodian appointed by the trustee, the certificate registrar and any paying agent, and payment of expenses incurred in enforcing the obligations of subservicers and sellers. The servicer will be entitled to reimbursement of expenses incurred in enforcing the obligations of subservicers and sellers under certain limited circumstances.

Rule 17g-5 and Rule 15Ga-1 Compliance. The securities administrator or other entity named in the offering memorandum supplement will be responsible for making available the information required to be provided by Rule 17g-5 of the Exchange Act to rating agencies and other entities described therein. The obligation of such information provider will be limited to information delivered to it by electronic mail as specified in the offering memorandum supplement.

The trustee or other entity named in the offering memorandum supplement will agree to provide to the depositor any information in the trustee's possession required to be reported under Rule 15Ga-1 of the Exchange Act. This information relates to the receipt of any demands for the repurchase or substitution of a mortgage loan due to breach of a representation or warranty regarding such loan and the actions taken by the trustee or other entity described in the offering memorandum supplement in response to such demand.

Evidence as to Compliance. The applicable Agreement will require the trustee, the securities administrator, the master servicer, each custodian, each servicer, each subservicer and any other party that is participating in the servicing function with respect to at least five percent of the mortgage loans or any pool of mortgage loans to provide to the depositor and any other party specified in the applicable agreement, on an annual basis on or before the date specified in the applicable agreement, a report on assessment of compliance with servicing criteria for asset-backed securities together with a copy of an attestation report from a registered public accounting firm regarding such party's assessment of compliance. In addition, the applicable agreement will require each of the master servicer, each servicer and each subservicer to provide to the depositor and any other party specified in the applicable agreement, on an annual basis on or before the date specified in the applicable agreement a statement of compliance, signed by an authorized officer, to the effect that (a) a review of the party's activities during the reporting period and of its performance under the applicable agreement has been made under such officer's supervision and (b) to the best of such officer's knowledge, based on such review, such party has fulfilled all of its obligations under the agreement in all material respects throughout the reporting period or, if there has been a failure to fulfill any such obligation in any material respect, specifying each such failure known to such officer and the nature and status thereof.

Errors and Omissions Coverage. The master servicer will be required, and the servicers will generally be required, to obtain and thereafter maintain in effect a bond, corporate guaranty or similar form of insurance coverage (which may provide blanket coverage), or any combination thereof, insuring against loss occasioned by the errors and omissions of their respective officers and employees.

Certain Matters Regarding the Servicer, the Master Servicer and the Depositor. The servicer under each pooling and servicing agreement or servicing agreement, as applicable, will be named in the offering memorandum supplement. The entity serving as servicer may have normal business relationships with the depositor or the depositor's affiliates.

Each Agreement will provide that neither the master servicer nor the servicer may resign from its obligations and duties under the Agreement except upon (a) appointment of a successor entity and receipt by the trustee of a letter from the applicable rating agency or rating agencies that the resignation and the successor entity's appointment will not result in a downgrade of the securities or (b) a determination that its performance of its duties thereunder is no longer permissible under applicable law. The master servicer or servicer may, however, be removed from its obligations and duties as set forth in the Agreement. No resignation by the master servicer or the servicer will become effective until the trustee or a successor servicer has assumed the servicer's obligations and duties under the Agreement.

Each Agreement generally will further provide that neither the servicer, the master servicer, the depositor, nor any director, officer, employee, or agent of the servicer, the master servicer or the depositor (each, an "indemnified party") will be under any liability to the related issuing entity or securityholders for taking any action or for refraining from taking any action in good faith pursuant to the Agreement, or for errors in judgment; provided, however, that neither the servicer, the depositor nor any such person will be protected against any liability which would otherwise be imposed by reason of willful misfeasance, bad faith or gross negligence in the performance of duties thereunder or by reason of reckless disregard of obligations and duties thereunder. Each Agreement generally will further provide that each indemnified party will be entitled to indemnification by the related issuing entity and will be held harmless against any loss, liability or expense incurred in connection with any legal action relating to the Agreement or the securities for the related series, other than any loss, liability or expense related to any specific loan or loans (except any loss, liability or expense otherwise reimbursable pursuant to the Agreement) and any loss, liability or expense incurred by reason of willful misfeasance, bad faith or gross negligence in the performance of that indemnified party's duties thereunder or by reason of reckless disregard by that indemnified party of obligations and duties thereunder. In addition, each Agreement generally will provide that neither the servicer, the master servicer nor the depositor will be under any obligation to appear in, prosecute or defend any legal action which is not incidental to its respective responsibilities under the Agreement and which in its opinion may involve it in any expense or liability. The servicer, the master servicer or the depositor may, however, in its discretion undertake any action which it may deem necessary or desirable with respect to the Agreement and the rights and duties of the parties thereto and the interests of the securityholders thereunder. In that event, the legal expenses and costs of the action and any liability resulting therefrom will be expenses, costs and liabilities of the issuing entity, and the servicer, the master servicer or the depositor, as the case may be, will be entitled to be reimbursed for those costs and liabilities out of funds which would otherwise be distributed to securityholders.

Except as otherwise specified in the offering memorandum supplement, any person into which the servicer or master servicer may be merged or consolidated, or any person resulting from any merger or consolidation to which the servicer is a party, or any person succeeding to the business of the servicer or master servicer , will be the successor of the servicer or master servicer under each Agreement, provided that that person is qualified to sell mortgage loans to, and service mortgage loans on behalf of, Fannie Mae or Freddie Mac. Furthermore, the merger, consolidation or succession may not adversely affect the then current rating or ratings of the class or classes of securities of the related series that have been rated.

Events of Default; Rights Upon Event of Default

Servicer Default. Servicer events of default under each Agreement will be specified in the offering memorandum supplement and may include:

- any failure by the servicer to make an Advance which continues unremedied for one business day;
- any failure by the servicer to make or cause to be made any other required payment pursuant to the Agreement which continues unremedied for one business day after written notice of such failure to the servicer in the manner specified in the Agreement;

- any failure by the servicer duly to observe or perform in any material respect any of its other covenants or agreements in the Agreement which continues unremedied for sixty days after written notice of the failure to the servicer in the manner specified in the Agreement; and

- certain events of insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings and certain actions by or on behalf of the servicer indicating its insolvency, reorganization or inability to pay its obligations.

Unless otherwise provided in the offering memorandum supplement, so long as a servicer event of default under an Agreement with an issuing entity remains unremedied, the master servicer shall terminate all of the rights and obligations of the servicer under the Agreement relating to such issuing entity and in and to the related issuing entity assets, whereupon the master servicer will succeed to all of the responsibilities, duties and liabilities of the servicer under the Agreement, including, if specified in the offering memorandum supplement, the obligation to make advances, and will be entitled to similar compensation arrangements. In the event that the master servicer is unwilling or unable to act as successor to the servicer, it may appoint, or petition a court of competent jurisdiction for the appointment of, a housing and home finance institution which is a Fannie Mae or Freddie Mac approved servicer with a net worth of a least $15,000,000 to act as successor to the servicer under the Agreement. Pending the appointment of a successor servicer, the master servicer is obligated to act in such capacity. The master servicer and any such successor may agree upon the servicing compensation to be paid, which in no event may be greater than the compensation payable to the servicer under the Agreement.

Master Servicer Default. To the extent not otherwise provided in the related offering memorandum supplement, a "master servicer event of default" under the Agreement will consist of: (1) any failure by the master servicer to make a timely required deposit to the collection account, or to timely deposit any amounts required to be deposited in the distribution account; (2) after receipt of notice from the trustee, any failure of the master servicer to make any monthly advances when such monthly advances are due, which failure continues unremedied for a period of one business day; (3) any failure by the master servicer to furnish the issuing entity administrator the mortgage loan data sufficient to prepare the monthly statements to securityholders which failure continues unremedied for a period of one business day after the giving of written notice thereof as provided in the Agreement; (4) any failure by the master servicer to duly observe or perform in any material respect any other of its covenants or agreements in the Agreement or a failure to comply with accepted master servicing practices, which failure materially and adversely effects the rights of securityholders and which continues for 30 days after receipt of notice thereof as provided in the Agreement; (5) any impermissible dissolution, disposition of all or substantially all assets, or consolidation or merger on the part of the master servicer that does not meet the criteria specified in the Agreement; (6) any breach of a representation or warranty set forth in the Agreement that materially and adversely affects the interests of the securityholders, which breach continues 30 days after the giving of written notice thereof as provided in the Agreement; (7) any sale, pledge or assignment of the rights, or any delegation of the duties of, the master servicer under the Agreement, in any manner not permitted thereunder and without the prior written consent of parties as provided in the Agreement; (8) certain events of insolvency, readjustment of debt, marshalling of assets and liabilities or similar proceedings regarding the master servicer indicating its insolvency, reorganization or inability to pay its obligations, and (9) any failure by the master servicer to deliver a report expressly required by the Agreement, and the continuation of such failure for a period of three business days after the date upon which written notice of such failure has been given to the master servicer by the related seller, the depositor, or the trustee.

Rights Upon Master Servicer Event of Default. So long as any master servicer event of default remains unremedied, the trustee may, and at the direction of securityholders evidencing more than 50% of the voting rights, the trustee must, by written notification to the master servicer and to the depositor, terminate all of the rights and obligations of the master servicer under the Agreement (other than any rights of the master servicer as securityholder) and in and to the mortgage loans and the proceeds thereof (other than amounts owed to the master servicer prior to such termination), whereupon the trustee, unless a successor master service is appointed as provided below, shall succeed to all the responsibilities, duties and liabilities of the master servicer under the Agreement and will be entitled to similar compensation arrangements. In the event that the trustee would be obligated to succeed the master servicer but is unwilling or unable so to act, it may appoint, or petition to a court of competent jurisdiction for the appointment of, a servicer satisfying the requirements of the Agreement to act as successor to the master servicer. Pending such appointment, the trustee (unless prohibited by law from so acting) will be obligated to act in such capacity. The trustee and such successor master servicer may agree upon the servicing compensation to be paid to such successor, provided that the master servicing compensation applicable to the successor master servicer will not exceed any applicable limitation set forth in the Agreement.

During the continuance of a master servicer event of default under the pooling and servicing agreement, the trustee will have the right to take action to enforce its rights and remedies and to protect and enforce the rights and remedies of the securityholders, and securityholders evidencing more than 50% of the class principal amount (or percentage interest) of each class of securities affected thereby may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred upon the trustee. However, the trustee will not be under any obligation to pursue any remedy or to exercise any of the trusts or powers unless the securityholders have offered the trustee reasonable security or indemnity against the cost, expenses and liabilities that may be incurred by the trustee. Also, the trustee may decline to follow the direction if the trustee determines that the action or proceeding so directed may not lawfully be taken or would involve it in personal liability or be unjustly prejudicial to the non-assenting securityholders.

No securityholder, solely by virtue of that holder's status as a securityholder, will have any right under the pooling and servicing agreement to institute any proceeding with respect to the pooling and servicing agreement, unless that securityholder previously has given to the trustee written notice of default and unless the holders of securities evidencing not less than 25% of the class principal amount (or percentage interest) of each class of securities affected thereby have made a written request upon the trustee to institute a proceeding in its own name as trustee thereunder, and have offered to the trustee reasonable indemnity, and the trustee for the number of days specified in the pooling and servicing agreement has neglected or refused to institute such a proceeding.

The Pooling and Servicing Agreement

Amendment. In general, subject to the provisions of the particular agreement, the pooling and servicing agreement may be amended by the parties to that agreement, without the consent of the securityholders, (i) to cure any ambiguity, (ii) to correct or supplement any provision in the pooling and servicing agreement that may be inconsistent with any other provision of that agreement or with this offering memorandum or the applicable offering memorandum supplement or to correct any error, (iii) to obtain or maintain a rating for a class of securities from a nationally recognized statistical rating organization, (iv) to change the timing and/or nature of deposits in the collection account or any distribution account or to change the name in which an account is maintained (except that (x) deposits into the distribution account must be made no later than the related distribution date, and (y) either (1) such change may not adversely affect in any material respect the interests of any securityholder, as evidenced by an opinion of counsel or (2) such change may not adversely affect the then-current rating of any rated classes of securities, as evidenced by letters from the rating agencies), (v) to modify, eliminate or add to any of its provisions (x) to the extent necessary to avoid or minimize the risk of imposition of any tax on the issuing entity, provided that the trustee has received an opinion of counsel to the effect that (1) such action is necessary or desirable to avoid or minimize such risk and (2) such action will not adversely affect in any material respect the interests of any securityholder or (y) to restrict the transfer of any residual interest certificate, provided that the depositor has determined that such change would not adversely affect the applicable ratings of any rated classes of securities, as evidenced by letters from the rating agencies and (vi) to make any other provisions with respect to matters or questions arising under the pooling and servicing agreement, provided that such action will not adversely affect in any material respect the interests of any securityholder as evidenced by either an opinion of counsel or by letters from the rating agencies to the effect that such change will not adversely affect the then current ratings of any rated class of securities.

The pooling and servicing agreement may also be amended by the parties and, if applicable the credit enhancer, with the consent of the holders of securities of each class affected by the amendment, in each case evidencing not less than 66 2/3% of the aggregate percentage interests constituting such class, for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of the pooling and servicing agreement or of modifying in any manner the rights of the securityholders; provided, however, that no such amendment may (i) reduce in any manner the amount of or delay the timing of, collections of payments on the mortgage loans or distributions that are required to be made on a security of any class without the consent of the holder of such security or (ii) reduce the percentage of securities of any class the holders of which are required to consent to any such amendment unless the holders of all securities of such class have consented to the change in such percentage. If a REMIC election is made with respect to an issuing entity, the trustee will not be entitled to consent to an amendment to the related pooling and servicing agreement without having first received an opinion of counsel to the effect that the proposed amendment will not cause such issuing entity to fail to qualify as a REMIC.

Optional Purchase or Substitution of Assets; Termination. To the extent specified in the applicable offering memorandum supplement, the pooling and servicing agreement will provide that the master servicer, the holder of the residual interest in the issuing entity and/or another specified party will have the right to purchase all of the property of the issuing entity on a specified date, or upon the occurrence of a certain event such as the reduction of the total principal balance of the mortgage loans or securities to a specified level. The purchase price will be specified in the applicable offering memorandum supplement. In addition, to the extent specified in the applicable offering memorandum supplement, the pooling and servicing agreement will provide that upon the direction of a specified proportion of securityholders (or of certain securityholders) or another specified party, or upon the occurrence of a certain event, the trustee or its agent will solicit bids for sale of the property of the issuing entity to the highest bidder. This auction may or may not be subject to a minimum bid price.

To the extent specified in the applicable offering memorandum supplement, the pooling and servicing agreement will also provide that the depositor, an affiliate of the depositor or another party will have the right to purchase certain mortgage loans or a specified proportion of mortgage loans, or to substitute new loans for certain mortgage loans, on the conditions and in accordance with the procedures set forth in the pooling and servicing agreement.

Voting Rights; Limitations on Exercise of Rights. Voting rights under the pooling and servicing agreement will be allocated among securityholders as provided in the applicable offering memorandum supplement. If specified in the applicable offering memorandum supplement, voting rights of some or all securityholders will be exercised by an insurer or other party identified in the offering memorandum supplement.

Limitations on Rights of Securityholders. Unless otherwise specified in the applicable offering memorandum supplement, no securityholder will have any right under the pooling and servicing agreement to institute any proceeding with respect to the pooling and servicing agreement unless (1) securityholders having not less than 51% of the voting rights under the pooling and servicing agreement have made written request to the trustee to institute proceedings in respect of a master servicer event of default in its own name as trustee; (2) the trustee, for 30 days after its receipt of such notice, request and offer of indemnity, has failed to institute any such proceeding; and (3) no direction inconsistent with such written request has been given to the trustee during such 30-day period by securityholders having not less than 51% of the voting rights. However, the trustee will be under no obligation to exercise any of the trusts or powers vested in it by the pooling and servicing agreement or to institute, conduct or defend any litigation thereunder or in relation thereto at the request, order or direction of any of the securityholders covered by the pooling and servicing agreement, unless *such* securityholders have offered to the trustee reasonable security or indemnity against the costs, expenses and liabilities that may be incurred thereby.

Certain Risks. If the master servicer or servicer were to become a debtor in a bankruptcy or insolvency proceeding, it could seek to reject its obligations under the pooling and servicing agreement pursuant to Section 365 of the Bankruptcy Code or the applicable provisions of the applicable insolvency law, thus forcing the trustee to appoint a successor servicer.

If the master servicer or servicer resigns or is in default and the cost of servicing the mortgage loans has increased, the trustee may not be able to find a successor master servicer or servicer willing to service the loans for the master servicing fee or servicing fee specified in the applicable pooling and servicing agreement. These circumstances might cause the trustee either to amend the servicing agreement or seek authority from securityholders to increase the applicable fee to an amount necessary to provide acceptable compensation to the then current master servicer or servicer or any replacement master servicer or servicer. If such approval were not granted by securityholders, under the law generally applicable to trusts the trustee could seek approval for such an increase from a court if such increase were necessary for the preservation or continued administration of the issuing entity. Any increase in the master servicing fee or servicing fee would reduce amounts available for distribution to securityholders, particularly holders of subordinate securities,

The Pooling and Servicing Agreement and Trustee

In the case of certificates issued pursuant to a pooling and servicing agreement and unless otherwise specified in the related offering memorandum supplement, the following will be applicable to a trustee in connection with a pooling and servicing agreement.

Duties of the Trustee. The trustee will be required to perform only those duties specifically required of it under the pooling and servicing agreement unless a master servicer event of default has occurred, in which case the trustee may take such additional actions as described above under "—Rights Upon Master Servicer Event of Default." Upon receipt of the various certificates, statements, reports or other instruments required to be furnished to it, the trustee will be required to examine them to determine whether they are in the form required by the pooling and servicing agreement; however, the trustee will not be responsible for the accuracy or content of any documents furnished to the trustee by the securities or issuing entity administrator, the master servicer or any other party.

The trustee will not have any liability arising out of or in connection with the pooling and servicing agreement, except that the trustee may be held liable for its own negligent action or failure to act, or for its own willful misconduct; provided, however, that the trustee will not be personally liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the certificateholders in a master servicer event of default, and the trustee will not be deemed to have notice of any master servicer event of default unless an officer of the trustee has actual knowledge of the master servicer event of default or written notice of a master servicer event of default is received by the trustee at its corporate trust office. See "—Master Servicer Default" above. The trustee is not required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the pooling and servicing agreement, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of those funds or adequate indemnity against risk or liability is not reasonably assured to it.

The trustee will have no duties under the pooling and servicing agreement with respect to any claim or notice it may receive or which may be alleged to have been delivered to or served upon it by the parties as a consequence of the assignment of any mortgage loan under the pooling and servicing agreement; however, the trustee will remit to the master servicer any claim or notice it may receive which is delivered to the trustee's corporate trust office and which contains information sufficient to permit the trustee to make a determination that the real property to which such document relates is a mortgaged property. None of the provisions in the pooling and servicing agreement shall in any event require the trustee to perform, or be responsible for the manner of performance of, any of the obligations of the master servicer. The trustee will not be responsible for any act or omission of the master servicer, any securities or issuing entity administrator, the depositor or any other party.

The trustee will not be responsible for (a) any recording or filing of any agreement or of any financing statement or continuation statement evidencing a security interest, or to see to the maintenance of any such recording or filing which may have been made, or the validity, priority, perfection or sufficiency of the security for the certificates, (b) the payment of any insurance related to the certificates or the mortgage loans or (c) the payment or discharge of any tax, assessment, or other governmental charge or any lien or encumbrance of any kind owing with respect to, assessed or levied against, any part of the issuing entity, other than from funds available in any issuing entity account. The trustee is not responsible for the validity of the pooling and servicing agreement or the certificates or the validity, priority, perfection or sufficiency of the security for the certificates.

Expenses and Indemnities of the Trustee. Unless otherwise specified in the related offering memorandum supplement, the trustee will be entitled to reimbursement of all reasonable expenses, disbursements and advances incurred or made by the trustee in accordance with the pooling and servicing agreement, except for expenses, disbursements and advances incurred by the trustee in the routine administration of its duties under the pooling and servicing agreement and other transaction documents and except for any expenses arising from its negligence, bad faith or willful misconduct. The trustee will also be entitled to indemnification from the issuing entity for any loss, liability or expense incurred, arising out of, or in connection with, the acceptance or administration of the trusts created under the pooling and servicing agreement or in connection with the performance of its duties under the pooling and servicing agreement, the mortgage loan purchase agreement or any custodial agreement, including the costs and expenses of defending itself against any claim in connection with the exercise or performance of any of its powers or duties under the pooling and servicing agreement, except for any expenses arising from the trustee's negligence, bad faith or willful misconduct.

The trustee will be entitled to reimbursement for its expenses and indemnification amounts as described above from collections, prior to distribution of any amounts to certificateholders.

Resignation of Trustee. The trustee may, upon written notice to the depositor, the master servicer and any securities or issuing entity administrator, resign at any time, in which event the depositor will appoint a successor trustee. If no successor trustee has been appointed and has accepted the appointment within 30 days after the trustee's notice of resignation, the resigning trustee may petition any court of competent jurisdiction for appointment of a successor trustee.

The trustee may be removed at any time by the depositor if (a) the trustee ceases to be eligible to continue to act as trustee under the pooling and servicing agreement, (b) the trustee becomes incapable of acting, or is adjudged bankrupt or insolvent, or a receiver of the trustee is appointed, (c) a tax is imposed or threatened with respect to the issuing entity by any state in which the trustee or the trust fund held by the trustee is located or (d) the continued use of the trustee would result in a downgrading of the rating by any rating agency of any class of certificates. In addition, the trustee may be removed at any time by holders of more than 50% of the class principal amount (or percentage interest) of each class of certificates upon 30 days' written notice to the trustee.

Any resignation or removal of the trustee and appointment of a successor trustee will not become effective until acceptance of the appointment by the successor trustee, whereupon the predecessor trustee will mail notice of the succession of the successor trustee to all certificateholders; the expenses of the mailing are to be borne by the predecessor trustee. The predecessor trustee will be required to assign to the successor trustee its interest under all mortgage loan files, and will be required to assign and pay over to the successor trustee the entire trust, together with all necessary instruments of transfer and assignment or other documents properly executed necessary to effect that transfer. In addition, the master servicer and the predecessor trustee will be required to execute and deliver such other instruments and do such other things as may reasonably be required to vest in the successor trustee all such rights, powers, duties and obligations.

The Indenture

Modification of Indenture. If an issuing entity has issued bonds pursuant to an indenture, the issuing entity and the indenture trustee may, with the consent of holders of 66 2/3% (or such other percentage as is specified), by principal balance (or as is otherwise specified) of the outstanding bonds of the related series (or of one or more specified classes of bonds), execute a supplemental indenture to add provisions to, change in any manner or eliminate any provisions of, the indenture, or modify (except as provided below) in any manner the rights of the securityholders or bondholders, as the case may be.

Without the consent of securityholders, the issuing entity and the trustee may enter into supplemental indentures for the purposes of, among other things, conform any provision of the indenture to the provisions of the applicable offering memorandum supplement and this offering memorandum, or to effect the qualification of the indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"). However, without the consent of each bondholder affected by the provisions of a supplemental indenture, no supplemental indenture will:

- change the amount of, or delay the timing of, payments on any bond;
- alter the obligation of the master servicer or indenture trustee to make Advances or alter the servicing standards set forth in the sale and servicing agreement or the applicable Agreement;
- reduce the proportion of bonds required to consent to a supplemental indenture; or
- permit the creation of any lien on any collateral prior to or on parity with the lien of the indenture.

In addition, the trustee will not enter into any supplemental indenture unless the trustee has first received an opinion of counsel as to certain tax matters as provided in the indenture.

Events of Default Under the Indenture. Except as otherwise specified in the offering memorandum supplement, events of default under the indenture for each series of bonds include:

- a default in the payment of any principal of or interest on any bond as specified in the offering memorandum supplement;

- failure to perform in any material respect any other covenant of the depositor or the issuing entity in the indenture which continues for a period of thirty (30) days after notice thereof is given in accordance with the procedures described in the offering memorandum supplement;

- certain events of bankruptcy, insolvency, receivership or liquidation of the depositor or the issuing entity; or

- any other event of default provided with respect to bonds of that series including, but not limited to, certain defaults on the part of the issuing entity under any credit enhancement instrument supporting such bonds.

If an event of default with respect to the bonds of any series at the time outstanding occurs and is continuing, either the trustee or the holders of a majority of the then aggregate outstanding amount of the bonds of that series or the credit enhancer of that series, if any, may declare the principal amount (or, if the bonds have an interest rate of 0%, that portion of the principal amount as may be specified in the terms of that series, as provided in the offering memorandum supplement) of all the bonds of that series to be due and payable immediately. This declaration may, under certain circumstances, be rescinded and annulled by the holders of more than 50% of the aggregate voting rights of the bonds of the related series.

If, following an event of default with respect to any series of bonds, the bonds of that series have been declared to be due and payable and the offering memorandum supplement and applicable Agreement so provide, the trustee may, in its discretion, notwithstanding the acceleration of the bonds, elect to maintain possession of the collateral securing the bonds of that series and to continue to apply distributions on the collateral as if there had been no declaration of acceleration if the collateral continues to provide sufficient funds for the payment of principal of and interest on the bonds of that series as they would have become due if there had not been such a declaration. In addition, unless otherwise specified in the offering memorandum supplement, the trustee may not sell or otherwise liquidate the collateral securing the bonds of a series following an event of default, unless:

- the holders of 100% of the outstanding bonds of such series consent to the sale;

- the proceeds of the sale or liquidation are sufficient to pay in full the principal of and accrued interest, due and unpaid, on the outstanding bonds of the series at the date of the sale; or

- the trustee determines that the collateral would not be sufficient on an ongoing basis to make all payments on the bonds as those payments would have become due if the bonds had not been declared due and payable, and the trustee obtains the consent of the holders of 66 2/3% of the aggregate voting rights of the bonds of that series.

In the event that the trustee liquidates the collateral in connection with an event of default, the indenture provides that the trustee will have a prior lien on the proceeds of that liquidation for unpaid fees and expenses. As a result, upon the occurrence of an event of default, the amount available for distribution to the bondholders could be less than would otherwise be the case. However, the trustee may not institute a proceeding for the enforcement of its lien except in connection with a proceeding for the enforcement of the lien of the indenture for the benefit of the bondholders after the occurrence of an event of default.

Except as otherwise specified in the offering memorandum supplement, in the event the principal of the bonds of a series is declared due and payable, as described above, the holders of any of the bonds issued at a discount from par may be entitled to receive no more than an amount equal to the unpaid principal amount thereof less the amount of the discount which is unamortized.

Subject to the provisions of the indenture relating to the duties of the trustee, in case an event of default shall occur and be continuing with respect to a series of bonds, the trustee shall be under no obligation to exercise any of the rights or powers under the indenture at the request or direction of any of the holders of bonds of the series, unless those holders offer to the trustee security or indemnity satisfactory to it against the costs, expenses and liabilities which might be incurred by it in complying with their request or direction, Subject to these provisions for indemnification and certain limitations contained in the indenture, the holders of a majority of the then aggregate outstanding amount of the bonds of a series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power conferred on the trustee with respect to the bonds of the series, and the holders of a majority of the then aggregate outstanding amount of the bonds of the series may, in certain cases, waive any default with respect thereto, except a default in the payment of principal or interest or a default in respect of a covenant or provision of the indenture that cannot be modified without the waiver or consent of all the holders of the outstanding bonds of the series affected thereby.

Covenants. Each indenture will provide generally that the related issuing entity will not, among other things:

- so long as any bonds are outstanding, dissolve or liquidate in whole or in part or merge or consolidate with any other entity;
- except as expressly permitted by the indenture or other applicable Agreement, sell, transfer or otherwise dispose of the assets of the issuing entity, unless directed to do so by the trustee;
- permit the validity or effectiveness of the related indenture to be impaired, or permit the indenture to be amended, or permit any person to be released from any covenants or obligations under the indenture, except as expressly provided by the indenture;
- permit any lien or other encumbrance to be created on or otherwise burden the collateral (other than by operation of law as provided in the indenture); or
- take any other action that may cause the issuing entity to be taxable as an association, a publicly traded partnership or a taxable mortgage pool pursuant to the Code.

In addition, the trustee and the securityholders, by accepting the securities, will covenant that they will not at any time institute against the issuing entity any bankruptcy, reorganization or other proceeding under any federal or state bankruptcy or similar law.

None of the indenture trustee, the owner trustee, the master servicer or any securities or issuing entity administrator in their respective individual capacities, or any holder of a certificate representing an ownership interest in the issuing entity or any of their respective owners, beneficiaries, agents, officers, directors, employees, affiliates, successors or assigns will, in the absence of an express agreement to the contrary, be personally liable for the payment of the principal of or interest on the bonds or for the agreements of the issuing entity contained in any indenture.

Annual Compliance Statement. Each issuing entity will be required to file annually with the related indenture trustee a written statement as to the fulfillment of its obligations under the applicable indenture.

Indenture Trustee's Annual Report. To the extent required under the Trust Indenture Act, the indenture trustee for each applicable issuing entity will be required to send to all related securityholders annually a brief report as to its eligibility and qualification to continue as indenture trustee under the related indenture; any amounts advanced by it under the indenture; the amount, interest rate and maturity date of specified indebtedness owing by the issuing entity to the applicable indenture trustee in its individual capacity; the property and funds physically held by the indenture trustee; and any action taken by the indenture trustee that materially affects the related bonds and that has not been previously reported.

Satisfaction and Discharge of Indenture. An indenture will be discharged with respect to the collateral securing the related bonds upon the delivery to the indenture trustee for cancellation of all of those securities or, with specified limitations, upon deposit with the indenture trustee of funds sufficient for the payment of all of the securities.

Redemption. The bonds will be subject to redemption under the circumstances described in the related offering memorandum supplement.

The Indenture Trustee

In the case of bonds issued pursuant to an indenture and unless otherwise specified in the related offering memorandum supplement, the following will be applicable to an indenture trustee in connection with an indenture.

Duties of the Indenture Trustee. If no indenture default has occurred, the indenture trustee will be required to perform only those duties specifically required of it under the indenture and the sale and servicing agreement. As described under "—The Trustees; Agents" below, a securities administrator may perform on behalf of the indenture trustee certain administrative functions required under the indenture and the sale and servicing agreement.

Upon receipt of the various certificates, statements and opinions required to be furnished to it, the indenture trustee will be required to examine them to determine whether they are in the form required by the indenture; however, the indenture trustee will not be responsible for the accuracy or content of any certificates, statements or opinions furnished to it by the issuer, the depositor, a securities administrator, if any, the master servicer or any other party and, in the absence of bad faith on its part, may conclusively rely on such certificates, statements and opinions.

The indenture trustee may be held liable for its own negligent action or failure to act, or for its own willful misconduct; provided, however, that the indenture trustee will not be personally liable with respect to any action taken, suffered or omitted to be taken by it in good faith in accordance with the direction of the securityholders in an indenture default, and the indenture trustee will not be deemed to have notice of any indenture default unless an officer of the indenture trustee has actual knowledge of the indenture default or written notice of an indenture default is received by the indenture trustee at its corporate trust office. The indenture trustee is not required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties under the Indenture, or in the exercise of any of its rights or powers, if it has reasonable grounds for believing that repayment of those funds or adequate indemnity against risk or liability is not reasonably assured to it,

Expenses and Indemnities of the Indenture Trustee. The indenture trustee will be entitled to reimbursement of all reasonable expenses incurred by it and any disbursements or advances made by it in accordance with the indenture or the sale and servicing agreement, except for expenses incurred or any disbursements and advances made by it in the routine administration of its duties under the indenture and the sale and servicing agreement and except for any expenses arising from its negligence, bad faith or willful misconduct. The indenture trustee will also be entitled to indemnification from the issuing entity for any claim, loss, liability or expense, including reasonable attorneys' fees, incurred by it in connection with the administration of the issuing entity and the performance of its duties under the indenture the sale and servicing agreement or any other document or agreement to which the indenture trustee is a party.

The indenture trustee will be entitled to reimbursement for its expenses and indemnification amounts as described above from amounts allocable to interest and principal on the mortgage loans, prior to payment of any amounts to bondholders.

Resignation or Removal of Indenture Trustee. The indenture trustee may, upon 90 days' advance written notice to the depositor, the issuer, each bondholder and each rating agency, resign at any time, in which event the issuer will appoint a successor indenture trustee that satisfies the eligibility requirements provided in the indenture. The indenture trustee may also be removed at any time by the issuer if (a) the indenture trustee ceases to be eligible to continue to act as indenture trustee under the indenture; (b) the indenture trustee is adjudged bankrupt or insolvent; (c) a receiver or other public officer takes charge of the indenture trustee or its property; or (d) the indenture trustee otherwise becomes incapable of acting. If the indenture trustee is removed, the issuer will promptly appoint a successor indenture trustee. If a successor indenture trustee does not take office within 30 days after the retiring indenture trustee resigns or is removed, the retiring indenture trustee, the issuer or the holders of more than 50% of the aggregate class principal amount of the outstanding bonds may petition any court of competent jurisdiction for appointment of a successor indenture trustee.

Any resignation or removal of the indenture trustee and appointment of a successor indenture trustee will not become effective until acceptance of the appointment by the successor indenture trustee, whereupon the successor indenture trustee will mail notice of its succession to all bondholders. The predecessor indenture trustee will be required to transfer all property held by it as indenture trustee to the successor indenture trustee.

Any fees and expenses owed to the retiring indenture trustee in connection with such resignation or removal will be paid as described in the related offering memorandum supplement.

The Trust Agreement

Each issuing entity that is an obligor on bonds issued under an indenture will be organized pursuant to a deposit trust agreement (the “trust agreement”) as a statutory trust or a common law trust, as specified in the applicable offering memorandum supplement, for the limited purposes of, generally:

- issuing bonds pursuant to an indenture and to conducting an offering of the bonds;
- issuing certificates pursuant to a trust agreement and conducting an offering or a private placement of the certificates;
- acquiring mortgage loans and other property from the depositor and, pursuant to an indenture, pledging the mortgage loans to the indenture trustee as security for the issuing entity’s obligations under the bonds;
- entering into and performing its obligations under the sale and servicing agreement or other applicable agreement, the trust agreement, the indenture, the servicing agreements, the custodial agreement, the administration agreement and any other applicable agreements;
- entering into any applicable interest rate cap or swap agreements;
- such other purposes as are described in the applicable offering memorandum supplement;
- engaging in those activities that are necessary, suitable or convenient to accomplish the foregoing or are incidental thereto or connected therewith; and
- engaging in such other activities as may be appropriate in connection with conservation of the trust estate and the making of payments to securityholders.

Under the terms of the related trust agreement, each issuing entity will be prohibited from, among other things, incurring any debt other than as contemplated by the indenture, the sale and servicing agreement and related documents.

Duties of the Owner Trustee. The owner trustee will be required to discharge (or cause to be discharged) all of its responsibilities pursuant to the terms of the trust agreement and any other document or agreement to which the issuer or the owner trustee is a party and will administer the trust in the interest of the holder of the ownership certificate issued pursuant to the trust agreement, in accordance with the provisions of the trust agreement. As described in the related offering memorandum supplement, the securities or issuing entity administrator, the indenture trustee and the depositor will perform on behalf of the owner trustee and the issuing entity certain administrative functions required under the trust agreement, the indenture and the sale and servicing agreement.

The owner trustee, in its individual capacity, may be held liable for its own willful misconduct, gross negligence or bad faith in performing its duties as owner trustee; provided, however, that the owner trustee, in its individual capacity, will not be liable for any error of judgment made in good faith by an officer of the owner trustee or with respect to any action taken or omitted to be taken by the owner trustee in accordance with the instructions of the holder of the ownership certificate. The owner trustee is not required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of the owner trustee's duties under the trust agreement or any other document or agreement to which the issuer or the owner trustee is a party, or in the exercise of any of the owner trustee's rights or powers, if the owner trustee has reasonable grounds for believing that repayment of those funds or adequate indemnity against risk or liability is not reasonably assured or provided to it.

Expenses and Indemnities of the Owner Trustee. The owner trustee will be entitled to reimbursement of all reasonable expenses incurred by it in accordance with the trust agreement. Such reimbursement will be paid from amounts allocable to interest and principal on the mortgage loans, prior to payment of any amounts to securityholders. The owner trustee will also be entitled to indemnification from the issuing entity for any claim, loss, liability or expense incurred by it in connection with the administration of the trust and the performance of its duties under the trust agreement or any other document or agreement to which the issuer or the owner trustee is a party, except to the extent that any such claim, loss, liability or expense arises out of or results from the owner trustee's own willful misconduct, fraud or gross negligence or results from any of the other circumstances that are specified in the trust agreement. Unless otherwise provided in the offering memorandum supplement, any amounts payable in connection with such indemnification will be paid from the distribution account prior to payment of any amounts distributable to the ownership certificate under the sale and servicing agreement.

Resignation or Removal of Owner Trustee. The owner trustee may, upon 30 days' advance written notice to the depositor, the holder of the ownership certificate and the indenture trustee, resign at any time, in which event the depositor will appoint a successor owner trustee that satisfies the eligibility requirements provided in the trust agreement. The owner trustee may also be removed at any time by the depositor if (a) the owner trustee ceases to be eligible to continue to act as owner trustee under the trust agreement, (b) the owner trustee is legally unable to act or is adjudged bankrupt or insolvent or (c) a receiver or other public officer takes charge of the owner trustee or its property. If the owner trustee is removed the depositor will promptly appoint a successor owner trustee. If a successor owner trustee does not take office within 30 days after the retiring owner trustee resigns or is removed, the retiring owner trustee may petition any court of competent jurisdiction for appointment of a successor owner trustee.

Any resignation or removal of the owner trustee and appointment of a successor owner trustee will not become effective until acceptance of the appointment by the successor owner trustee, whereupon the securities or issuing entity administrator will provide notice of such resignation and appointment to the holder of the ownership certificate, the indenture trustee, the securityholders and the rating agencies.

Any fees and expenses owed to the retiring owner trustee in connection with such resignation or removal will be paid as described in the related offering memorandum supplement.

The Custodial Agreement

Unless otherwise specified in the related offering memorandum supplement, in connection with the sale of the mortgage loans by the depositor to the issuing entity on the related closing date, the depositor will be required to deliver a loan file to the custodian with respect to each mortgage loan consisting of, as to each mortgage loan:

- the original mortgage note endorsed to the order of the trustee or in blank, or a lost note affidavit in lieu thereof, with all prior and intervening endorsements;

- the original recorded mortgage, or if the original mortgage has been submitted for recordation but has not been returned by the applicable public recording office, a certified copy thereof;

- for any mortgage loan not recorded with MERS® System, the original assignment of the mortgage to the trustee or in blank, in recordable form (except as described in the related offering memorandum supplement);

- each original recorded intervening assignment of the mortgage as may be necessary to show a complete chain of title to the trustee, or if any assignment has been submitted for recordation but has not been returned from the applicable public recording office or is otherwise not available, a certified copy thereof;
- the original of the policy or certificate of primary mortgage guaranty insurance, to the extent available, or a copy of such policy certified as true and correct by the insurer;
- the original title insurance policy, note of title insurance or written commitment, or a copy of such policy certified as true and correct by the insurer; and
- the original or certified copies of each assumption agreement, modification agreement, written assurance or substitution agreement, if any.

The custodian will hold the related mortgage loan documents on behalf of the trustee pursuant to the custodial agreement. The mortgage loan documents related to a mortgage loan will be held separate from other mortgage loan files held by the custodian, The custodian will maintain the mortgage loan documents in a fireproof facility intended for the safekeeping of mortgage loan files.

The Trustees; Agents

The trustee under the pooling and servicing agreement for a series, or, if applicable, the indenture trustee under the indenture and the owner trustee under the trust agreement for a series, will be identified in the applicable offering memorandum supplement. References in this offering memorandum to "trustee" are intended to refer as to any particular series of securities to the pooling and servicing agreement trustee, indenture trustee or owner trustee, as applicable, unless the context requires otherwise.

Each trustee's liability in connection with the issuance and sale of securities of a series and its administration of the issuing entity will be limited as provided in the applicable agreements, and each trustee will be indemnified by the related issuing entity for losses and expenses it may incur, to the extent provided in the applicable agreements. Unless otherwise provided in the applicable agreements a trustee may resign at any time, in which event the depositor, master servicer or other party so designated will be obligated to appoint a successor trustee. A trustee may be removed by the depositor or the master servicer or by a majority or supermajority of securityholders, to the extent provided in the applicable agreements.

To the extent specified in the applicable offering memorandum supplement, a securities administrator, paying agent or other party may be appointed to perform certain functions that would otherwise be performed by the trustee. Such a party will be entitled to compensation as described in the offering memorandum supplement. In addition, the pooling and servicing agreement or indenture will provide that the trustee may appoint agents to perform certain functions from time to time.

Loss Mitigation Advisor; Investment Manager; Other Parties

The agreements or other documents for a series may provide for the appointment of (1) a loss mitigation advisor that will perform the functions described in the applicable offering memorandum supplement, which may include analysis of mortgage loan performance data and advising the servicer regarding servicing of defaulted loans, (2) an investment manager, for the limited purposes described in the offering memorandum supplement, or (3) such other parties performing such other functions as are described in the offering memorandum supplement. Such parties will be entitled to compensation as described in the offering memorandum supplement. An affiliate of the depositor may be designated for any such positions.

CERTAIN LEGAL ASPECTS OF THE LOANS

The following discussion contains summaries, which are general in nature, of certain legal matters relating to the loans. Because these legal aspects are governed primarily by applicable state law and because the applicable state laws may differ substantially from state to state, the descriptions do not, except as expressly provided below, reflect the laws of any particular state, nor do they encompass the laws of all states in which the security for the loans is situated. The descriptions are qualified in their entirety by reference to the applicable federal laws and the appropriate laws of the states in which loans may be originated.

General

Security Instruments. The loans for a series may be secured by deeds of trust, mortgages, security deeds or deeds to secure debt, depending upon the prevailing practice in the state in which the property subject to the loan is located, and these security instruments are generally recorded in a state or county office. Typically, the borrower, who is also the owner of the real property, delivers to the lender or the lender's agent or trustee a note or bond and the applicable security instrument. Priority among the holders of interests secured by the real property depends on the terms of the security instruments and, generally, on the order of recordation of the security instruments with a state or county office. There are two parties to a mortgage, the mortgagor, who is the borrower and owner of the mortgaged property, and the mortgagee, who is the lender or, sometimes, lender's agent or trustee. Although a deed of trust is similar to a mortgage, a deed of trust formally has three parties, the borrower-property owner called the trustor (similar to a mortgagor), a lender or lender's agent or trustee (similar to a mortgagee) called the beneficiary, and a third-party grantee called the trustee. Under a deed of trust, the borrower grants the property, irrevocably until the debt is paid, in trust, generally with a power of sale, to the trustee for the benefit of the beneficiary, to secure payment of the obligation evidenced by the note or bond. In California, deeds of trust are used almost exclusively instead of mortgages. A security deed and a deed to secure debt are special types of deeds which indicate on their face that they are granted to secure an underlying debt. By executing a security deed or deed to secure debt, the grantor, who is the borrower and owner of the property, conveys title to, as opposed to merely creating a lien upon, the subject property to the grantee, who is the lender or lender's agent or trustee, until such time as the underlying debt is repaid. The trustee's authority under a deed of trust, the mortgagee's authority under a mortgage and the grantee's authority under a security deed or deed to secure debt are governed by law and, with respect to some deeds of trust, the directions of the beneficiary. Generally, any security interest in real property is subordinate to liens for real estate taxes or assessments, including if such liens for real estate taxes or assessments are recorded after recordation of the security instrument.

Cooperative Loans. Some of the loans may be cooperative loans. A cooperative is owned by tenant-stockholders, who, through ownership of stock, shares or membership certificates in the corporation, receive proprietary leases or occupancy agreements which confer exclusive rights to occupy specific cooperative units. The cooperative owns the real property and the specific units and is responsible for management of the property. An ownership interest in a cooperative and the accompanying rights are financed through a cooperative share loan evidenced by a promissory note and secured by a security interest in the cooperative shares or occupancy agreement or proprietary lease.

Foreclosure/Repossession

Commencing Foreclosure.

Deed of Trust. Foreclosure of a deed of trust is generally accomplished by a non-judicial sale under a specific provision in the deed of trust which authorizes the trustee to sell the property at public auction upon any default by the borrower under the terms of the note or deed of trust. In certain states, foreclosure of a deed of trust also may be accomplished by judicial action in the manner provided for foreclosures of mortgages. In addition to any notice requirements contained in a deed of trust, in some states, including California, the trustee must record a notice of default and send a copy to certain parties, including, without limitation, the borrower-trustor, any person who has recorded a request for a copy of any notice of default and notice of sale, any successor in interest to the borrower-trustor, and the beneficiary of any junior deed of trust. In some states, including California, the borrower, or any other person having a subordinate encumbrance on the real estate, may, during a statutorily prescribed reinstatement period, cure monetary defaults under the loan by paying the entire amount in arrears plus other designated costs and expenses incurred by or on behalf of lender in enforcing the borrower's obligation, which designated costs and expenses are generally set forth in state law. If the borrower or a junior lienholder cures such defaults during the reinstatement period, the loan is "reinstated" and the foreclosure process is terminated. If the reinstatement period expires without the defaults having been cured, the borrower or junior lienholder may not thereafter reinstate the loan except by paying the loan in full. If the deed of trust is not reinstated within any applicable cure period, a notice of sale must be posted in a public place and, in most states, including California, published for a specific period of time in one or more newspapers. Furthermore, some state laws require that a copy of the notice of sale be posted on the property encumbered by the deed of trust and sent to all parties having an interest of record in the property. In California, the entire process from recording a notice of default to a non-judicial sale usually takes four to five months.

Mortgages. Foreclosure of a mortgage is generally accomplished by judicial action. The action is initiated by the service of legal pleadings upon all parties having an interest in the real property encumbered by the mortgage. Delays in completion of the foreclosure may result from difficulties in locating necessary parties. Judicial foreclosure proceedings may be contested by any of the parties to the foreclosure proceeding. When the mortgagee's right to foreclosure is contested, the legal proceedings necessary to resolve the issue can be time consuming. After the completion of a judicial foreclosure proceeding, the court generally issues a judgment of foreclosure and appoints a referee or other court officer to conduct the sale of the property. In some states, mortgages may also be foreclosed non-judicially, pursuant to a power of sale provided in the mortgage.

Foreclosure Sales. Although foreclosure sales, whether pursuant to non-judicial sale rights or by judicial action, are typically public sales, frequently no third-party purchaser bids in excess of the amount of the lender's lien because of the difficulty of determining the exact status of title to the property, the possible deterioration of the property during foreclosure proceedings and a requirement that the purchaser pay for the property in cash or by cashier's check. As a result, the foreclosing lender often purchases the property from the trustee or referee. The foreclosing lender may purchase the property for an amount equal to the principal amount outstanding under the loan, accrued and unpaid interest and the expenses of foreclosure, in which event the mortgagor's debt will be extinguished, or, in states where deficiency judgments are available, the lender may decide to purchase for a lesser amount in order to preserve its right against a borrower to seek a deficiency judgment. Subject to the right of the borrower in some states to remain in possession of the property during a redemption period, upon purchasing the property at a foreclosure sale the lender will assume the burden of ownership, including obtaining hazard insurance and making repairs at its own expense as are necessary to render the property suitable for sale to a third party. The lender will commonly obtain the services of a real estate broker and pay the broker's commission in connection with the sale of the property to a third party. Depending upon market conditions, the ultimate proceeds of the sale of the property may not equal the lender's investment in the property.

Foreclosure is an equitable remedy with respect to which the courts have broad discretion, exercised generally to mitigate the legal consequences to the borrower of the borrower's defaults under the loan documents. Examples of such judicial remedies include requirements that the lender undertake affirmative and expensive actions to determine the causes of the borrower's default and the likelihood that the borrower will be able to reinstate the loan. In some cases, courts have eliminated the right of a lender to realize upon its security if the default under the security agreement is not monetary, such as the borrower's failure to maintain the property adequately or the borrower's execution of secondary financing affecting the property. Finally, some courts have been faced with the issue of whether federal or state constitutional provisions reflecting due process concerns for fair notice require that borrowers under deeds of trust receive notice longer than that prescribed by statute. For the most part, these cases have upheld the notice provisions as being reasonable or have found that the sale by a trustee under a deed of trust does not involve sufficient state action to afford constitutional protection to the borrower.

When the holder of a subordinate security instrument cures the borrower's defaults, causing the loan to be reinstated, or repays the full amount of the senior security instrument, thereby redeeming the borrower's right to the real property, the amount paid by the junior lienholder to cure the borrower's defaults or redeem the borrower's right to the real property becomes a part of the indebtedness secured by the junior security instrument.

Foreclosing Cooperative Loans. The cooperative shares owned by the tenant-stockholder and pledged to the lender or lender's agent or trustee are, in almost all cases, subject to restrictions on transfer as set forth in the cooperative's certificate of incorporation and bylaws, as well as the tenant-stockholder's proprietary lease or occupancy agreement, and may be cancelled by the cooperative for failure by the tenant-stockholder to pay rent or other obligations or charges owed by such tenant-stockholder, including mechanics' liens against the cooperative's property incurred by such tenant-stockholder. A proprietary lease or occupancy agreement generally permits the cooperative to terminate such lease or agreement in the event a tenant-stockholder fails to make payments or defaults in the performance of covenants required thereunder. Furthermore, a default by the tenant-stockholder under the proprietary lease or occupancy agreement will usually constitute a default under the security agreement between the lender and the tenant-stockholder.

Typically, the lender and the cooperative enter into a recognition agreement which establishes the rights and obligations of both parties in the event of a default by the tenant-stockholder with respect to its obligations under the proprietary lease or occupancy agreement and/or the security agreement. The recognition agreement generally provides that, in the event that the tenant-stockholder has defaulted under the proprietary lease or occupancy agreement, the cooperative will take no action to terminate such lease or agreement until the lender has been provided with an opportunity to cure the defaults. The recognition agreement typically provides that if the proprietary lease or occupancy agreement is terminated, the cooperative will recognize the lender's lien in respect of the proprietary lease or occupancy agreement, and will deliver to lender proceeds from the sale of the cooperative apartment unit to a third party up to the amount to which lender is entitled by reason of its lien, subject to the cooperative's right to sums due under such proprietary lease or occupancy agreement. The total amount owed to the cooperative by the tenant-stockholder, which the lender generally cannot restrict and does not monitor, may reduce the proceeds available to lender to an amount below the outstanding principal balance of the cooperative loan and accrued and unpaid interest thereon.

Recognition agreements typically also provide that in the event of a foreclosure on a cooperative loan, the lender must obtain the approval or consent of the cooperative as required by the proprietary lease or occupancy agreement before transferring the cooperative shares or assigning the proprietary lease to a third party. Generally, the lender is not limited in any rights it may have to dispossess the tenant-stockholders.

In some states, foreclosure on the cooperative shares is accomplished by a sale in accordance with the provisions of Article 9 of the Uniform Commercial Code and the security instrument relating to those shares. Article 9 requires that a sale be conducted in a "commercially reasonable" manner. Whether a foreclosure sale has been conducted in a "commercially reasonable" manner will depend on the facts in each case and state law. In determining commercial reasonableness, a court typically will look to the notice given the borrower and third parties (generally including a publication requirement) and the method, manner, time, place and terms of the foreclosure.

As described above, any provision in the recognition agreement regarding the right of the cooperative to receive sums due under the proprietary lease or occupancy agreement prior to lender's reimbursement supplements any requirement under Article 9 that the proceeds of the sale will be applied first to pay the costs and expenses of the sale and then to satisfy the indebtedness secured by the lender's security interest. If there are proceeds remaining after application to costs and expenses of the sale, amounts due under the proprietary lease or occupancy agreement, and satisfaction of the indebtedness, the lender must account to the tenant-stockholder for such surplus. Conversely, if a portion of the indebtedness remains unpaid, the tenant-stockholder is generally responsible for the deficiency. Please refer to the discussion under the heading "—Anti-Deficiency Legislation; Tax Liens" below.

In the case of foreclosure on a cooperative which was converted from a rental building to a cooperative under a non-eviction plan, some states require that a purchaser at a foreclosure sale take the property subject to rent control and rent stabilization laws which apply to certain tenants who elected to remain in the building but who did not purchase shares in the cooperative when the building was so converted.

Recent Actions to Reduce, Suspend or Delay Foreclosure. Recently, the federal government has commenced implementation of programs designed to provide homeowners with assistance in avoiding residential mortgage loan foreclosures. In addition, certain mortgage lenders and servicers have voluntarily, or as part of settlements with law enforcement authorities, established loan modification programs relating to the residential mortgages they hold or service. These programs may involve, among other things, the modification of mortgage loans to reduce the principal amount of the loans or the rate of interest payable on the loans, or to extend the payment terms of the loans. In addition, members of the U.S. Congress have indicated support for additional legislative relief for homeowners, including a proposed amendment of the bankruptcy laws to permit the modification of mortgage loans in bankruptcy proceedings. These loan modification programs, as well as future law enforcement and legislative or regulatory actions, may adversely affect the performance and market value of your securities.

Numerous laws, regulations and rules related to the servicing of mortgage loans, including efforts to delay or suspend foreclosure actions for a specified period have been proposed recently by federal, state and local governmental authorities. A number of these laws have been enacted, including in California. These laws, regulations and rules will result in delays in the foreclosure process, and may lead to reduced payments by borrowers and/or increased reimbursable servicing expenses.

Environmental Risks

Real property pledged as security to a lender may be subject to environmental risks. Such risks, among other things, could substantially impair a borrower's ability to repay a loan, result in substantial diminution in the value of the property pledged as collateral to secure the loan and/or give rise to liability which could exceed the value of such property or the principal balance of the related loan.

Under the laws of certain states, contamination of a property may give rise to a lien on the property to assure the payment of the costs of clean up. In several states this type of lien has priority over the lien of an existing mortgage against the related property. In addition, under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), the United States Environmental Protection Agency ("EPA") may impose a lien on property where the EPA has incurred clean-up costs. However, a CERCLA lien is subordinate to pre-existing, perfected security interests.

Under the laws of some states, and under CERCLA, it is conceivable that a secured lender may be held liable as an owner or operator for the costs of addressing releases or threatened releases of hazardous substances at a mortgaged property and related costs, even though the environmental damage or threat was caused by a prior or current owner or operator or another third party. CERCLA imposes liability for these costs on any and all responsible parties, including owners or operators. However, CERCLA excludes from the definition of "owner or operator" a secured creditor who, without participating in the management of a facility or property, holds indicia of ownership primarily to protect its security interest (the "secured creditor exclusion"). Thus, if a lender's activities begin to encroach on the actual management of a contaminated facility or property, the lender may incur liability as an owner or operator under CERCLA. Similarly, if a lender forecloses and takes title to a contaminated facility or property, the lender may incur CERCLA liability in various circumstances, including, but not limited to, when it holds the facility or property as an investment (including leasing the facility or property to a third party), or fails to market the property in a timely fashion.

If a lender is or becomes liable, it may be entitled to bring an action for contribution against any other responsible parties, including a previous owner or operator, who created the environmental hazard, but those persons or entities may be bankrupt or otherwise judgment-proof. The costs associated with environmental cleanup and the diminution in value of contaminated property and related liabilities or losses may be substantial. It is conceivable that the costs arising from the circumstances set forth above would result in a loss to securityholders.

CERCLA does not apply to petroleum products, and the secured creditor exclusion does not govern liability for cleanup costs under federal laws other than CERCLA, in particular Subtitle 1 of the federal Resource Conservation and Recovery Act ("RCRA"), which regulates underground petroleum storage tanks (except heating oil tanks). The EPA has adopted a lender liability rule for underground storage tanks under Subtitle I of RCRA. Under that rule, a holder of a security interest in an underground storage tank or real property containing an underground storage tank is not considered an operator of the underground storage tank as long as the holder does not exercise decision-making control over the borrower's enterprise, participate in the management or control of decision-making relating to the operation of a tank, as long as petroleum is not added to, stored in or dispensed from the tank, or as long as holder does not deviate from certain other requirements specified in the rule. In addition, under the Asset Conservation, Lender Liability and Deposit Insurance Protection Act of 1996, similar protections to those accorded to lenders under CERCLA are also accorded to holders of security interests in underground tanks. It should be noted, however, that liability for cleanup of contamination may be governed by state law, which may not provide for any specific protection for secured creditors.

Whether actions taken by a lender would constitute participation in the management of a mortgaged property, or the business of a borrower, so as to render the secured creditor exemption unavailable to a lender has been a matter of judicial interpretation of the statutory language, and court decisions have been inconsistent. In 1990, the Court of Appeals for the Eleventh Circuit suggested that the mere capacity of the lender to influence a borrower's decisions regarding disposal of hazardous substances was sufficient participation in the management of the borrower's business to deny the protection of the secured creditor exemption to the lender, regardless of whether lender actually exercised such influence.

This ambiguity appears to have been resolved by the enactment of the Asset Conservation, Lender Liability and Deposit Insurance Protection Act of 1996. The legislation provides that in order to be deemed to have participated in the management of a mortgaged property, a lender must actually participate in the operational affairs of the property or the borrower. The legislation also provides that participation in the management of the property does not include "merely having the capacity to influence, or unexercised right to control" operations. Rather, a lender will lose the protection of the secured creditor exclusion only if it exercises decision-making control over the borrower's environmental compliance and hazardous substance handling and disposal practices, or assumes day-to-day management of all operational functions of the secured property. As noted above, the secured creditor exclusion does not govern liability for cleanup costs except under the federal laws discussed above. In addition, certain other environmental conditions may be required to be addressed under other federal, state or local laws or in order to improve the marketability of a property. Therefore, under certain circumstances, including but not limited to after foreclosure, a lender may incur costs under applicable laws or in order to improve the marketability of a property in connection with environmental conditions associated with that property, such as the presence or release of regulated materials in underground storage tanks, asbestos-containing material, lead paint or radon gas. If a lender is or becomes liable, it can bring an action for contribution against any other "responsible parties" including a previous owner or operator, who created the environmental hazard, but those persons or entities may be bankrupt or otherwise judgment-proof. It is conceivable that, the costs arising from such circumstances would result in a loss to securityholders.

Except as otherwise specified in the offering memorandum supplement, at the time the loans were originated, no environmental assessments or very limited environmental assessments of the properties were conducted.

Rights of Redemption

In some states, after sale pursuant to a deed of trust or foreclosure of a mortgage, the borrower and foreclosed junior lienors are given a statutory period in which to redeem the property from the foreclosure sale. In certain other states, including California, this right of redemption applies only to sales following judicial foreclosure, and not to sales pursuant to a non-judicial power of sale. In most states where the right of redemption is available, statutory redemption may occur upon payment of the foreclosure purchase price, accrued interest and taxes. In other states, redemption may be authorized if the former borrower pays only a portion of the sums due. The effect of a statutory right of redemption is to diminish the ability of the lender to sell the foreclosed property. The exercise of a right of redemption would defeat the title of any purchaser from the lender subsequent to foreclosure or sale under a deed of trust. Consequently, the practical effect of the redemption right is to force the lender to retain the property and pay the expenses of ownership until the redemption period has run. In some states, there is no right to redeem property after a trustee's sale under a deed of trust.

Anti-Deficiency Legislation; Tax Liens

Certain states have imposed statutory and judicial restrictions that limit the remedies of a beneficiary under a deed of trust or a mortgagee under a mortgage. In some states, including California, statutes and case law limit the right of the beneficiary or mortgagee to obtain a deficiency judgment against borrowers financing the purchase of their residence or following sale under a deed of trust or certain other foreclosure proceedings. A deficiency judgment is a personal judgment against the borrower equal in most cases to the difference between the amount due to the lender and the fair market value of the real property at the time of the foreclosure sale, As a result of these prohibitions, it is anticipated that in most instances the servicer will utilize the non-judicial foreclosure remedy and will not seek deficiency judgments against defaulting borrowers.

Some state statutes require the beneficiary or mortgagee to exhaust the security afforded under a deed of trust or mortgage by foreclosure in an attempt to satisfy the full debt before bringing a personal action against the borrower. In certain other states, the lender has the option of bringing a personal action against the borrower on the debt without first exhausting that security; however, in some of these states, the lender, following judgment on such personal action, may be deemed to have elected a remedy and may be precluded from exercising remedies with respect to the security. Consequently, the practical effect of the election requirement, when applicable, is that lenders will usually proceed first against the security rather than bringing a personal action against the borrower. In some states, exceptions to the anti-deficiency statutes are provided for in certain instances where the value of the lender's security has been impaired by acts or omissions of the borrower, for example, in the event of waste of the property. Finally, other statutory provisions limit any deficiency judgment against the former borrower following a foreclosure sale to the excess of the outstanding debt over the fair market value of the property at the time of the public sale. The purpose of these statutes is generally to prevent a beneficiary or a mortgagee from obtaining a large deficiency judgment against the former borrower as a result of low or no bids at the foreclosure sale.

With respect to "additional collateral loans," realization upon the additional collateral may be governed by the UCC in effect under the law of the state applicable thereto. The UCC prohibits or limits a deficiency award in some circumstances, including those in which the disposition of the additional collateral was not conducted in a commercially reasonable manner. In some states, the UCC does not apply to liens upon additional collateral consisting of some types of personal property (including, for example, bank accounts and, to a certain extent, insurance policies and annuities). Realization upon such additional collateral will be governed by state laws other than the UCC, and the availability of deficiency awards under such state laws may be limited. Whether realization upon any additional collateral is governed by the UCC or by other state laws, the ability of secured parties to realize upon the additional collateral may be limited by statutory prohibitions that limit remedies in respect of the related mortgage loans. Such limitations may affect secured parties either independently or in conjunction with statutory requirements that secured parties proceed against the related mortgaged properties first or against both such mortgaged properties and the additional collateral concurrently.

The federal tax laws provide priority to certain tax liens over the lien of a mortgage or secured party. Moreover, the laws of certain states also give priority to certain tax and mechanics liens over the lien of a mortgage.

Bankruptcy Laws

In addition to anti-deficiency and related legislation, numerous other federal and state statutory provisions, including the United States Bankruptcy Code, 11 U.S.C. Sections 101 et seq. (the "Bankruptcy Code"), and state laws affording relief to debtors (together with the Bankruptcy Code, the "Bankruptcy Laws") may interfere with or affect the ability of a secured mortgage lender to obtain payment of a mortgage loan, to realize upon collateral and/or enforce a deficiency judgment. For example, under the Bankruptcy Code, virtually all actions (including foreclosure actions and deficiency judgment proceedings) are automatically stayed upon the filing of a bankruptcy petition, and interest or principal payments may not be made during the course of the bankruptcy case. Foreclosure of an interest in real property of a debtor in a case under the Bankruptcy Code can typically occur only if the bankruptcy court vacates the stay, an action the court may be reluctant to take, particularly if the debtor has the prospect of restructuring his or her debts and the mortgage collateral is not deteriorating in value. The delay and the consequences of the delay caused by an automatic stay can be significant. Also, under the Bankruptcy Code, the filing of a petition in bankruptcy by or on behalf of a junior lienor (a subordinate lender secured by a mortgage on the property) may stay a senior lender from taking action to foreclose.

A homeowner may file for relief under the Bankruptcy Code under any of four different chapters of the Bankruptcy Code. Under Chapter 7, the assets of the debtor are liquidated and a lender secured by a lien may "credit bid" (i.e., bid up to the amount of the debt) at the sale of the asset. See "—Foreclosure/Repossession." A homeowner may also file for relief under Chapter 11 of the Bankruptcy Code and reorganize his or her debts through his or her reorganization plan. Alternatively, a homeowner may file for relief under Chapter 13 of the

Bankruptcy Code and address his or her debts in a rehabilitation plan. Certain individuals are eligible to file under Chapter 12.

The Bankruptcy Code permits a mortgage loan that is secured by property that does not consist solely of the debtor's principal residence to be modified without the consent of the lender provided certain substantive and procedural safeguards are met. In such cases, the lender's security interest may be reduced to the then-current value of the property as determined by the court if the value is less than the amount due on the loan, thereby leaving the lender as a general unsecured creditor for the difference between the value of the collateral and the outstanding balance of the mortgage loan. A borrower's unsecured indebtedness will typically be discharged in full upon payment of a substantially reduced amount. Other modifications to a mortgage loan may include a reduction in the amount of each scheduled payment, which reduction may result from a reduction in the rate of interest, an alteration of the repayment schedule, an extension of the final maturity date, and/or a reduction in the outstanding balance of the secured portion of the loan. In certain circumstances, subject to the court's approval, a debtor in a case under Chapter 11 of the Bankruptcy Code may have the power to grant liens senior to the lien of a mortgage.

A reorganization plan under Chapter 11 and a rehabilitation plan under Chapter 13 of the Bankruptcy Code may each allow a debtor to cure a default relating to a mortgage loan on its residence by paying arrearages over a period of time and to deaccelerate and reinstate the original mortgage loan payment schedule, even though the lender accelerated the loan and a final judgment of foreclosure has been entered in state court (provided no sale of the property had yet occurred) prior to the filing of the debtor's petition under the Bankruptcy Code. Under a Chapter 13 plan, curing of defaults must be accomplished within the five-year maximum term permitted for repayment plans, the term commencing when repayment plan becomes effective, while defaults may be cured over a longer period of time under a Chapter 11 plan of reorganization.

Generally, a repayment plan in a case under Chapter 13 and a plan of reorganization under Chapter 11 may not modify the claim of a mortgage lender if the borrower elects to retain the property, the property is the borrower's principal residence and the property is the lender's only collateral. However, there have been recent proposals in Congress that would extend the ability of bankruptcy judges to modify the terms of mortgage loans in those situations where modification is not currently permitted. Modifications are permissible when the mortgage loan is secured both by the debtor's principal residence and by other collateral, such as appliances or furniture.

The general protection for mortgages secured only by the debtor's principal residence is not applicable in a case under Chapter 13 if the last payment on the original payment schedule is due before the final date for payment under the debtor's Chapter 13 plan (which date could be up to five years after the debtor emerges from bankruptcy).

State statutes and general principles of equity may also provide a mortgagor with means to halt a foreclosure proceeding or sale and to force a restructuring of a mortgage loan on terms a lender would not otherwise accept.

In a bankruptcy or similar proceeding of a mortgagor, actions may be taken seeking the recovery, as a preferential transfer or on other grounds, of any payments made by the mortgagor under the related mortgage loan prior to the bankruptcy or similar proceeding. Payments may be protected from recovery as preferences in bankruptcy cases if they are payments in the ordinary course of business made on debts incurred in the ordinary course of business or if the value of the collateral exceeds the debt at the time of payment. Whether any particular payment would be protected depends upon the facts specific to a particular transaction.

A trustee in bankruptcy, in some cases, may be entitled to collect its costs and expenses in preserving or selling the mortgaged property ahead of a payment to the lender. Under the Bankruptcy Code, if the court finds that actions of the mortgagee have been unreasonable and inequitable, the lien of the related mortgage may be subordinated to the claims of unsecured creditors.

A "deficient valuation" with respect to any mortgage loan is, generally, the excess of (a)(1) the then outstanding principal balance of the mortgage loan, plus (2) accrued and unpaid interest and expenses reimbursable under the terms of the related note to the date of the bankruptcy petition (collectively, the "outstanding balance"), over (b) a valuation by a court of competent jurisdiction of the mortgaged property which reduces the principal balance on such mortgage loan to an amount less than the outstanding balance of the mortgage loan, which valuation results from a proceeding initiated under the Bankruptcy Code. As used in this offering memorandum, "deficient valuation" means, with respect to any mortgage loan, the deficient valuation described in the preceding sentence, without giving effect to clause (a)(2) thereof. If the terms of a court order in respect of any retroactive deficient valuation provide for a reduction in the indebtedness of a mortgage loan, and the earlier maturity thereof, the term deficient valuation includes an additional amount equal to the excess, if any, of (a) the amount of principal that would have been due on such mortgage loan, for each month retroactively affected, based on the original payment terms and amortization schedule of such mortgage loan over (b) the amount of principal due on such mortgage loan, for each such retroactive month (assuming the effect of such retroactive application according to such mortgage loan's revised amortization schedule). A "debt service reduction" with respect to any mortgage loan, is, generally, a reduction in the scheduled monthly payment for such mortgage loan, by a court of competent jurisdiction in a proceeding under the Bankruptcy Code, except such a reduction resulting from a deficient valuation.

Due-on-Sale Clauses

Each conventional loan generally will contain a due-on-sale clause which will generally provide that if the mortgagor or obligor sells, transfers or conveys the property, the loan or contract may be accelerated by the mortgagee or secured party. Court decisions and legislative actions have placed substantial restrictions on the right of lenders to enforce these clauses in many states. For instance, the California Supreme Court in August 1978 held that due-on-sale clauses were generally unenforceable. However, the Garn-St. Germain Depository Institutions Act of 1982 (the "Garn-St. Germain Act"), subject to certain exceptions, preempts state constitutional, statutory and case law prohibiting the enforcement of due-on-sale clauses. As a result, due-on-sale clauses are generally enforceable except in those states whose legislatures exercised their authority to regulate the enforceability of the clauses with respect to mortgage loans that were (a) originated or assumed during the "window period" under the Garn-St. Germain Act which ended in all cases not later than October 15, 1982, and (b) originated by lenders other than national banks, federal savings institutions and federal credit unions. Freddie Mac has taken the position in its published mortgage servicing standards that, out of a total of eleven "window period states," five states (Arizona, Michigan, Minnesota, New Mexico and Utah) have enacted statutes extending, on various terms and for varying periods, the prohibition on enforcement of due-on-sale clauses with respect to certain categories of window period loans. Also, the Garn-St, Germain Act does "encourage" lenders to permit assumption of loans at the original rate of interest or at some other rate less than the average of the original rate and the market rate.

As to loans secured by an owner-occupied residence, the Garn-St. Germain Act sets forth nine specific instances in which a mortgagee covered by the Garn-St. Germain Act may not exercise its rights under a due-on-sale clause, notwithstanding the fact that a transfer of the property may have occurred, The inability to enforce a due-on-sale clause may result in transfer of the related property to an uncreditworthy person, which could increase the likelihood of default or may result in a mortgage bearing an interest rate below the current market rate being assumed by a new home buyer, which may affect the average life of the loans and the number of loans which may extend to maturity.

In addition, under federal bankruptcy law, due-on-sale clauses may not be enforceable in bankruptcy proceedings and may, under certain circumstances, be eliminated in any modified mortgage resulting from such bankruptcy proceeding.

Prepayment Charges and Prepayments

Applicable regulations prohibit the imposition of a prepayment charge or equivalent fee for or in connection with the acceleration of a mortgage loan by exercise of a due-on-sale clause. A mortgagee to whom a prepayment in full has been tendered will be compelled to give either a release of the mortgage or an instrument assigning the existing mortgage to a refinancing lender.

Some state laws restrict the imposition of prepayment charges even when the mortgage loans expressly provide for the collection of those charges. The Alternative Mortgage Transaction Parity Act of 1982 (the "Parity Act") permits the collection of prepayment charges in connection with some types of mortgage loans subject to the Parity Act, or Parity Act loans, preempting any contrary state law prohibitions. However, some states may not recognize the preemptive authority of the Parity Act or have opted out of the Parity Act. Moreover, the OTS, the agency that administered the application of the Parity Act to some types of mortgage lenders that are not chartered under federal law, withdrew its favorable regulations and opinions that previously authorized those lenders, notwithstanding contrary state law, to charge prepayment charges and late fees with respect to Parity Act loans originated on or after July 1, 2003. Accordingly, it is possible that prepayment charges may not be collected on some mortgage loans that provide for the payment of these charges. Any prepayment charges collected on mortgage loans may be available for distribution only to a specific class of securities or may not be available for distribution to any class of securities. If so specified in the accompanying offering memorandum supplement, prepayment charges may be retained by the servicer or by sub-servicers as additional servicing compensation.

Please refer to the discussion under the heading "Financial Regulatory Legislative Reform and Related Regulations" below regarding federal regulation of prepayment charges.

Applicability of Usury Laws

Title V of the Depository Institutions Deregulation and Monetary Control Act of 1980, enacted in March 1980 ("Title V") provides that state usury limitations shall not apply to certain types of residential first mortgage loans originated by certain lenders after March 31, 1980. Title V authorized the states to reimpose interest rate limits by adopting, before April 1, 1983, a law or constitution provision which expressly rejects application of the federal law. Fifteen states adopted such a law prior to the April 1, 1983 deadline. In addition, even where Title V was not so rejected, any state is authorized by the law to adopt a provision limiting discount points or other charges on mortgage loans covered by Title V.

Certain states have taken action to reimpose interest rate limits and/or to limit discount points or other charges.

Servicemembers Civil Relief Act

Generally, under the terms of the Servicemembers Civil Relief Act formerly known as the Soldiers' and Sailors' Relief Act of 1940, (the "Relief Act"), a borrower who enters military service after the origination of his or her loan (including a borrower who is a member of the National Guard or is in reserve status at the time of the origination of the loan and is later called to active duty) may not be charged interest above an annual rate of 6% during the period of his or her active duty status, unless a court orders otherwise upon application of the lender. It is possible that this interest rate limitation could have an effect, for an indeterminate period of time, on the ability of the servicer to collect full amounts of interest on certain of the loans. Unless otherwise provided in the offering memorandum supplement, any shortfall in interest collections resulting from the application of the Relief Act could result in losses to securityholders. The Relief Act also imposes limitations which would impair the ability of the servicer to foreclose on an affected loan during the borrower's period of active duty status. Moreover, the Relief Act permits the extension of a loan's maturity and the re-adjustment of its payment schedule beyond the completion of military service. Thus, in the event that a loan that is affected by the Relief Act goes into default, there may be delays and losses occasioned by the inability to realize upon the property in a timely fashion.

Junior Mortgages; Rights of Senior Mortgagees

To the extent that the loans included in the assets of the issuing entity for a series are secured by mortgages which are junior to other mortgages held by other lenders or institutional investors, the rights of the issuing entity (and therefore the securityholders), as mortgagee under any such junior mortgage, are subordinate to those of any mortgagee under any senior mortgage. The senior mortgagee has the right to receive hazard insurance and condemnation proceeds and to cause the property securing the loan to be sold upon default of the mortgagor, thereby extinguishing the junior mortgagee's lien unless the junior mortgagee asserts its subordinate interest in the property in foreclosure litigation and, possibly, satisfies the defaulted senior mortgage. A junior mortgagee may satisfy a defaulted senior loan in full and, in some states, may cure a default and bring the senior loan current, in either event adding the amounts expended to the balance due on the junior loan. In most states, absent a provision in the mortgage or deed of trust, no notice of default is required to be given to a junior mortgagee.

The standard form of the mortgage used by most institutional lenders confers on the mortgagee the right both to receive all proceeds collected under any hazard insurance policy and all awards made in connection with condemnation proceedings, and to apply those proceeds and awards to any indebtedness secured by the mortgage, in whatever order the mortgagee may determine. Thus, in the event improvements on the property are damaged or destroyed by fire or other casualty, or in the event the property is taken by condemnation, the mortgagee or beneficiary under a senior mortgage will have the prior right to collect any insurance proceeds payable under a hazard insurance policy and any award of damages in connection with the condemnation and to apply the same to the indebtedness secured by the senior mortgage. Proceeds in excess of the amount of senior mortgage indebtedness, in most cases, may be applied to the indebtedness of a junior mortgage.

Another provision sometimes found in the form of the mortgage or deed of trust used by institutional lenders obligates the mortgagor to pay before delinquency all taxes and assessments on the property and, when due, all encumbrances, charges and liens on the property which appear prior to the mortgage or deed of trust, to provide and maintain fire insurance on the property, to maintain and repair the property and not to commit or permit any waste thereof, and to appear in and defend any action or proceeding purporting to affect the property or the rights of the mortgagee under the mortgage. Upon a failure of the mortgagor to perform any of these obligations, the mortgagee is given the right under certain mortgages to perform the obligation itself, at its election, with the mortgagor reimbursing the mortgagee for any sums expended by the mortgagee on behalf of the mortgagor. All sums so expended by the mortgagee become part of the indebtedness secured by the mortgage.

Consumer Protection Laws

The Reigle Community Development and Regulatory Improvement Act of 1994 (the "Reigle Act") incorporates the Home Ownership and Equity Protection Act of 1994, which adds certain additional provisions to Regulation Z, the implementing regulation of the Truth-in-Lending Act ("TILA"). These provisions impose additional disclosure and other requirements on creditors with respect to high cost loans. In general, mortgage loans within the purview of the Reigle Act have annual percentage rates over 8% greater than the yield on United States Treasury securities of comparable maturity and/or fees and points which exceed the greater of 8% of the total loan amount or $455. The provisions of the Reigle Act apply on a mandatory basis to all mortgage loans originated on or after October 1, 1995. These provisions can impose specific statutory liabilities upon creditors who fail to comply with their provisions and may affect the enforceability of the related loans. In addition, any assignee of a creditor, including the issuing entity and the trustee, would generally be subject to all claims and defenses that the consumer could assert against the creditor, including, without limitation, the right to rescind the mortgage loan.

Mortgage loans are also subject to various other federal laws, including (1) the Equal Credit Opportunity Act and Regulation B promulgated thereunder, which prohibit discrimination on the basis of age, race, color, sex, religion, marital status, national origin, receipt of public assistance or the exercise of any right under the Consumer Credit Protection Act, in the extension of credit; (2) the Americans with Disabilities Act, which, among other things, prohibits discrimination on the basis of disability in the full and equal enjoyment of the goods, services, facilities, privileges, advantages or accommodations of any place of public accommodation; and (3) the Fair Credit Reporting Act, which regulates the use and reporting of information related to borrowers' credit experience. Violations of certain provisions of these federal laws may limit the ability of the servicer to collect all or part of the principal of or interest on the mortgage loans and in addition could subject the issuing entity to damages.

State laws applicable to mortgage loans generally regulate interest rates and other charges and require certain disclosures to borrowers. In addition, other state laws, public policy and general principles of equity relating to the protection of consumers, unfair and deceptive practices and debt collection practices may apply to the origination, servicing and collection of mortgage loans. Depending upon the provisions of the applicable law and the specific facts and circumstances involved, violations of these laws, policies and principles may limit the ability of the servicer to collect all or part of the principal of or interest on the mortgage loans, may entitle borrowers to a refund of amounts previously paid and could subject the issuing entity to damages.

Financial Regulatory Legislative Reform and Related Regulations Could Have a Significant Impact

In response to the financial crisis, Congress passed the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), which President Obama signed into law on July 21, 2010. The Dodd-Frank Act requires the creation of new federal regulatory agencies, and grants additional authorities and responsibilities to existing regulatory agencies to identify and address emerging systemic risks posed by the activities of financial services firms. The Dodd-Frank Act also provides for enhanced regulation of derivatives and mortgage-backed securities offerings, restrictions on executive compensation and enhanced oversight of credit rating agencies. Additionally, the Dodd-Frank Act establishes the Consumer Financial Protection Bureau (the "CFPB") within the Federal Reserve System, a new consumer protection regulator tasked with regulating consumer financial services and products. The Dodd-Frank Act also limits the ability of federal laws to preempt state and local consumer laws.

The impact of the Dodd-Frank Act will depend significantly upon the content and implementation of the rules and regulations issued on its mandate. It is not yet clear how the Dodd-Frank Act and its associated rules and regulations will impact the mortgage-backed securities market and residential mortgage lending generally, and the issuing entity, investors in the securities offered thereby, the sponsor, the depositor, the servicers and their respective businesses and assets specifically. No assurance can be given that the new regulations will not have an adverse impact on these entities or the value of the securities offered hereby.

The CFPB is charged with issuing regulations to implement amendments to the TILA made by the Dodd-Frank Act. These regulations will expand the existing "ability to pay" requirements under TILA, establish new minimum underwriting standards and impose new limits on prepayment penalties. To the extent the regulations ultimately adopted may impact investors in series of securities offered hereby, they will be described in the related offering memorandum supplement.

Forfeitures in Drug and RICO Proceedings

Federal law provides that property owned by persons convicted of drug-related crimes or of criminal violations of the Racketeer Influenced and Corrupt Organizations statute ("RICO") may be seized by the government if the property was used in or purchased with the proceeds of these crimes. Under procedures contained in the Comprehensive Crime Control Act of 1984, the government may seize the property even before conviction. The government must publish notice of the forfeiture proceeding and may give notice to all parties "known to have an alleged interest in the property," including the holders of mortgage loans.

A lender may avoid forfeiture of its interest in the property if it establishes that: (1) its mortgage was executed and recorded before commission of the crime upon which the forfeiture is based or (2) the lender was at the time of execution of the mortgage "reasonably without cause to believe" that the property was used in or purchased with the proceeds of illegal drug or RICO activities.

MATERIAL FEDERAL INCOME TAX CONSEQUENCES

General

The following is a discussion of the anticipated material federal income tax consequences of the purchase, ownership and disposition of the securities offered hereunder, and is based on the advice of Morgan, Lewis & Bockius LLP. This discussion is directed solely to securityholders that hold the securities as capital assets within the meaning of section 1221 of the Internal Revenue Code of 1986, as amended (the "Code"), and does not purport to discuss all federal income tax consequences that may be applicable to particular individual circumstances, including those of banks, insurance companies, foreign investors, tax-exempt organizations, dealers in securities or currencies, mutual funds, real estate investment trusts, S corporations, estates and trusts, securityholders that hold the securities as part of a hedge, straddle, integrated or conversion transaction, or securityholders whose functional currency is not the United States dollar. Also, it does not address alternative minimum tax consequences or the indirect effects on the holders of equity interests in a securityholder.

For purposes of this tax discussion, references to a "securityholder" or a "holder" are to the beneficial owner of a security.

The following discussion is based in part upon the Code, Treasury regulations (including regulations promulgated under sections 860A through 860G of the Code, the "REMIC Regulations," and those promulgated under sections 1271 through 1275 of the Code, the "OID Regulations"), rulings and decisions all as in effect as of the date of this offering memorandum. The OID Regulations do not adequately address some issues relevant to, and in some instances provide that they are not applicable to, securities similar to the securities.

In addition, the authorities on which this discussion, and the opinions referred to below, are based are subject to change or differing interpretations, which could apply retroactively. An opinion of counsel is not binding on the Internal Revenue Service ("IRS") or the courts, and no rulings have been or will be sought from the IRS with respect to any of the federal income tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. If penalties were asserted against purchasers of the securities offered hereunder in respect of their treatment of the securities for tax purposes, this discussion, and the opinions referred to below, may not meet the conditions necessary for purchasers' reliance thereon to exculpate them from the asserted penalties. Taxpayers and preparers of tax returns, including those filed by any real estate mortgage investment conduit ("REMIC") or other issuer, should be aware that under applicable Treasury regulations a provider of advice on specific issues of law is not considered a tax return preparer unless the advice is given with respect to events that have occurred at the time the advice is rendered and is directly relevant to the determination of an entry on a tax return.

Accordingly, taxpayers are encouraged to consult their tax advisors and tax return preparers regarding the preparation of any item on a tax return and the application of United States federal income tax laws, as well as the laws of any state, local or foreign taxing jurisdictions, to their particular situations, even where the anticipated tax treatment has been discussed in this offering memorandum or in an offering memorandum supplement. See "State, Local and Other Tax Considerations" in this offering memorandum.

Types of Securities

This discussion addresses the following types of securities:

- REMIC securities ("REMIC Securities"); and
- securities issued by issuing entities for which a REMIC election is not made and which are treated as indebtedness of the issuer for federal income tax purposes ("Non-REMIC Debt Securities").

The offering memorandum supplement for each series of securities will indicate the applicable tax characterization for each security issued pursuant to that supplement. Set forth below is a general description of each type of security and the anticipated material federal income tax consequences of investing in such security. The discussions under "—Special Tax Attributes," "— Withholding With Respect to Certain Foreign Investors," "—Backup Withholding," "— FATCA Tax Regime" and "—Tax Return Disclosure and Investor List Requirements" below relate to all types of securities discussed herein.

If specified in the offering memorandum supplement, one or more classes of REMIC Securities or Non-REMIC Debt Securities also may be exchangeable for other classes of REMIC Securities or Non-REMIC Debt Securities issued in the same transaction. Any federal income tax consequences associated with holding or exchanging such securities will be further described in the related offering memorandum supplement.

Taxation of Debt Securities Generally

When we refer to a "Debt Security" or "Debt Securities" in the discussion that follows, we mean (1) REMIC Securities that are "regular interest securities," as defined below and (2) Non-REMIC Debt Securities. This discussion is based in part on the rules governing original issue discount ("OID") as set forth in Code sections 1271 through 1273, 1275 and 1281 through 1283 and the OID Regulations, and in part on the provisions of the Tax

Reform Act of 1986 (the "1986 Act"). Prospective investors should be aware, however, that the OID Regulations do not adequately address certain issues relevant to prepayable securities, such as the Debt Securities. To the extent that those issues are not addressed in the OID Regulations, the trustee intends to apply the methodology described in the Conference Committee Report to the 1986 Act. No assurance can be provided that the IRS will not take a different position as to those matters not currently addressed by the OID Regulations. Moreover, the OID Regulations include an anti-abuse rule allowing the IRS to apply or depart from the OID Regulations where necessary or appropriate to ensure a reasonable tax result because of the applicable statutory provisions. A tax result will not be considered unreasonable under the anti-abuse rule in the absence of a substantial effect on the present value of a taxpayer's tax liability. Prospective investors are encouraged to consult their own tax advisors as to the discussion therein and the appropriate method for reporting interest and OID with respect to Debt Securities.

Original Issue Discount. Some classes of Debt Securities offered in a series may be issued with OID. Holders of any class of Debt Securities having OID must generally include OID in ordinary gross income for federal income tax purposes as it accrues, in accordance with the constant yield method, in advance of receipt of the cash attributable to such income. When required by the Code and/or applicable regulations, the issuing entity will indicate on the face of each Debt Security issued by it information concerning the application of the OID rules to such Debt Security and certain other information that may be required. The issuing entity will report annually to the IRS and to holders of record of such Debt Securities information with respect to the OID accruing on such Debt Securities during the reporting period.

In general, each Debt Security will be treated as a single installment obligation for purposes of determining any OID includible in a holder's income. The amount of OID on such a Debt Security is the excess of the stated redemption price at maturity of the Debt Security over its issue price. The issue price of a Debt Security is the initial offering price to the public at which a substantial amount of the securities of that class are first sold to the public (excluding bond houses, brokers, underwriters or wholesalers). If less than a substantial amount of a particular class of Debt Securities is sold for cash on or prior to the date of their initial issuance, the issue price for such class will likely be treated as equal to its fair market value on the closing date. The portion of the initial offering price which consists of payment for interest accrued on the Debt Securities prior to the closing date generally may, at the option of the initial holders, be subtracted from the issue price of the securities and treated as an offset to interest received on the first payment date.

The stated redemption price at maturity of a Debt Security is equal to the total of all payments to be made on the Debt Security other than "qualified stated interest payments." "Qualified stated interest payments" are payments on the Debt Securities which are unconditionally payable at least annually and are based on either a fixed rate or a "qualified variable rate." Under the OID Regulations, interest is treated as payable at a "qualified variable rate" and not as contingent interest if, generally, (i) the issue price of the Debt Security does not exceed the total noncontingent principal payments by more than a specified amount and (ii) the interest compounds or is payable at least annually at current values of a "qualified floating rate," an "objective rate," or a combination of "qualified floating rates" that do not operate in a manner that significantly accelerates or defers interest payments on such security. Generally, the stated redemption price at maturity of a Debt Security (other than an "accrual security," as described below) is its stated principal amount; the stated redemption price at maturity of an accrual security is the sum of all payments (regardless of how denominated) scheduled to be received on such accrual security under the Tax Prepayment Assumption (as defined below). Likewise, the trustee or other party responsible for preparing tax information reporting intends to treat an "interest only" class of Debt Securities, or a class on which interest is substantially disproportionate to its principal amount (a so called "super premium" class) as having no qualified stated interest. Where the interval between the issue date and the first payment date on a Debt Security is shorter than the interval between subsequent payment dates, any interest attributable to the additional days will be included in the stated redemption price at maturity. A class of Debt Securities may be issued under this offering memorandum that provides for interest that is not a fixed rate and also does not have a variable rate under the foregoing rules, for example, a class that bears different rates at different times during the period it is outstanding so that it is considered significantly "front loaded" or "back loaded" within the meaning of the OID Regulations. It is possible that this class may be considered to bear "contingent interest" within the meaning of the OID Regulations. The OID Regulations, as they relate to the treatment of contingent interest, are by their terms not applicable to Debt Securities. However, if final regulations dealing with contingent interest with respect to Debt Securities apply the same principles as existing contingent rules, the regulations may lead to different timing of income inclusion than would be the case under the OID Regulations. Furthermore, application of these principles could lead to the characterization of gain on the sale of contingent interest Debt Securities as ordinary income. Investors should consult their tax advisors regarding the appropriate treatment of any Debt Security that does not pay interest at a fixed rate or qualified variable rate as described in this paragraph.

Notwithstanding the general definition of OID above, any OID with respect to a Debt Security will be considered to be zero if such discount is less than 0.25% of the stated redemption price at maturity of the Debt Security multiplied by its weighted average life (a "de minimis" amount). The weighted average life of a Debt Security for this purpose is the sum of the following amounts (computed for each payment included in the stated redemption price at maturity of the Debt Security): (i) the number of complete years (rounded down for partial years) from the closing date until the date on which each such payment is scheduled to be made under the Tax Prepayment Assumption, multiplied by (ii) a fraction, the numerator of which is the amount of the payment, and the denominator of which is the Debt Security's stated redemption price at maturity. Holders of Debt Securities generally must report de minimis OID pro rata as principal payments are received, and such income will be capital gain if the Debt Security is held as a capital asset. However, accrual method holders may elect to accrue all interest on a Debt Security, including de minimis OID and market discount and as adjusted by any premium, under a constant yield method.

The Code requires that the amount and rate of accrual of OID be calculated based on a reasonable assumed prepayment rate for the mortgage loans, the mortgage loans underlying any mortgaged-backed securities and/or other mortgage collateral securing the Debt Securities (the "Tax Prepayment Assumption") and prescribes a method for adjusting the amount and rate of accrual of such discount if actual prepayment rates exceed the Tax Prepayment Assumption. However, if such mortgage loans prepay at a rate slower than the Tax Prepayment Assumption, no deduction for OID previously accrued, based on the Tax Prepayment Assumption, is allowed. The Tax Prepayment Assumption is required to be determined in the manner prescribed by regulations that have not yet been issued. It is anticipated that the regulations will require that the Tax Prepayment Assumption be the prepayment assumption that is used in determining the initial offering price of the Debt Securities. The related offering memorandum supplement for each series of securities will specify the Tax Prepayment Assumption determined by the issuing entity for the purposes of determining the amount and rate of accrual of OID. No representation is made that the mortgage collateral will prepay at the Tax Prepayment Assumption or at any other rate.

Generally, a holder of a Debt Security must include in gross income the sum of the "daily portions," as determined below, of the OID that accrues on a Debt Security for each day the holder owns the Debt Security, including the purchase date but excluding the disposition date. In the case of an original holder of a Debt Security, a calculation will be made of the portion of the OID that accrues during each successive period (or shorter period from date of original issue) (an "accrual period") that ends on the day in the calendar year corresponding to each of the payment dates on the Debt Security (or the date prior to each such date). This will be done, in the case of each full accrual period, by:

- adding (A) the present value at the end of the accrual period of all remaining payments to be received on the Debt Security, computed taking into account (i) the yield to maturity of the Debt Security at the issue date, (ii) events (including actual prepayments) that have occurred prior to the end of the accrual period, and (iii) the Tax Prepayment Assumption, and (B) any payments received during such accrual period, other than payments of qualified stated interest: and

- subtracting from that total the "adjusted issue price" of the Debt Security at the beginning of such accrual period. The adjusted issue price of a Debt Security at the beginning of the initial accrual period is its issue price; the adjusted issue price of a Debt Security at the beginning of a subsequent accrual period is the adjusted issue price at the beginning of the immediately preceding accrual period plus the amount of OID allocable to such accrual period and reduced by the amount of any payment other than a payment of qualified stated interest made at the end of or during such accrual period. The OID accrued during such accrual period will then be divided by the number of days in the period to determine the daily portion of OID for each day in the period. With respect to an initial accrual period shorter than a full accrual period, the daily portions of OID must be determined according to any reasonable method, provided that such method is consistent with the method used to determine yield on the Debt Security.

With respect to any Debt Security that is a variable rate debt instrument, the sum of the daily portions of OID that is includible in the holder's gross income is determined under the same principles described above, with the following modifications: the yield to maturity on the Debt Security should be calculated as if the interest index remained at its value as of the issue date of such Debt Security. Because the proper method of adjusting accruals of OID on a variable rate debt instrument as a result of prepayments is uncertain, holders of such instruments should consult their own tax advisors regarding the appropriate treatment of such Debt Securities for federal income tax purposes.

A subsequent purchaser of a Debt Security issued with OID who purchases the Debt Security at a cost less than the remaining stated redemption price at maturity, will also be required to include in gross income for all days during his or her taxable year on which such Debt Security is held, the sum of the daily portions of OID on the Debt Security. In computing the daily portions of OID with respect to a Debt Security for such a subsequent purchaser, however, the daily portion for any day shall be reduced by the amount that would be the daily portion for such day (computed in accordance with the rules set forth above) multiplied by a fraction, the numerator of which is the amount, if any, by which the price paid by such holder for the Debt Security exceeds its adjusted issue price (the "acquisition premium"), and the denominator of which is the amount by which the remaining stated redemption price at maturity exceeds the adjusted issue price.

Amortizable Bond Premium. A holder who purchases a Debt Security for an amount (net of accrued interest) greater than its stated redemption price at maturity generally will be considered to have purchased the Debt Security at a premium, which it may, under section 171 of the Code, elect to amortize as an offset to interest income on such Debt Security (and not as a separate deduction item) on a constant yield method. Although no regulations addressing the computation of premium accrual on securities similar to the Debt Securities have been issued, the relevant legislative history under section 171 of the Code indicates that premium is to be accrued in the same manner as market discount. Accordingly, it appears that the accrual of premium on a class of Debt Securities of a series will be calculated using the prepayment assumption used in pricing such class. If a holder makes an election under section 171 of the Code to amortize premium on a Debt Security, such election will apply to all taxable debt instruments (including pass-through certificates representing ownership interests in a trust holding debt instruments) held by the holder at the beginning of the taxable year in which the election is made, and to all taxable debt instruments acquired thereafter by such holder, and will be irrevocable without the consent of the IRS. Purchasers who pay a premium for the Debt Securities should consult their tax advisors regarding the election to amortize premium and the method to be employed.

Market Discount. The Debt Securities are subject to the market discount provisions of Code sections 1276 through 1278. These rules provide that if a subsequent holder of a Debt Security purchases it at a market discount, some or all of any principal payment or of any gain recognized upon the disposition of the Debt Security will be taxable as ordinary interest income. Market discount on a Debt Security means the excess, if any, of (1) the sum of its issue price and the aggregate amount of OID includible in the gross income of all holders of the Debt Security prior to the acquisition by the subsequent holder (presumably adjusted to reflect prior principal payments), over (2) the price paid by the holder for the Debt Security. Market discount on a Debt Security will be considered to be zero if such discount is less than 0.25% of the stated redemption price at maturity of such Debt Security multiplied by its weighted average life, which presumably would be calculated in a manner similar to weighted average life (described above under "*Original Issue Discount*"), taking into account distributions (including prepayments) prior to the date of acquisition of such Debt Security by the subsequent purchaser. If market discount on a Debt Security is treated as zero under this rule, the actual amount of such discount must be allocated to the remaining principal distributions on such Debt Security and when each such distribution is made, gain equal to the discount allocated to such distribution will be recognized.

Any principal payment (whether a scheduled payment or a prepayment) or any gain on the disposition of a market discount Debt Security is to be treated as ordinary income to the extent that it does not exceed the accrued market discount at the time of such payment or disposition. The amount of accrued market discount for purposes of determining the tax treatment of subsequent principal payments or dispositions of the Debt Securities is to be reduced by the amount so treated as ordinary income.

The 1986 Act grants authority to the Treasury Department to issue regulations providing for the computation of accrued market discount on debt instruments, the principal of which is payable in more than one installment. Until such time as regulations are issued by the Treasury Department, certain rules described in the Conference Committee Report to the 1986 Act will apply. Under those rules, the holder of a market discount Debt Security may elect to accrue market discount either on the basis of a constant interest rate or using one of the following methods. For Debt Securities issued with OID, the amount of market discount that accrues during a period is equal to the product of (i) the total remaining market discount, multiplied by (ii) a fraction, the numerator of which is the OID accruing during the period and the denominator of which is the total remaining OID at the beginning of the period. For Debt Securities issued without OID, the amount of market discount that accrues during a period is equal to the product of (i) the total remaining market discount, multiplied by (ii) a fraction, the numerator of which is the amount of stated interest paid during the accrual period and the denominator of which is the total amount of stated interest remaining to be paid at the beginning of the period. For purposes of calculating market discount under any of the above methods in the case of instruments (such as the Debt Securities) that provide for payments that may be accelerated by reason of prepayments of other obligations securing such instruments, the same prepayment assumption applicable to calculating the accrual of OID shall apply. Regulations are to provide similar rules for computing the accrual of amortizable bond premium on instruments payable in more than one principal installment. As an alternative to the inclusion of market discount in income on the foregoing basis, the holder may elect to include such market discount in income currently as it accrues on all market discount instruments acquired by such holder in that taxable year or thereafter. In addition, accrual method holders may elect to accrue all interest on a Debt Security, including de minimis OID and market discount, and as adjusted by any premium, under a constant yield method.

A subsequent holder of a Debt Security who acquires the Debt Security at a market discount also may be required to defer, until the maturity date of the Debt Security or the earlier disposition of the Debt Security in a taxable transaction, the deduction of a portion of the amount of interest that the holder paid or accrued during the taxable year on indebtedness incurred or maintained to purchase or carry the Debt Security in excess of the aggregate amount of interest (including OID) includible in his or her gross income for the taxable year with respect to such Debt Security. The amount of such net interest expense deferred in a taxable year may not exceed the amount of market discount accrued on the Debt Security for the days during the taxable year on which the subsequent holder held the Debt Security, and the amount of such deferred deduction to be taken into account in the taxable year in which the Debt Security is disposed of in a transaction in which gain or loss is not recognized in whole or in part is limited to the amount of gain recognized on the disposition. This deferral rule does not apply to a holder that elects to include market discount in income currently as it accrues on all market discount instruments acquired by such holder in that taxable year or thereafter.

Because the regulations described above with respect to market discount and bond premium have not been issued, it is impossible to predict what effect those regulations might have on the tax treatment of a Debt Security purchased at a discount or premium in the secondary market.

Election to Treat All Interest as Original Issue Discount. The OID Regulations permit a holder of a Debt Security to elect to accrue all interest and discount (including de minimis market discount or OID), as adjusted for any bond premium, in income as interest, based on a constant yield method. If such an election were to be made with respect to a Debt Security with market discount, the holder of the Debt Security would be deemed to have made an election to include in income currently market discount with respect to all other debt instruments having market discount that such holder of the Debt Security acquires during the year of the election or thereafter. Similarly, a holder of a Debt Security that makes this election for a Debt Security that is acquired at a premium will be deemed to have made an election to amortize bond premium with respect to all debt instruments having amortizable bond premium that such holder owns or acquires. The election to accrue interest or discount and the election to amortize bond premium on a constant yield method with respect to a security are each irrevocable without IRS consent.

Effects of Defaults and Delinquencies. Certain series of Debt Securities may contain one or more classes of subordinated Debt Securities, and in the event there are defaults or delinquencies on the mortgage assets, amounts that would otherwise be distributed on the subordinated Debt Securities may instead be distributed on the senior Debt Securities. Holders of subordinated Debt Securities nevertheless will be required to report income with respect to such subordinated Debt Securities under an accrual method without giving effect to delays and reductions in distributions on such subordinated Debt Securities attributable to defaults and delinquencies on the mortgage assets, except to the extent that it can be established that such amounts are uncollectible. As a result, the amount of income reported by a subordinated holder of a Debt Security in any period could significantly exceed the amount of cash distributed to such holder in that period. The holder will eventually be allowed a loss (or will be allowed to report a lesser amount of income) to the extent that the aggregate amount of distributions on the subordinated Debt Security is contractually reduced as a result of defaults and delinquencies on the mortgage assets.

Treatment of Losses. Holders of Debt Securities using the accrual method of accounting will be required to report income with respect to such Debt Securities on the accrual method without giving effect to delays and reductions in distributions attributable to defaults or delinquencies on any of the issuing entity's assets, except possibly, in the case of income that under the Code constitutes "qualified stated interest," to the extent that it can be established that such amounts are uncollectible. In addition, potential investors are cautioned that while they may generally cease to accrue interest income if it reasonably appears that the interest will be uncollectible, the IRS may take the position that OID must continue to be accrued in spite of its uncollectibility until the security is disposed of in a taxable transaction or becomes worthless in accordance with the rules under section 166 of the Code. As a result, the amount of income required to be reported by a holder in any period could exceed the amount of cash distributed to such holder in that period.

Although not entirely clear, it appears that (i) holders of Debt Securities that are corporations or that otherwise hold Debt Securities in connection with a trade or business should in general be allowed to deduct as an ordinary loss any loss sustained during the taxable year on account of any such Debt Securities becoming wholly or partially worthless and (ii) holders of Debt Securities that are not corporations and that do not hold Debt Securities in connection with a trade or business generally should be allowed to deduct as a short-term capital loss any loss sustained during the taxable year on account of any such Debt Securities becoming wholly worthless. Although the matter is not entirely clear, such non-corporate holders of Debt Securities may be allowed a bad debt deduction at such time that the principal balance of any such Debt Security is reduced to reflect realized losses resulting from any liquidated mortgage assets. The IRS, however, could take the position that non-corporate holders will be allowed a bad debt deduction to reflect realized losses only after all mortgage assets remaining in the related issuing entity have been liquidated or the Debt Securities of the related series have been otherwise retired. The IRS could also assert that losses on Debt Securities are deductible based on some other method that may defer the deductions for all holders, such as reducing future cash flow for purposes of computing OID. This may have the effect of creating "negative OID" which, with the possible exception of the method discussed in the following sentence, would be deductible only against future positive OID or otherwise upon termination of the class. Although not free from doubt, a holder of a Debt Security with negative OID may be entitled to deduct a loss to the extent that its remaining basis would exceed the maximum amount of future payments to which such holder was entitled, assuming no further prepayments. Notwithstanding the foregoing, it is not clear whether holders of interest-only Debt Securities are entitled to any deduction under section 166 of the Code for bad debt loss. Potential investors and holders of Debt Securities are urged to consult their own tax advisors regarding the appropriate timing, amount and character of any loss sustained with respect to Debt Securities, including any loss resulting from the failure to recover previously accrued interest or discount income. Special loss rules are applicable to banks and thrift institutions, including rules regarding reserves for bad debts. Such taxpayers are advised to consult their tax advisors regarding the treatment of losses on Debt Securities.

REMIC Securities

With respect to each series of REMIC Securities, Morgan, Lewis & Bockius LLP will deliver an opinion generally to the effect that, under existing law, assuming timely filing of a REMIC election and ongoing compliance with all provisions of the related Agreement without any waiver thereof, each portion of the issuing entity designated as a REMIC under the related Agreement will qualify as a REMIC within the meaning of section 860D of the Code.

The securities in such series will be designated either as one or more "regular interests" in a REMIC, which generally are treated as debt for federal income tax purposes, or the sole class of "residual interest" in a REMIC, which generally is not treated as debt for such purposes but rather as representing rights and responsibilities with respect to the taxable income or loss of the related REMIC. The offering memorandum supplement for such series will indicate which classes of securities are being designated as regular interests ("regular interest securities") and which class is being designated as the residual interest ("residual interest securities").

For certain series of securities, multiple separate elections may be made to treat designated portions of the issuing entity as REMICs (referred to as the "Upper Tier REMIC" and the "Lower Tier REMIC(s)," respectively) for federal income tax purposes. In certain cases, a single residual interest security may represent the residual interest in both the Upper Tier REMIC and each Lower Tier REMIC. In such case, the discussion of residual interest securities set forth below should be interpreted as applying to each residual interest separately.

Taxation of Regular Interest Securities

Treatment of REMIC Regular Interests Generally. Except as otherwise stated in this discussion, regular interest securities will be treated for federal income tax purposes as debt instruments issued by the REMIC and not as ownership interests in the REMIC or its assets. Holders of regular interest securities that otherwise report income under a cash method of accounting will be required to report income with respect to regular interest securities under an accrual method.

To the extent provided in the applicable offering memorandum supplement, a regular interest security may represent not only the ownership of a REMIC regular interest but also an interest in a notional principal contract. This can occur, for instance, if the related Agreement provides that the rate of interest payable by the REMIC on the regular interest is subject to a cap based on the weighted average of the net interest rates payable on the qualified mortgages held by the REMIC. In these instances, the related Agreement may provide for a reserve fund that will be held as part of the issuing entity but not as an asset of any REMIC created pursuant to the related Agreement (an "outside reserve fund"). The outside reserve fund typically would be funded from monthly excess cashflow. If the interest payments on a regular interest were limited due to the above-described cap, payments of any interest shortfall due to application of that cap would be made to the regular interest holder to the extent of funds on deposit in the outside reserve fund. For federal income tax purposes, the trustee will treat payments from the outside reserve fund as payments under a notional principal contract written by the owner of the outside reserve fund in favor of the regular interest holders.

Interest Income. Although unclear at present, the depositor intends to treat interest on a regular interest security that is a weighted average of the net interest rates on mortgage loans as qualified stated interest. In such case, the weighted average rate used to compute the initial pass-through rate on the regular interest securities will be deemed to be the index in effect through the life of the regular interest securities. It is possible, however, that the IRS may treat some or all of the interest on regular interest securities with a weighted average rate as taxable under the rules relating to obligations providing for contingent payments. Such treatment may affect the timing of income accruals on such regular interest securities and could lead to the characterization of gain on the sale of such regular interest securities as ordinary income.

Original Issue Discount. Certain classes of regular interest securities may be issued with OID. The rules governing OID with respect to a regular interest security are described above under "Taxation of Debt Securities Generally —Original Issue Discount." In view of the complexities and current uncertainties as to the manner of inclusion in income of OID on regular interest securities, each investor should consult his own tax advisor to determine the appropriate amount and method of inclusion in income of OID on a regular interest security for federal income tax purposes.

Amortizable Bond Premium. The rules governing "premium" apply equally to regular interest securities (see above "Taxation of Debt Securities Generally—Amortizable Bond Premium").

Market Discount. A subsequent purchaser of a regular interest security may also be subject to the market discount provisions of Code sections 1276 through 1278. These rules are described above under "Taxation of Debt Securities Generally—Market Discount."

Sale or Exchange. If a regular interest security is sold, exchanged, redeemed or retired, the holder will recognize gain or loss equal to the difference, if any, between the amount realized on such disposition and the adjusted basis in the regular interest security. Similarly, a holder who receives a payment denominated as principal with respect to a regular interest security will recognize gain equal to the excess, if any, of the amount of such payment over his adjusted basis in the regular interest security. A holder that receives a final payment that is less than the holder's adjusted basis in a regular interest security will generally recognize a loss. The adjusted basis of a regular interest security generally will equal the cost of the regular interest security to the holder, increased by any OID or market discount previously included in the holder's gross income with respect to the regular interest security, and reduced by payments (other than payments of qualified stated interest) previously received by the holder on the regular interest security and by any amortized premium.

Except as noted above with respect to market discount and except as noted below, any such gain or loss on a regular interest security generally will be capital gain or loss. Such gain or loss will be long-term gain or loss if the regular interest security is held as a capital asset for more than one year. Long-term capital gains of non-corporate taxpayers are subject to reduced maximum rates while short-term capital gains are taxable at ordinary rates. The use of capital losses is subject to limitations.

If the holder of a regular interest security is a bank, a mutual savings bank, a thrift institution, or a similar institution described in section 582 of the Code, any gain or loss on the sale or exchange of the regular interest security will be treated as ordinary income or loss.

In the case of other types of holders, gain from the disposition of a regular interest security that otherwise would be capital gain will be treated as ordinary income to the extent that the amount actually includible in income with respect to the regular interest security by the holder during his holding period is less than the amount that would have been includible in income if the yield on that regular interest security during the holding period had been 110% of the applicable federal rate as of the date that the holder acquired the regular interest security.

Taxation of Holders of Residual Interest Securities

The REMIC will not be subject to federal income tax except with respect to income from prohibited transactions and certain other transactions. See "Taxation of the REMIC—Prohibited Transactions and Contributions Tax" below. Instead, the original holder of a residual interest security will report on its federal income tax return, as ordinary income, the "daily portion" of the taxable income or net loss of the REMIC for each day during the taxable year on which such holder held the residual interest security. The daily portion is determined by allocating to each day in any calendar quarter its ratable portion of the taxable income or net loss of the REMIC for such quarter, and by allocating that amount among the holders (on such day) of the residual interest securities in proportion to their respective holdings on such day.

The taxable income of the REMIC will be determined under an accrual method and will be taxable to the holders of residual interest securities without regard to the timing or amounts of cash distributions by the REMIC. Ordinary income derived from residual interest securities will be "portfolio income" for purposes of the taxation of taxpayers subject to the limitations on the deductibility of "passive losses." As residual interests, the residual interest securities will be subject to tax rules, described below, that differ from those that would apply if the residual interest securities were treated for federal income tax purposes as direct ownership interests in the mortgage assets or as debt instruments issued by the REMIC.

The holder of a residual interest security may be required to include taxable income from the residual interest security in excess of the cash distributed. The reporting of taxable income without corresponding distributions could occur, for example, in certain REMIC issues in which the loans held by the REMIC were issued or acquired at a discount, since mortgage prepayments cause recognition of discount income, while the corresponding portion of the prepayment could be used in whole or in part to make principal payments on regular interest securities issued without any discount or at an insubstantial discount (if this occurs, it is likely that cash distributions will exceed taxable income in later years). Taxable income may also be greater in earlier years of certain REMIC issues as a result of the fact that interest expense deductions, as a percentage of outstanding principal on regular interest securities, will typically increase over time as lower yielding securities are repaid, whereas interest income with respect to loans will generally remain constant over time as a percentage of loan principal.

In any event, because the holder of a residual interest security is taxed on the net income of the REMIC, the taxable income derived from a residual interest security in a given taxable year will not be equal to the taxable income associated with investment in a corporate security or stripped instrument having similar cash flow characteristics and pre-tax yield. Therefore, the after-tax yield on the residual interest security may be less than that of such a security or instrument.

A subsequent residual interest securityholder also will report on its federal income tax return amounts representing a daily share of the taxable income of the REMIC for each day that such residual interest securityholder owns such residual interest security. Those daily amounts generally would equal the amounts that would have been reported for the same days by an original residual interest securityholder, as described above. The legislative history to the Code provisions governing this matter indicates that certain adjustments may be appropriate to reduce (or increase) the income of a subsequent holder of a residual interest security that purchased such residual interest security at a price greater than (or less than) the adjusted basis such residual interest security would have in the hands of an original residual interest securityholder. See "—Sale or Exchange" below. It is not clear, however, whether such adjustments will in fact be permitted or required and, if so, how they would be made. The REMIC Regulations do not provide for any such adjustments.

Limitation on Losses. The REMIC will have a net loss for any calendar quarter in which its deductions exceed its gross income. The amount of the REMIC's net loss that a holder may take into account currently is limited to the holder's adjusted basis at the end of the calendar quarter in which such loss arises. A holder's basis in a residual interest security will initially equal such holder's purchase price, and will subsequently be increased by the amount of the REMIC's taxable income allocated to the holder, and decreased (but not below zero) by the amount of distributions made and the amount of the REMIC's net loss allocated to the holder. Any disallowed loss may be carried forward indefinitely, but may be used only to offset income generated by the same REMIC. The ability of holders of residual interest securities to deduct net losses may be subject to additional limitations under the Code, as to which such holders should consult their tax advisors.

Distributions. Distributions on a residual interest security (whether at their scheduled times or as a result of prepayments) will generally not result in any additional taxable income or loss to a holder of a residual interest security. If the amount of such payment exceeds a holder's adjusted basis in the residual interest security, however, the holder will recognize gain (treated as gain from the sale of the residual interest security) to the extent of such excess.

Excess Inclusions. The excess inclusion portion of a REMIC's income is generally equal to the excess, if any, of (a) REMIC taxable income for the quarterly period allocable to a residual interest security, over (b) the daily accruals for such quarterly period. For this purpose, daily accruals are determined by allocating to each day in the calendar quarter its ratable portion of the "adjusted issue price" of the residual interest security at the beginning of such quarterly period and 120% of the long term applicable federal rate in effect on the date the residual interest security is issued. The adjusted issue price of a residual interest at the beginning of each calendar quarter will equal its issue price (calculated in a manner analogous to the determination of the issue price of a regular interest security), increased by the aggregate of the daily accruals for prior calendar quarters, and decreased (but not below zero) by the amount of loss allocated to a holder and the amount of distributions made on the residual interest security before the beginning of the quarter. The long term federal rate, which is announced monthly by the Treasury Department, is an interest rate that is based on the average market yield of outstanding marketable obligations of the United States government having remaining maturities in excess of nine years.

The portion of the REMIC taxable income of a holder of a residual interest security consisting of "excess inclusion" income will be subject to federal income tax in all events and may not be (i) offset by unrelated deductions or losses, including net operating losses, on such holder's federal income tax return or (ii) counted as income for purposes of measuring certain income based thresholds or limitations on the claiming of certain deductions (such as the charitable contributions deduction). Further, if the holder of a residual interest security is an organization subject to the tax on unrelated business income imposed by Code section 511, such holder's excess inclusion income will be treated as unrelated business taxable income of such holder. If a residual interest security is owned by a non-U.S. Person, excess inclusion income is subject to U.S. withholding tax which may not be reduced by treaty, is not eligible for treatment as "portfolio interest" and is subject to certain additional limitations. The Small Business Job Protection Act of 1996 (the "SBJPA of 1996") has eliminated the special rule permitting section 593 institutions ("thrift institutions") to use net operating losses and other allowable deductions to offset their excess inclusion income from REMIC residual securities that have "significant value" within the meaning of the REMIC Regulations, effective for taxable years beginning after December 31, 1995, except with respect to residual securities continuously held by a thrift institution since November 1, 1995.

In the case of any residual interest securities held by a REIT, the Code provides that under regulations to be issued the aggregate excess inclusions with respect to such residual interest securities, reduced (but not below zero) by the REIT taxable income (within the meaning of Code section 857(b)(2), excluding any net capital gain), will be allocated among the shareholders of the REIT in proportion to the dividends received by such shareholders from the REIT, and any amount so allocated will be treated as an excess inclusion with respect to a residual interest security as if held directly by such shareholder. Regulated investment companies, common trust funds and certain cooperatives are subject to similar rules. No such regulations have been issued to date and it is unclear how this provision would be applied in practice.

In addition, the SBJPA of 1996 provides three rules for determining the effect of excess inclusions on the alternative minimum taxable income of a residual holder. First, alternative minimum taxable income for such residual holder is determined without regard to the special rule that taxable income cannot be less than excess inclusions. Second, a residual holder’s alternative minimum taxable income for a tax year cannot be less than excess inclusions for the year. Third, the amount of any alternative minimum tax net operating loss deductions must be computed without regard to any excess inclusions.

Effective August 1, 2006, Treasury regulations have modified the general rule that excess inclusions from a REMIC residual interest are not includible in the income of a nonresident alien individual or foreign corporation for purposes of the 30% United States withholding tax until paid or distributed or when the REMIC residual interest is disposed of. The Treasury regulations accelerate the time both for reporting of, and withholding tax on, excess inclusions allocated to the foreign equity holders of domestic partnerships and certain other pass-through entities. The rules also provide that excess inclusions are United States sourced income.

In the case of REMIC residual interests held by a foreign person through a domestic partnership, the amount of excess inclusion income allocated to the foreign partner is deemed to be received by the foreign partner on the last day of the partnership's taxable year except to the extent that the excess inclusion was required to be taken into account by the foreign partner at an earlier time under section 860G(b) of the Code as a result of a distribution by the partnership to the foreign partner or a disposition in whole or in part of the foreign partner's indirect interest in the REMIC residual interest. A disposition in whole or in part of the foreign partner's indirect interest in the REMIC residual interest may occur as a result of a termination of the REMIC, a disposition of the partnership's residual interest in the REMIC, a disposition of the foreign partner's interest in the partnership, or any other reduction in the foreign partner's allocable share of the portion of the REMIC net income or deduction allocated to the partnership.

Similarly, in the case of a residual interest held by a foreign person indirectly as a shareholder of a REIT or regulated investment company, as a participant in a common trust fund or as a patron in an organization subject to part I of subchapter T (cooperatives), the amount of excess inclusion allocated to the foreign person must be taken into account for purposes of the 30% United States withholding tax at the same time that other income from the trust, company, fund, or organization would be taken into account.

Excess inclusions allocated to a foreign person (whether as a partner or holder of an interest in a pass-through entity) are expressly subject to withholding tax. In addition, in the case of excess inclusions allocable to a foreign person as a partner, Treasury regulations eliminate an exception to the withholding requirements under which a withholding agent unrelated to a payee is obligated to withhold on a payment only to the extent that the withholding agent has control over the payee's money or property and knows the facts giving rise to the payment.

Sale or Exchange. A holder of a residual interest security will recognize gain or loss on the sale or exchange of a residual interest security equal to the difference, if any, between the amount realized and such holder’s adjusted basis in the residual interest security at the time of such sale or exchange. In general, any such gain or loss will be capital gain or loss provided the residual interest security is held as a capital asset. However, residual interest securities will be “evidences of indebtedness” within the meaning of Code section 582(c)(l), so that gain or loss recognized from sale of a residual interest security by a bank or thrift institution to which such section applies would be ordinary income or loss. Any loss upon disposition of a residual interest security may be disallowed if, within six months before or after the disposition of the residual interest security, the selling holder acquires any residual interest in a REMIC or any interest in a "taxable mortgage pool" (as defined in section 7701(i) of the Code) which is comparable to a residual interest in a REMIC. In that event, any loss will increase such regular interest securityholder's adjusted basis in the newly acquired interest. Losses on the sale of a residual interest security in excess of a threshold amount (which amount may need to be aggregated with similar or previous losses) may require disclosure of such loss on an IRS Form 8886. Investors are encouraged to consult with their tax advisors as to the need to file such forms.

Disqualified Organizations. As a condition to qualification as a REMIC, reasonable arrangements must be made to prevent the ownership of a residual interest security by any "disqualified organization." Disqualified organizations include the United States, any State or political subdivision thereof, any foreign government, any international organization, or any agency or instrumentality of any of the foregoing, a rural electric or telephone cooperative described in section 1381(a)(2)(C) of the Code, or any entity exempt from the tax imposed by sections 1 through 1399 of the Code, if such entity is not subject to tax on its unrelated business income. Accordingly, the related Agreement will prohibit disqualified organizations from owning a residual interest security. In addition, no transfer of a residual interest security will be permitted unless the proposed transferee shall have furnished to the trustee an affidavit representing and warranting that it is neither a disqualified organization nor an agent or nominee acting on behalf of a disqualified organization.

If a residual interest security is transferred to a disqualified organization (in violation of the restrictions set forth above), a substantial tax will be imposed on the transferor of such residual interest security at the time of the transfer. In addition, if a disqualified organization holds an interest in a pass-through entity (including, among others, a partnership, trust, REIT, regulated investment company, or any person holding as nominee), that owns a residual interest security, the pass-through entity will be required to pay an annual tax on its allocable share of the excess inclusion income of the REMIC. The pass-through entity otherwise liable for the tax, for any period during which the disqualified organization is the record holder of an interest in such entity, will be relieved of liability for the tax if such record holder furnishes to such entity an affidavit that such record holder is not a disqualified organization and, for such period, the pass-through entity does not have actual knowledge that the affidavit is false. Except as may be provided in Treasury regulations not yet issued, any person holding an interest in a pass-through entity as a nominee for another will, with respect to such interest, be treated as a pass-through entity. Under the Taxpayer Relief Act of 1997, large partnerships (generally with 250 or more partners) will be taxable on excess inclusion income as if all partners were disqualified organizations.

Transfers of Noneconomic Residual Interests. Under the REMIC Regulations, if a residual interest security is a "noneconomic residual interest," as described below, such transfer of a residual interest security to a U.S. Person will be disregarded for all federal tax purposes unless no significant purpose of the transfer was to impede the assessment or collection of tax. A residual interest security is a "noneconomic residual interest" unless at the time of the transfer (i) the present value of the expected future distributions on the residual interest security at least equals the product of the present value of the anticipated excess inclusions and the highest rate of tax for the year in which the transfer occurs, and (ii) the transferor reasonably expects that the transferee will receive distributions from the REMIC at or after the time at which the taxes accrue on the anticipated excess inclusions in an amount sufficient to satisfy the accrued taxes. A significant purpose to impede the assessment or collection of tax exists if the transferor, at the time of the transfer, either knew or should have known that the transferee would be unwilling or unable to pay taxes due on its share of the taxable income of the REMIC. Under final regulations issued by the Treasury Department on July 19, 2002, a transferor is presumed not to have such knowledge if (i) the transferor conducted a reasonable investigation of the financial condition of the transferee, (ii) the transferee acknowledges to the transferor that the residual interest security may generate tax liabilities in excess of the cash flow and the transferee represents that it intends to pay such taxes associated with the residual interest security as they become due, (iii) the transferee represents that it will not cause income from the residual interest security to be attributable to a foreign permanent establishment or fixed base of the transferee or another U.S. taxpayer and (iv) the transfer satisfies either an "asset test" or "formula test." The "asset test" requires that the transfer be to certain domestic taxable corporations with large amounts of gross and net assets where an agreement is made that all future transfers will be to taxable domestic corporations in transactions that qualify for the aforementioned "safe harbor." The asset test is not satisfied if the facts and circumstances known to the transferor reasonably indicate that the taxes associated with the residual interest security will not be paid. Meanwhile, the "formula test" requires that the present value of the anticipated tax liabilities associated with holding the residual interest does not exceed the sum of (i) the present value of any consideration given to the transferee to acquire the interest, (ii) the present value of the expected future distributions on the interest, and (iii) the present value of any anticipated tax savings associated with holding the interest as the REMIC generates losses. If a transfer of a "noneconomic residual interest" security is disregarded, the transferor would continue to be treated as the owner of the residual interest security and would continue to be subject to tax on its allocable portion of the net income of the REMIC.

Foreign Investors. The REMIC Regulations provide that the transfer of a residual interest security that has a "tax avoidance potential" to a "foreign person" will be disregarded for federal income tax purposes. This rule appears to apply to a transferee who is not a U.S. Person unless such transferee's income in respect of the residual interest security is effectively connected with the conduct of a United Sates trade or business. A residual interest security is deemed to have a tax avoidance potential unless, at the time of transfer, the transferor reasonably expects that the REMIC will distribute to the transferee amounts that will equal at least 30 percent of each excess inclusion, and that such amounts will be distributed at or after the time the excess inclusion accrues and not later than the end of the calendar year following the year of accrual. If the non-U.S. Person transfers the residual interest security to a U.S. Person, the transfer will be disregarded, and the foreign transferor will continue to be treated as the owner, if the transfer has the effect of allowing the transferor to avoid tax on accrued excess inclusions. The related Agreement will provide that no residual interest security may be transferred to a non-U.S. Person. In addition, no transfer of a residual interest security will be permitted unless the proposed transferee shall have furnished to the trustee an affidavit representing and warranting that it is not a non-U.S. Person.

The related Agreement will provide that any attempted transfer or pledge in violation of the transfer restrictions discussed above shall be absolutely null and void and shall vest no rights in any purported transferee. Investors in residual interest securities are advised to consult their own tax advisors with respect to transfers of the residual interest securities and, in addition, pass-through entities are advised to consult their own tax advisors with respect to any tax which may be imposed on a pass-through entity.

Inducement Fees. The REMIC Regulations (i) require transferees of noneconomic residual interests that receive payments made to induce the acquisition of such interests ("inducement fees") to recognize such fees as income over the expected remaining life of the acquired REMIC in a manner that reasonably reflects the after-tax costs and benefits of holding the residual interests, and (ii) specify that inducement fees constitute income from sources within the United States. These regulations will apply to any inducement fee received in connection with the acquisition of a residual interest security.

Mark-to-Market Rule. Prospective purchasers of a residual interest security should be aware that such a security acquired after January 3, 1995 cannot be marked to market.

Taxation of the REMIC

Although a REMIC is a separate entity for federal income tax purposes, a REMIC is not generally subject to entity-level tax. Rather, the taxable income or net loss of a REMIC is taken into account by the holders of residual interests. As described above, regular interests issued by a REMIC are treated as debt of the REMIC.

Qualification as a REMIC. The issuing entity or, alternatively, each of one or more designated pools of the assets of the issuing entity, may elect to be treated under the Code as a REMIC. The regular interest securities and residual interest securities will constitute the "regular interests" and "residual interests," respectively, in a REMIC if an election is in effect and certain tests concerning (i) the composition of the REMIC's assets and (ii) the nature of the holders' interests in the REMIC are met on a continuing basis. A loss of REMIC status could have a number of consequences for holders. If, as the result of REMIC disqualification, the issuing entity were treated as an association taxable as a corporation, distributions on the security could be re-characterized in part as dividends from a non-includible corporation and in part as returns of capital. Alternatively, distributions on a regular interest security could continue to be treated as comprised of interest and principal notwithstanding REMIC disqualification, in which case a cash-basis holder might not be required to continue to recognize income with respect to the security on an accrual basis. Under the first alternative, a loss of REMIC status would, and under the second alternative, a loss of REMIC status could, cause the securities and the associated distributions not to be qualified assets and income for the various purposes of domestic building and loan associations and REITs described under "Special Tax Attributes—REMIC Securities" below.

Calculation of REMIC Income. The taxable income or net loss of a REMIC is determined under an accrual method of accounting and in the same manner as in the case of an individual, with certain adjustments. In general, the taxable income or net loss will be the difference between (i) the gross income produced by the REMIC's assets, including stated interest and any OID or market discount on loans and other assets, and (ii) deductions, including stated interest and OID accrued on regular interest securities, amortization of any premium with respect to loans, and servicing fees and other expenses of the REMIC. A holder of a residual interest security that is an individual or a "pass-through interest holder" (including certain pass-through entities, but not including REITs) will be unable to deduct servicing fees payable on the loans or other administrative expenses of the REMIC for a given taxable year, to the extent that such expenses, when aggregated with such holder's other miscellaneous itemized deductions for that year, do not exceed two percent of such holder's adjusted gross income.

For purposes of computing its taxable income or net loss, the REMIC should have an initial aggregate tax basis in its assets equal to the aggregate fair market value of the regular interests and the residual interests on the "startup day" (generally, the day that the interests are issued). That aggregate basis will be allocated among the assets of the REMIC in proportion to their respective fair market values.

The OID provisions of the Code and the OID Regulations apply to loans of individuals originated on or after March 2, 1984, and the market discount provisions apply to loans originated after July 18, 1984. Subject to possible application of the de minimis rules, the method of accrual by the REMIC of OID income on such loans will be equivalent to the method under which securityholders accrue OID (i.e., under the constant yield method taking into account the Tax Prepayment Assumption). The REMIC will deduct OID on the regular interest securities in the same manner that the holders of the regular interest securities include such discount in income, but without regard to the de minimis rules. See "Taxation of Debt Securities Generally" above. However, a REMIC that acquires loans at a market discount must include such market discount in income currently, as it accrues, on a constant interest basis.

To the extent that the REMIC's basis allocable to loans that it holds exceeds their principal amounts, the resulting premium, if attributable to mortgages originated after September 27, 1985, will be amortized over the life of the loans (taking into account the Tax Prepayment Assumption) on a constant yield method. Although the law is somewhat unclear regarding recovery of premium attributable to loans originated on or before such date, it is possible that such premium may be recovered in proportion to payments of loan principal.

Prohibited Transactions and Contributions Tax. The REMIC will be subject to a 100% tax on any net income derived from a "prohibited transaction." For this purpose, net income will be calculated without taking into account any losses from prohibited transactions or any deductions attributable to any prohibited transaction that resulted in a loss. In general, prohibited transactions include: (i) subject to limited exceptions, the sale or other disposition of any qualified mortgage transferred to the REMIC; (ii) subject to limited exceptions, the sale or other disposition of a cash flow investment; (iii) the receipt of any income from assets not permitted to be held by the REMIC pursuant to the Code; or (iv) the receipt of any fees or other compensation for services rendered by the REMIC. It is anticipated that a REMIC will not engage in any prohibited transactions in which it would recognize a material amount of net income. In addition, subject to a number of exceptions, a tax is imposed at the rate of 100% on amounts contributed to a REMIC after the close of the three-month period beginning on the startup day. The holders of residual interest securities will generally be responsible for the payment of any such taxes imposed on the REMIC. To the extent not paid by such holders or otherwise, however, such taxes will be paid out of the trust fund and will be allocated pro rata to all outstanding classes of securities of such REMIC.

Modifications of mortgage loans entered into after they have been contributed to a REMIC and before the loan is classified as defaulted could cause a REMIC to incur prohibited transaction taxes or to violate certain requirements necessary to maintain its tax status as a REMIC. Notwithstanding the intention to not have the REMIC enter into transactions that could give rise to prohibited transaction taxes, recent government initiated mortgage foreclosure prevention programs encourage mortgage servicers to modify certain categories of residential mortgage loans in advance of default in order to prevent widespread foreclosures. These programs generally include safe harbors and exemptions from adverse tax consequences for investors in the modified residential mortgage loans, some of which exemptions expired in 2010 and others of which continue in effect.

Administrative Matters. The books of a REMIC must be maintained on a calendar year basis and the REMIC must file an annual federal income tax return. A REMIC will also be subject to the procedural and administrative rules of the Code applicable to partnerships, including the determination of any adjustments to, among other things, items of REMIC income, gain, loss, deduction, or credit, by the IRS in a unified administrative proceeding.

Non-REMIC Debt Securities

If a REMIC election is not made on behalf of the issuing entity, Morgan, Lewis & Bockius LLP will deliver its opinion generally to the effect that (i) although no regulations, published rulings or judicial decisions exist that specifically discuss the characterization for federal income tax purposes of securities with terms substantially the same as the non-REMIC debt securities, in its opinion such securities will be treated for federal income tax purposes as indebtedness and not as an ownership interest in the collateral or an equity interest in the issuer, and (ii) either (A) the issuer will not be a taxable mortgage pool or (B) the issuer may be a taxable mortgage pool but will not subject to federal income tax as a corporation so long as all of the securities classified as equity interests in the issuer for federal income tax purposes are held by an entity that qualifies as a REIT, or are held directly or indirectly through one or more wholly owned "qualified REIT subsidiaries," each as defined under section 856 of the Code.

Interest on Non-REMIC Debt Securities. Except as described with respect to OID, market discount or premium, interest paid or accrued on non-REMIC debt securities generally will be treated as ordinary income to the holder, and will be includible in income in accordance with such holder's regular method of accounting.

Original Issue Discount. Certain classes of non-REMIC debt securities may be issued with OID. The rules governing OID with respect to a regular interest security are described above under "Taxation of Debt Securities Generally — Original Issue Discount" In view of the complexities and current uncertainties as to the manner of inclusion in income of OID on non-REMIC debt securities, each investor should consult his own tax advisor to determine the appropriate amount and method of inclusion in income of OID on such non-REMIC debt securities for federal income tax purposes.

Amortizable Bond Premium. The rules governing "premium" apply equally to non-REMIC debt securities (see above "Taxation of Debt Securities Generally — Amortizable Bond Premium").

Market Discount. A subsequent purchaser of a non-REMIC debt security may also be subject to the market discount provisions of Code sections 1276 through 1278. These rules are described above under "Taxation of Debt Securities Generally—Market Discount."

Sale or Redemption. If a security is sold, exchanged, redeemed or retired, the related seller will recognize gain or loss equal to the difference between the amount realized on the sale and such seller's adjusted basis in the security. Such adjusted basis generally will equal the cost of the security to the related seller, increased by any OID and market discount included in such seller's gross income with respect to the security and reduced by payments, other than payments of qualified stated interest, previously received by such seller and by any amortized premium. If a securityholder is a bank, thrift or similar institution described in section 582(c) of the Code, gain or loss realized on the sale or exchange of a security will be taxable as ordinary income or loss. Any such gain or loss recognized by any other seller generally will be capital gain or loss provided that the security is held by the related seller as a "capital asset" (generally, property held for investment) within the meaning of Code section 1221. Such gain or loss will be long-term gain or loss if the security is held as a capital asset for more than one year. Long-term capital gains of non-corporate taxpayers are subject to reduced maximum rates while short-term capital gains are taxable at ordinary rates. The use of capital losses is subject to limitations.

Special Tax Attributes

Certain securities carry additional special tax attributes under particular sections of the Code, as discussed below.

REMIC Securities. Except to the extent otherwise provided in the related offering memorandum supplement: (i) REMIC securities held by a "domestic building and loan association" will constitute assets described in Code section 7701(a)(19)(C)(xi); and (ii) REMIC securities held by a REIT will constitute "real estate assets" within the meaning of Code section 856(c)(5)(B) and interest on such securities will be considered "interest on obligations secured by mortgages on real property" within the meaning of Code section 856(c)(3)(B), subject to the limitation as set forth below. REMIC securities held by certain financial institutions will constitute "evidences of indebtedness" within the meaning of Code section 582(c)(1).

In the case of items (i) and (ii) above, if less than 95% of the REMIC's assets are assets qualifying under any of the foregoing Code sections, the REMIC securities will be qualifying assets only to the extent that the REMIC's assets are qualifying assets. Additionally, in the case of a REIT, the same limitation described in the preceding sentence shall apply for the purpose of treating income on such REMIC securities as "interest on obligations secured by mortgages on real property." We note that in the case of item (ii) above, pursuant to recent IRS guidance an 80% threshold may be substituted for the 95% threshold but only if the REMIC securities are guaranteed by Fannie Mae or Freddie Mac (which would not typically be the case with respect to any of the securities offered hereunder). If a series of securities employs a multi-tier REMIC structure, both the Upper Tier REMIC and the Lower Tier REMIC will be treated as a single REMIC for purposes of determining the extent to which the related REMIC securities and the income thereon will be treated as such assets and income.

Regular interest securities held by other REMICs generally also qualify as "qualified mortgages" within the meaning of section 860G(a)(3) of the Code, provided such securities are transferred to the other REMIC within the periods required by the Code.

The determination as to the percentage of the REMIC's assets that constitute assets described in the foregoing sections of the Code will be made for each calendar quarter based on the average adjusted basis of each category of the assets held by the REMIC during that calendar quarter. The REMIC will report those determinations in the manner and at the times required by applicable Treasury regulations. The SBJPA of 1996 repealed the reserve method for bad debts of domestic building and loan associations and mutual savings banks, and thus has eliminated the asset category of "qualifying real property loans" in former section 593(d) of the Code for taxable years beginning after December 31, 1995. The requirements in the SBJPA of 1996 that these institutions must "recapture" a portion of their existing bad debt reserves is suspended if a certain portion of their assets are maintained in "residential loans" under section 7701(a)(19)(C)(v) of the Code, but only if those loans were made to acquire, construct or improve the related real property and not for the purpose of refinancing. However, no effort will be made to identify the portion of the mortgage loans of any series meeting this requirement, and no representation is made in this regard.

The assets of the REMIC will include, in addition to mortgage loans, payments on mortgage loans held pending distribution on the REMIC securities and property acquired by foreclosure held pending sale, and may include amounts in reserve accounts. It is unclear whether property acquired by foreclosure held pending sale and amounts in reserve accounts would be considered to be part of the mortgage loans, or whether those assets (to the extent not invested in assets described in the foregoing sections) otherwise would receive the same treatment as the mortgage loans for purposes of all of the foregoing sections. Under the regulations applicable to REITs, however, mortgage loan payments held by a REMIC pending distribution are real estate assets for purposes of section 856(c)(5)(B) of the Code. Furthermore, foreclosure property generally will qualify as real estate assets under section 856(c)(5)(B) of the Code.

Non-REMIC Debt Securities. Non-REMIC debt securities will be treated as indebtedness of the issuer for federal income tax purposes and as such, (i) securities held by a thrift institution taxed as a domestic building and loan association will not constitute "loans secured by an interest in real property" within the meaning of Code section 7701(a)(19)(C)(v), (ii) interest on non-REMIC debt securities held by a REIT will not be treated as "interest on obligations secured by mortgages on real property or on interests in real property" within the meaning of Code section 856(c)(3)(B), and non-REMIC debt securities will not constitute "real estate assets" or "government securities" within the meaning of Code section 856(c)(4)(A), and (iii) non-REMIC debt securities held by a regulated investment company will not constitute "government securities" within the meaning of Code section 851(b)(4)(A)(i).

Medicare Related Surtax. Recently enacted health care reform legislation imposes a Medicare-related surtax on the "net investment income" earned directly or indirectly by certain individuals, trusts and estates. Among other items, net investment income generally includes interest on debt instruments and net gain attributable to the disposition of debt instruments to the extent that such gain would be otherwise included in taxable income. Prospective investors should consult their own tax advisors regarding any effect the Medicare-related surtax may have on them.

Withholding With Respect to Certain Foreign Investors

Interest (including OID) paid to or accrued by a beneficial owner of a security who is a not a U.S. Person (a "foreign person") generally will be considered "portfolio interest" and generally will not be subject to U.S. federal income and withholding tax, provided the interest is not effectively connected with the conduct of a trade or business within the United States by the foreign person and the foreign person (i) is not actually or constructively a 10 percent shareholder of the depositor or its affiliates or a controlled foreign corporation with respect to which the depositor or its affiliates is a related person (all within the meaning of the Code) and (ii) provides the trustee or other person who is otherwise required to withhold U.S. tax with respect to the securities (the "withholding agent") with an appropriate statement on IRS Form W-8BEN (Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding and Reporting (Individuals)) or IRS Form W-8BEN-E (Certificate of Status of Beneficial Owner for United States Tax Withholding and Reporting (Entities)), or an applicable successor form. If a security is held through a securities clearing organization or certain other financial institutions, the organization or institution may provide the relevant signed statement to the withholding agent; in that case, however, the signed statement must be accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E provided by the foreign person that owns the security. If the information shown on the IRS Form W-8BEN or IRS Form W-8BEN-E changes, a new IRS Form W-8BEN or IRS Form W-8BEN-E must be filed. If interest on the securities is not portfolio interest, then interest (including OID) will be subject to United States federal income and withholding tax at a rate of 30 percent, unless reduced or eliminated pursuant to an applicable tax treaty.

Under Treasury regulations, a payment to a foreign partnership is treated, with some exceptions, as a payment directly to the partners, so that the partners are required to provide any required certifications. Foreign persons that intend to hold a security through a partnership or other pass-through entity should consult their own tax advisors regarding the application of those Treasury regulations to an investment in a security.

Any capital gain realized on the sale, redemption, retirement or other taxable disposition of a security by a foreign person will be exempt from United States federal income and withholding tax, provided that (i) such gain is not effectively connected with the conduct of a trade or business in the United States by the foreign person and (ii) in the case of a foreign person who is an individual, the foreign person is not present in the United States for 183 days or more in the taxable year.

For purposes of this discussion, the term "U.S. Person" means (i) a citizen or resident of the United States; (ii) a corporation (or entity treated as a corporation for tax purposes) created or organized in the United States or under the laws of the United States or of any state including the District of Columbia; (iii) a partnership (or entity treated as a partnership for tax purposes) organized in the United States or under the laws of the United States or of any state including the District of Columbia (unless provided otherwise by future Treasury regulations); (iv) an estate whose income is includible in gross income for United States income tax purposes regardless of its source; or (v) a trust, if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. Persons have authority to control all substantial decisions of the trust. Notwithstanding the last clause of the preceding sentence, to the extent provided in Treasury regulations, certain trusts that were in existence on August 20, 1996, that were treated as U.S. Persons prior to such date and that elect to continue to be treated as U.S. Persons also will be U.S. Persons.

Backup Withholding

Under federal income tax law, a securityholder, beneficial owner, financial intermediary or other recipient of a payment on behalf of a beneficial owner may be subject to "backup withholding" under certain circumstances. Backup withholding may apply to such person who is a U.S. Person if such person, among other things, (i) fails to furnish his social security number or other taxpayer identification number, (ii) furnishes an incorrect taxpayer identification number, (iii) fails to report properly interest and dividends, or (iv) under certain circumstances, fails to provide a certified statement, signed under penalties of perjury, that the taxpayer identification number provided is correct and that such person is not subject to backup withholding. Backup withholding may apply, under certain circumstances, to a securityholder who is a non-U.S. Person if the securityholder fails to provide the securities broker with a certification as to its non-U.S. Person status. Backup withholding applies to "reportable payments," which include interest payments and principal payments to the extent of accrued OID, as well as distributions of proceeds from the sale of securities. The backup withholding rate is generally the fourth lowest rate of income tax as in effect from time to time. Backup withholding, however, does not apply to payments on a security made to certain exempt recipients, such as tax-exempt organizations, and to certain non-U.S. Persons. Securityholders should consult their tax advisors for additional information concerning the potential application of backup withholding to payments received by them with respect to a security.

FATCA Tax Regime

In addition, withholding taxes may be imposed under the recently enacted Foreign Account Tax Compliance Act ("FATCA") on certain types of payments made to "foreign financial institutions" and certain other non-U.S. entities. Failure to comply with additional certification, information reporting and other specified requirements imposed pursuant to FATCA could result in the imposition of a 30% withholding tax on payments of interest (including OID) and gross sales proceeds to holders of securities who are U.S. Persons who own their securities through foreign accounts or foreign intermediaries and to certain holders of securities who are non-U.S. Persons. FATCA may result in changes to some of the general rules discussed above relating to certification requirements, information reporting and withholding. The foregoing rules generally apply to payments of interest (including OID) on the debt instruments made on or after July 1, 2014, and to payments of gross proceeds from a sale or other disposition of the debt instruments on or after January 1, 2017. Prospective investors should consult their own tax advisors regarding FATCA and any effect on it may have on them.

Tax Return Disclosure and Investor List Requirements

Treasury regulations directed at potentially abusive tax shelter activity appear to apply to transactions not conventionally regarded as tax shelters. The regulations require taxpayers to report certain disclosures on IRS Form 8886 if they participate in a "reportable transaction." Organizers and sellers of the transaction are required to maintain records including investor lists containing identifying information and to furnish those records to the IRS upon demand. A transaction may be a "reportable transaction" based upon any of several indicia, one or more of which may be present with respect to an investment in the securities offered hereunder. There are significant penalties for failure to comply with these disclosure requirements. Investors are encouraged to consult their own tax advisers concerning any possible disclosure obligation with respect to their investment in securities offered hereunder, and should be aware that the sponsor and other participants in the related transaction intend to comply with such disclosure and investor list maintenance requirements as they determine apply to them with respect to the related transaction.

DUE TO THE COMPLEXITY OF THE FEDERAL INCOME TAX RULES APPLICABLE TO SECURITYHOLDERS AND THE CONSIDERABLE UNCERTAINTY THAT EXISTS WITH RESPECT TO MANY ASPECTS OF THOSE RULES, POTENTIAL INVESTORS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX TREATMENT OF THE ACQUISITION, OWNERSHIP, AND DISPOSITION OF THE SECURITIES.

STATE, LOCAL AND OTHER TAX CONSIDERATIONS

In addition to the federal income tax consequences described above, potential investors should consider the state, local and other tax consequences of the acquisition, ownership, and disposition of the securities. State tax law may differ substantially from the corresponding federal law, and this discussion does not purport to describe any aspect of the tax laws of any state, locality of other jurisdiction. Therefore, potential investors should consult their own tax advisors with respect to the various state, local and other tax consequences of an investment in the securities.

ERISA CONSIDERATIONS

ERISA and Section 4975 of the Code impose requirements on employee benefit plans (and on certain other retirement plans and arrangements, including individual retirement accounts and annuities and certain Keogh plans, and on collective investment funds and separate accounts in which such plans, accounts or arrangements are invested) (collectively "Plans") subject to ERISA or to Section 4975 of the Code and on persons who are fiduciaries with respect to such Plans. Generally, ERISA applies to investments made by Plans. Among other things, ERISA requires that the assets of Plans be held in trust and that the trustee, or other duly authorized fiduciary, have exclusive authority and discretion to manage and control the assets of such Plans. ERISA also imposes certain duties on persons who are fiduciaries of Plans. Under ERISA, generally any person who exercises any discretionary authority or control or renders investment advice for a fee with respect to the management or disposition of the assets of a Plan is considered to be a fiduciary of such Plan (subject to certain exceptions not here relevant). Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA) and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA requirements. Accordingly, assets of such plans may be invested in securities without regard to the ERISA considerations described above and below, subject to the provisions of applicable state law. Any such plan which is qualified and exempt from taxation under Sections 401(a) and 501(a) of the Code, however, is subject to the prohibited transaction rules set forth in Section 503 of the Code.

In addition to the imposition of general fiduciary standards of investment prudence and diversification, ERISA prohibits a broad range of transactions involving Plan assets and persons ("Parties in Interest") having certain specified relationships to a Plan and imposes additional prohibitions where Parties in Interest are fiduciaries with respect to such Plan. Certain Parties in Interest (or "disqualified persons") that participate in a prohibited transaction may be subject to excise taxes imposed pursuant to Section 4975 of the Code, or a penalty imposed pursuant to Section 502(i) of ERISA, unless a statutory, regulatory or administrative exemption is available.

The United States Department of Labor (the "DOL") has issued regulations, as modified by Section 3(42) of ERISA (the "Plan Asset Regulation"), concerning the definition of what constitutes the assets of a Plan. Under this regulation, the underlying assets and properties of corporations, partnerships, trusts and certain other entities in which a Plan acquires an "equity" interest could be deemed for purposes of ERISA and Section 4975 of the Code to be assets of the investing Plan in certain circumstances unless certain exceptions apply.

Under the Plan Asset Regulation, the term "equity" interest is defined as any interest in an entity other than an instrument which (i) is treated as indebtedness under "applicable local law" and (ii) has no "substantial equity features." If the securities of a series consist of bonds that are not treated as equity interests in the issuing entity for purposes of the Plan Asset Regulation, a Plan's investment in such bonds would not cause the issuing entity assets to be deemed Plan assets. However, the depositor, the servicer, the trustee and the initial purchaser may be the sponsor or investment advisor with respect to one or more Plans. Because such parties may receive certain benefits in connection with the sale of the bonds, the purchase of bonds using Plan assets over which any such parties (or any affiliates thereof) has investment authority might be deemed to be a violation of the prohibited transaction rules of ERISA and Section 4975 of the Code for which no exemption may be available. Accordingly, bonds may not be purchased using the assets of any Plan if the depositor, the servicer, the trustee, the initial purchaser or any of their affiliates (a) has investment or administrative discretion with respect to such Plan assets; (b) gives investment advice with respect to such Plan assets for a fee; or (c) is an employer maintaining or contributing to such Plan.

In addition, the issuing entity or an affiliate might be considered or might become a Party in Interest with respect to a Plan. In such case, the acquisition or holding of bonds by or on behalf of such a Plan could be considered to give rise to a prohibited transaction within the meaning of ERISA and Section 4975 of the Code, unless it is subject to one or more exemptions such as:

- Prohibited Transaction Class Exemption ("PTCE") 84-14, which exempts certain transactions effected on behalf of a Plan by a "qualified professional asset manager";
- PTCE 90-1, which exempts certain transactions involving insurance company pooled separate accounts;

- PTCE 91-38, which exempts certain transactions involving bank collective investment funds;

- PTCE 95-60, which exempts certain transactions involving insurance company general accounts; or

- PTCE 96-23, which exempts certain transactions effected on behalf of a Plan by certain "in-house asset managers."

The statutory exemption provided Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for certain transactions with Parties in Interest who are not, and their affiliates are not fiduciaries with respect to the Plan.

The offering memorandum supplement for a series of securities will indicate whether or not each class of offered bonds is eligible to be purchased by Plans and, if so may require that Plans or Plan asset investors investing in bonds represent that the relevant conditions for exemptive relief under at least one of the foregoing exemptions have been satisfied.

The Plan Asset Regulation provides that, generally, the assets of an entity in which a Plan invests will not be deemed to be assets of such Plan for purposes of ERISA if the equity interest acquired by the investing Plan is a publicly-offered security, or if the value of each class of equity held by "benefit plan investors" as defined in the Plan Asset Regulation does not equal or exceed twenty-five percent (25%) as calculated under the Plan Asset Regulation. "Benefit Plan Investors" include "employee benefit plans" and "plans" that are subject to Title I of ERISA or that are subject to Section 4975 of the Code as well as entities whose underlying assets include assets of a Plan by reason of a Plan's investment in the entity. In general, a publicly-offered security, as defined in the Plan Asset Regulation, is a security that is widely held, freely transferable and registered under the Securities Exchange Act of 1934, as amended (the "Exchange Act").

If no exception under the Plan Asset Regulation applies and if a Plan (or a person investing Plan assets, such as an insurance company general account) acquires an equity interest in an issuing entity established for a series of securities, then the issuing entity assets would be considered to be assets of the Plan. Because the loans and other assets held by the issuing entity may be deemed Plan assets of each Plan that purchases equity securities, an investment in the securities by a Plan might be a prohibited transaction under Sections 406 and 407 of ERISA and subject to an excise tax under Section 4975 of the Code and may cause transactions undertaken in the course of operating the issuing entity to constitute prohibited transactions, unless a statutory or administrative exemption applies.

The DOL has issued PTCE 83-1, which exempts from ERISA's prohibited transaction rules certain transactions relating to the operation of residential mortgage pool investment trusts and the purchase, sale and holding of "mortgage pool pass-through certificates" in the initial issuance of such certificates. If the general conditions (discussed below) of PTEC 83-1 are satisfied, investments by a Plan in certificates that provide for pass-through payments of principal and interest and represent beneficial undivided fractional interests in a fixed investment pool consisting solely of interest-bearing obligations secured by first or second mortgages or deeds of trust on single-family residential property, property acquired in foreclosure and undistributed cash ("single-family securities") will be exempt from the prohibitions of Sections 406(a) and 407 of ERISA (relating generally to transactions with Parties in Interest who are not fiduciaries) if the Plan purchases the single-family securities at no more than fair market value and will be exempt from the prohibitions of ERISA Sections 406(b)(1) and (2) (relating generally to transactions with fiduciaries) if, in addition, the purchase is approved by an independent fiduciary, no sales commission is paid to the pool depositor, the Plan does not purchase more than 25% of all single-family securities, and at least 50% of all single-family securities are purchased by persons independent of the pool depositor or pool trustee. PTCE 83-1 does not provide an exemption for transactions involving subordinate securities.

The discussion in this and the next succeeding paragraph applies only to single-family securities. PTCE 83-1 sets forth three general conditions which must be satisfied for any transaction to be eligible for exemption:

- the maintenance of a system of insurance or other protection for the pooled mortgage loans and property securing such loans, and for indemnifying certificateholders against reductions in pass-through payments due to property damage or defaults in loan payments in an amount not less than the greater of one percent of the aggregate principal balance of all covered pooled mortgage loans or the principal balance of the largest covered pooled mortgage loan;

- the existence of a pool trustee who is not an affiliate of the pool depositor; and

- a limitation on the amount of the payment retained by the pool depositor, together with other funds inuring to its benefit, to not more than adequate consideration for selling the mortgage loans plus reasonable compensation for services provided by the pool depositor to the pool.

The depositor believes that the first general condition referred to above will be satisfied with respect to the certificates issued without a subordination feature, or the senior certificates only in a series issued with a subordination feature, provided that the subordination and reserve account, subordination by shifting of interests, the pool insurance or other form of credit enhancement described under “Credit Enhancement” in this offering memorandum (such subordination, pool insurance or other form of credit enhancement being the system of insurance or other protection referred to above) with respect to a series of certificates is maintained in an amount not less than the greater of one percent of the aggregate principal balance of the loans or the principal balance of the largest loan. See “Description of the Securities” in this offering memorandum. In the absence of a ruling that the system of insurance or other protection with respect to a series of certificates satisfies the first general condition referred to above, there can be no assurance that these features will be so viewed by the DOL. As to the second general condition, the trustee will not be affiliated with the depositor.

Each Plan fiduciary who is responsible for making the investment decisions as to whether to purchase or commit to purchase and to hold single family securities must make its own determination as to whether the first and third general conditions, and the specific conditions described briefly in the preceding paragraphs, of PTCE 83-1 have been satisfied, or as to the availability of any other prohibited transaction exemptions. Each Plan fiduciary should also determine whether, under the general fiduciary standards of investment prudence and diversification, an investment in the certificates is appropriate for the Plan, taking into account the overall investment policy of the Plan and the composition of the Plan’s investment portfolio.

The DOL has also issued to various underwriters individual prohibited transaction exemptions (the “underwriter exemptions”) which generally exempt from the application of certain prohibited transaction provisions of ERISA and Section 4975 of the Code transactions with respect to the initial purchase, the holding and the subsequent resale by Plans of securities issued by the issuing entity and are underwritten, placed or sold by the “underwriter” named in the particular underwriter exemption as well as any member of the underwriting syndicate or selling group of which such underwriter is a manager or co-manager for a class of securities and would include the initial purchasers. The assets of the issuing entity must consist of fixed pools of assets which are:

- certain types of secured receivables, secured loans and other secured obligations, including obligations secured by shares issued by a cooperative housing association, and obligations that bear interest or are purchased at a discount and which are secured by single-family residential real property and/or multifamily residential real property (including obligations secured by leasehold interests on residential real property);

- property securing a permitted obligation;

- undistributed cash, cash credited to a “pre-funding account” or a “capitalized interest account,” and certain temporary investments made therewith; and

- certain types of credit support arrangements, including yield supplement agreements and interest-rate swaps that meet certain requirements set forth in exemptions.

The securities covered by the underwriter exemptions include certificates or notes representing a beneficial ownership interest in the assets of an issuing entity (including a grantor trust, owner trust or REMIC) and which entitle the holder to payments of principal, interest and/or other payments made with respect to the assets of such issuing entity.

Among the conditions that must be satisfied for the underwriter exemptions to apply are the following:

- The Plan must acquire the securities on terms, including the security price, that are at least as favorable to the Plan as they would be in an arm's-length transaction with an unrelated party;

- the securities must not be subordinated to any other class of securities issued by the same issuer, unless the securities are issued in a "designated transaction";

- at the time of acquisition, the securities acquired by the Plan must have received a rating in one of the three (or, in the case of designated transactions, four) highest generic rating categories from an NRSRO that meets certain requirements as follows:

    - It has indicated on its most recently filed SEC Form NRSRO that it rates "issuers of asset-backed securities."

    - It has had, within a period not exceeding 12 months prior to the initial issuance of the securities, at least three (3) "qualified ratings engagements." A "qualified ratings engagement" is (i) one requested by an issuer or underwriter of securities in connection with the initial offering of the securities; (ii) for which the NRSRO is compensated for providing ratings; (iii) is made public to investors generally; and (iv) involves the offering of securities of the type that would be granted relief by the underwriter exemptions.

  An NRSRO that meets these requirements is referred to herein as an "exemption rating agency and such rating requirement, the "ERISA Minimum Rating Requirement ."

- the trustee must not be an affiliate of any other member of the "restricted group";

- the sum of all payments made to and retained by the initial purchaser must not total more than reasonable compensation for underwriting the securities, the sum of all payments made to and retained by the issuer's depositor for assigning the obligations to the issuer must not total more than the fair market value of the obligations, and the sum of all payments made to and retained by any servicer must not total more than reasonable compensation and expense reimbursement for its services;

- the Plan must be an "accredited investor" as defined in Rule 501(a)(l) of Regulation D of the commission under the Securities Act of 1933; and

- in the event that all of the obligations used to fund the issuer have not been transferred to the issuer on the closing date, additional obligations having an aggregate value equal to no more than 25% of the total principal amount of the securities being offered may be transferred to the issuer under a pre-funding feature within 90 days or three months following the closing date.

The issuer must also meet the following requirements:

- the assets of the issuer must consist solely of assets of the type that have been included in other investment pools;

- securities evidencing interests in other investment pools must have been rated in one of the three (or in the case of designated transactions, four) highest rating categories by an exemption rating agency for at least one year prior to the Plan's acquisition of securities; and

- investors other than Plans must have purchased securities evidencing interests in the other investment pools for at least one year prior to the Plan's acquisition of securities.

For purposes of the underwriter exemptions, the term "designated transaction" includes any securitization transaction in which the assets of the issuer consist solely of obligations secured by shares issued by a cooperative housing association and/or obligations that bear interest or are purchased at a discount and which are secured by single-family residential real property and/or multifamily residential real property (including obligations secured by leasehold interests on residential real property). Such residential mortgage loans may be less than fully secured, provided that:

- the securities acquired by a Plan in the designated transaction are not subordinated to any other class of securities issued by the same issuer;
- at the time of acquisition, the securities acquired by the Plan must have received a rating in one of the two highest generic rating categories from an exemption rating agency; and
- the obligations must be secured by collateral whose fair market value on the closing date of the designated transaction is at least equal to 80% of the sum of (i) the outstanding principal balance due under the obligation and (ii) the outstanding principal balance of any other obligations of higher priority (whether or not held by the issuer) which are secured by the same collateral.

The underwriter exemptions also provide relief from various self-dealing/conflict of interest prohibited transactions that may occur when a Plan fiduciary causes a Plan to acquire securities of an issuer and the fiduciary, or its affiliate, is an obligor with respect to obligations or receivables contained in the issuer; provided that, among other requirements:

- in the case of an acquisition in connection with the initial issuance of the securities, at least 50% of each class of securities in which Plans have invested is acquired by persons independent of the restricted group and at least 50% of the aggregate interest in the issuer is acquired by persons independent of the restricted group;
- the fiduciary, or its affiliate, is an obligor with respect to five percent or less of the fair market value of the obligations or receivables contained in the issuer;
- the Plan's investment in each class of securities does not exceed 25% of all of the securities of that class outstanding at the time of acquisition; and
- immediately after the Plan acquires the securities, no more than 25% of the Plan's assets for which the person is a fiduciary are invested in certificates representing an interest in one or more trusts containing assets sold or serviced by the same entity.

The underwriter exemptions do not apply to Plans sponsored by a member of the restricted group, which includes the depositor, the servicer (and any subservicer), the trustee, the initial purchaser, any obligor with respect to obligations or receivables included in the issuer constituting more than five percent of the aggregate unamortized principal balance of the issuer's assets, any insurer, the counterparty to any interest-rate swap entered into by the issuer and any affiliate of these parties.

The underwriter exemptions also extend the relief available thereunder to transactions involving the initial purchase, holding and subsequent resale by Plans of securities denominated as debt that are issued by, and are obligations of, investment pools whose assets are held in trust. The same conditions described above relating to certificates must also be met with respect to bonds. In addition, prior to the issuance of the bonds, the issuer must have received a legal opinion to the effect that the bondholders will have a perfected security interest in the issuer's assets. As with certificates, exemptive relief would not be available for Plans sponsored by a member of the restricted group.

If the rating of an offered security that was eligible to be purchased by a Plan under an underwriter exemption declines below the ERISA Minimum Rating Requirement, such certificate will no longer be eligible for relief under the underwriter exemption (although a Plan that had purchased such certificate when it met the ERISA Minimum Rating Requirement would not be required by the underwriter exemption to dispose of the certificate).

However, a security that is a certificate (but not a bond) may be eligible for purchase by a Plan that is an insurance company using an insurance company general account as defined under Section V(e) of Prohibited Transaction Class Exemption ("PTCE") 95-60 pursuant to Sections I and III of PTCE 95-60.

The offering memorandum supplement for a series of securities will indicate whether or not a class of offered certificates (or class of offered bonds that is be eligible for exemptive relief under a underwriter exemption) is eligible to be purchased by Plans and, if so will set forth any transfer restrictions that may apply to the purchase and holding of such offered securities.

The offering memorandum supplement will provide further information that Plans should consider before purchasing offered securities. Any Plan fiduciary that proposes to cause a Plan or an entity holding Plan assets to purchase securities is encouraged to consult with its counsel concerning the impact of ERISA and the Code, the applicability of PTCE 83-1, the availability and applicability of any underwriter exemption or any other exemptions from the prohibited transaction provisions of ERISA and Section 4975 of the Code and the potential consequences in their specific circumstances, before making the investment. Moreover, each Plan fiduciary should determine whether under the general fiduciary standards of investment prudence and diversification an investment in the securities is appropriate for the Plan, taking into account the overall investment policy of the Plan and composition of the Plan's investment portfolio.

LEGAL INVESTMENT

The offering memorandum supplement for each series of securities will specify which, if any, of the classes of securities offered thereby constitute "mortgage related securities" for purposes of the Secondary Mortgage Market Enhancement Act of 1984 ("SMMEA"). Classes of securities that qualify as mortgage related securities will be legal investments for persons, trusts, corporations, partnerships, associations, business trusts, and business entities (including depository institutions, life insurance companies and pension funds) created pursuant to or existing under the laws of the United States or of any state (including the District of Columbia and Puerto Rico) whose authorized investments are subject to state regulations to the same extent as, under applicable law, obligations issued by or guaranteed as to principal and interest by the United States or any such entities. Under SMMEA, if a state enacted legislation prior to October 4, 1991 specifically limiting the legal investment authority of any of these entities with respect to mortgage related securities, securities will constitute legal investments for entities subject to such legislation only to the extent provided therein. Approximately twenty-one states adopted such legislation prior to the October 4, 1991 deadline. SMMEA provides, however, that in no event will the enactment of this type of legislation affect the validity of any contractual commitment to purchase, hold or invest in securities, or require the sale or other disposition of securities, so long as such contractually commitment was made or such securities were acquired prior to the enactment of the legislation.

SMMEA also amended the legal investment authority of federally chartered depository institutions as follows: federal savings and loan associations and federal savings banks may invest in, sell or otherwise deal in securities without limitations as to the percentage of their assets represented thereby, federal credit unions may invest in mortgage related securities, and national banks may purchase securities for their own account without regard to the limitations generally applicable to investment securities set forth in 12 U.S.C. 24 (Seventh), subject in each case to such regulations as the applicable federal authority may prescribe. In this connection, federal credit unions should review the National Credit Union Administration ("NCUA") Letter to Credit Unions No. 96, as modified by NCUA Letter to Credit Unions No. 108, which includes guidelines to assist federal credit unions in making investment decisions for mortgage related securities and the NCUA's regulation "Investment and Deposit Activities" (12 C.F.R. Part 703), which sets forth certain restrictions on investments by federal credit unions in mortgage related securities (in each case whether or not the class of securities under consideration for purchase constituted a mortgage related security).

Institutions whose investment activities are subject to regulation by federal or state authorities should review rules, policies and guidelines adopted from time to time by those authorities before purchasing any securities, as certain series, classes or subclasses may be deemed unsuitable investments, or may otherwise be restricted, under those rules, policies or guidelines, in certain instances irrespective of SMMEA.

The foregoing does not take into consideration the applicability of statutes, rules, regulations, orders, guidelines or agreements generally governing investments made by a particular investor, including, but not limited to, "prudent investor" provisions, percentage-of-assets limits, provisions which may restrict or prohibit investment in securities which are not "interest bearing" or "income paying," and, with regard to any securities issued in book-entry form, provisions which may restrict or prohibit investments in securities which are issued in book-entry form.

Except as to the status of certain classes of securities as "mortgage related securities," no representation is made as to the proper characterization of the securities for legal investment purposes, financial institution regulatory purposes, or other purposes, or as to the ability of particular investors to purchase securities under applicable legal investment restrictions. The uncertainties described above, and any unfavorable future determinations concerning legal investment or financial institution regulatory characteristics of the securities, may adversely affect the liquidity of the securities.

Investors should consult their own legal advisors in determining whether and to what extent securities offered by this offering memorandum and the accompanying offering memorandum supplement constitute legal investments for them.

METHOD OF DISTRIBUTION

Each series of securities offered hereby and by means of the related offering memorandum supplement may be sold directly by the depositor or may be offered through one or more initial purchasers. The offering memorandum supplement with respect to each series of securities will set forth the terms of the offering of that series of securities and each subclass within that series, including the name or names of the initial purchasers, the proceeds to the depositor, and either the initial offering price, the discounts and commissions to the initial purchasers and any discounts or concessions allowed or re-allowed to certain dealers, or the method by which the price at which the initial purchasers will sell the securities will be determined.

The initial purchasers will be obligated to purchase only those offered securities of a series as described in the offering memorandum supplement with respect to that series. The offered securities may be acquired by the initial purchasers for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed offering price or at varying prices determined at the time of sale.

If stated in the offering memorandum supplement, the depositor will authorize initial purchasers or other persons acting as the depositor's agents to solicit offers by certain institutions to purchase the offered securities from the depositor pursuant to contracts providing for payment and delivery on a future date. Institutions with which those contracts may be made include commercial and savings banks, insurance companies, pension funds, investment companies, educational and charitable institutions and others, but in all cases those institutions must be approved by the depositor. The obligation of any purchaser under any contract will be subject to the condition that the purchase of the offered securities shall not at the time of delivery be prohibited under the laws of the jurisdiction to which that purchaser is subject. The initial purchasers and other agents will not have any responsibility in respect of the validity or performance of those contracts.

The depositor may also sell the securities offered by means of this offering memorandum and the related offering memorandum supplements from time to time in negotiated transactions or otherwise, at prices determined at the time of sale. The depositor may effect those transactions by selling securities to or through dealers, and those dealers may receive compensation in the form of discounts, concessions or commissions from the depositor and any purchasers of securities for whom they may act as agents.

The place and time of delivery for each series of securities offered hereby and by means of the related offering memorandum supplement will be set forth in the offering memorandum supplement with respect to that series.

If and to the extent required by applicable law or regulation, this offering memorandum and the attached offering memorandum supplement will also be used by the initial purchaser after the completion of the offering in connection with offers and sales related to market-making transactions in the offered securities in which the initial purchaser acts as principal. Sales will be made at negotiated prices determined at the time of those sales.

One or more of the initial purchasers with respect to a series of securities, or affiliates of the initial purchasers, may engage in financing transactions with the depositor or affiliates of the depositor, including loans or repurchase agreements to provide financing of loans or other assets pending the transfer of those assets to an issuing entity.

Initial purchasers and agents may be entitled under agreements entered into with the depositor to indemnification by the depositor against certain civil liabilities or to contribution with respect to payments which such initial purchasers or agents may be required to make in respect thereof.

Redwood Trust, Inc. or other affiliates of the depositor may purchase securities offered hereby and pledge them to secure indebtedness or, together with its pledgees, donees, transferees or other successors in interest, sell the securities, from time to time, either directly or indirectly through one or more initial purchasers, syndicates or designated agents. This offering memorandum may be used in connection with any such pledge or sale.

If a series is offered other than through initial purchasers, the offering memorandum supplement relating to that series will contain information regarding the nature of the offering and any agreements to be entered into between the depositor and purchasers of securities of that series.

LEGAL MATTERS

The validity of the securities will be passed upon for the issuing entity by Weintraub Tobin Chediak Coleman Grodin Law Corporation, San Francisco, California. Certain federal income tax consequences with respect to the securities will be passed upon for the issuing entity by Morgan, Lewis & Bockius LLP. Certain matters may be passed on by counsel specified in the applicable offering memorandum supplement.

FINANCIAL INFORMATION

The depositor has determined that its financial statements are not material to investors in the securities offered by this offering memorandum. The securities will not represent an interest in or an obligation of either depositor.

A new issuing entity will be formed for each series of securities, and no issuing entity will engage in any business activities or have any material assets or obligations before the issuance of the securities of the related series. Accordingly, no financial statements for any issuing entity will be included in this offering memorandum or in the applicable offering memorandum supplement.

STATIC POOL INFORMATION

Static pool information with respect to the sponsor's prior securitized pools, presented by pool, or the portfolio of mortgage loans originated or purchased by the sponsor or its affiliates, presented by vintage year, will be included, to the extent material, in the applicable offering memorandum supplement. In addition, to the extent material, static pool information with respect to the portfolio of mortgage loans originated or purchased by one or more originators, presented by vintage year, may also be included in the applicable offering memorandum supplement. The static pool data related to a prior securitized pool or vintage origination year may include information, to the extent material, relating to:

- payment delinquencies of the mortgage loans;
- cumulative losses with respect to the mortgage loans; and
- prepayments of the mortgage loans,

in each case presented in periodic increments.

In addition, for each prior securitized pool or vintage origination year, summary information of the original characteristics of the securitized pool or the originated and purchased mortgage loans, as applicable, may be provided. This information may include, among other things (in each case by pool or vintage year), the number of originated or purchased mortgage loans; the original pool balance for each securitized pool or the total original balance of the originated or purchased mortgage loans; the weighted average interest rate; the weighted average original term to maturity; the weighted average remaining term to maturity; the weighted average credit score; the product type(s); the loan purposes; the weighted average loan-to-value ratio; the distribution of mortgage loans by interest rate; and information regarding the geographic distribution of the mortgage loans.

RATING

It is a condition to the issuance of the securities of each series offered by this offering memorandum that at the time of issuance they will have been rated in one of the four highest rating categories by at least one nationally recognized statistical rating agency hired to rate them (the "hired NRSRO").

Ratings on securities address the likelihood of the receipt by securityholders of their allocable share of principal and interest on the underlying mortgage loans. These ratings address such factors as:

- structural and legal aspects associated with the securities;
- the extent to which the payment stream on the underlying assets is adequate to make payments required by the securities; and
- the credit quality of the credit enhancer or guarantor, if any.

Ratings on the securities do not, however, constitute a statement regarding:

- the likelihood of principal prepayments by borrowers;
- the degree by which the rate of prepayments made by borrowers might differ from that originally anticipated; or
- whether the yields originally anticipated by investors of any series of securities may be adversely affected as a result of those prepayments.

As a result, investors in securities of any series might suffer a lower than anticipated yield.

A rating on any or all of the securities of any series by a rating agency, if assigned at all, other than a hired NRSRO, may be lower than the rating or ratings assigned to the securities by the hired NRSRO. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the hired NRSRO. Each security rating should be evaluated independently of any other security rating.

INDEX OF DEFINED TERMS

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You should rely only on the information contained or incorporated by reference in this offering memorandum supplement and the accompanying offering memorandum. We have not authorized anyone other than the depositor or the initial purchasers to provide you with any other information or to make any representations not contained in this offering memorandum supplement and the offering memorandum. This offering memorandum supplement and the offering memorandum do not constitute an offer to sell, or a solicitation of an offer to buy, the securities offered hereby by anyone in any jurisdiction in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make any such offer or solicitation.

$332,596,979 (Approximate)

SEQUOIA MORTGAGE TRUST 2023-1

Mortgage Pass-Through Certificates

RWT Holdings, Inc.
Sponsor

Redwood Residential Acquisition Corporation
Seller and Servicing Administrator

Sequoia Residential Funding, Inc.
Depositor

Sequoia Mortgage Trust 2023-1
Issuing Entity

CONFIDENTIAL OFFERING MEMORANDUM SUPPLEMENT

Wells Fargo Securities
Sole Bookrunner

Stifel
Co-Manager

Initial Purchasers

January __, 2023