Rating Report
New Residential Mortgage Loan Trust 2024-RTL1

Morningstar DBRS
April 9, 2024

Contents

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Credit Ratings

Debt[1]	Class Balance ($)	Interest Rate[2]	Credit Enhancement (%)	Credit Rating	Credit Rating Action
Class A1	399,000,000	6.664[3, 4]	20.20	A (low) (sf)	Provisional Rating – Finalized
Class A2	34,000,000	7.101[3, 4]	13.40	BBB (low) (sf)	Provisional Rating – Finalized
Class M1	18,749,000	Net WAC	9.65	BB (low) (sf)	Provisional Rating – Finalized
Class M2	23,249,000	Net WAC	5.00	B (sf)	Provisional Rating – Finalized
Class XS	25,002,000	n/a[5]	n/a	NR	n/a

Notes:
1. This table does not include the Class R Notes, which are not rated by Morningstar DBRS. Class R represents the non-economic interest in the REMIC.
2. All interest rates are floored at 0%.
3. The interest rate for this class is the lesser of (i) the Net Weighted-Average Coupon (Net WAC) and (ii) the fixed rate listed in the table.
4. The fixed rate for this class steps up by 1.000% beginning on the payment date in October 2026.
5. This class includes both (1) a principal-only component with a balance as set forth in the table and (2) an interest-only component with a notional amount based off of the collateral balance.

Transaction Parties and Relevant Dates

Transaction Parties	
Type	**Name**
Issuing Entity	New Residential Mortgage Loan Trust 2024-RTL1
Title of Series	Mortgage-Backed Notes, Series 2024-RTL1
Sponsor	Rithm Capital Corp. (Rithm)
Originator, Seller, and Servicer	Genesis Capital, LLC (Genesis)
Depositor	New Residential Funding 2024-RTL1 LLC
Master Servicer	Nationstar Mortgage LLC (Nationstar)
Indenture Trustee, Paying Agent, Note Registrar, and Certificate Registrar	U.S. Bank Trust Company National Association
Owner Trustee	U.S. Bank Trust National Association
Custodian	U.S. Bank National Association
Loan Data Agent	DV01, Inc.
Securitization Diligence Providers	AMC Diligence, LLC (AMC) Recovco Mortgage Management, LLC (Recovco) Canopy Financial Technology Partners, LLC (Canopy)
Initial Purchasers	Goldman Sachs & Co. LLC Deutsche Bank Securities Inc. Morgan Stanley & Co. LLC Nomura Securities International, Inc. Performance Trust Capital Partners, LLC

Relevant Dates	
Type	**Date**
Initial Cut-Off Date	February 29, 2024
Additional Cut-Off Date	Cut-Off Date of the Additional Mortgage Loans
Closing Date	April 9, 2024
Payment Date	The 25th day of each month or the next business day, commencing in April 2024.
Legal Final Maturity	The Payment Date in March 2039.

Transaction Summary

Overview

DBRS, Inc. (Morningstar DBRS) finalized its provisional credit ratings on New Residential Mortgage Loan Trust 2024-RTL1 (NRMLT 2024-RTL1 or the Issuer), a securitization of a two-year revolving portfolio of residential transition loans (RTLs) funded by the issuance of the Mortgage-Backed Notes, Series 2024-RTL1 (the Notes). As of the Initial Cut-Off Date,[1] the Notes are backed by:

- 251 mortgage loans with a total principal balance of approximately $480,044,073 and
- Approximately $19,955,926 in the Accumulation Account.

Additional RTLs may be added to the revolving portfolio on future additional transfer dates, subject to the transaction's eligibility criteria.

1. The collateral description and disclosure on the mortgage loans in this report reflect the approximate aggregate characteristics as of the Initial Cut-Off Date unless otherwise specified.

NRMLT 2024-RTL1 represents the second RTL securitization issued by the Sponsor, Rithm Capital Corp. Genesis Capital, LLC is the Originator, Seller, and Servicer for the transaction. Founded in 2013, Genesis, a wholly-owned subsidiary of Rithm, is a business-purpose lender that provides financing solutions to developers and investors of non-owner-occupied single-family and multifamily properties.

The revolving portfolio generally consists of first-lien, fixed- and adjustable-rate, interest-only (IO) balloon RTL with original terms to maturity of six to 36 months. A small subset of the population may be fully amortizing with original terms to maturity of up to120 months. The loans may also include extension options, which may lengthen maturities beyond the original terms. The characteristics of the revolving pool will be subject to eligibility criteria specified in the transaction documents and include:

- A minimum non-zero weighted-average (NZ WA) FICO score of 735.
- A maximum NZ WA Loan-to-Cost (LTC) ratio of 80.0%.
- A maximum NZ WA As Repaired Loan-to-Value (ARV LTV) ratio of 67.0%.

RTL Features

RTLs, also known as fix-and-flip mortgage loans, are short-term bridge, construction, or renovation loans designed to help real estate investors purchase and renovate residential or small balance commercial properties (the latter is limited to 5.0% of the revolving portfolio), generally within 12 to 36 months. RTLs are similar to traditional mortgages in many aspects but may differ significantly in terms of initial property condition, construction draws, and the timing and incentives by which borrowers repay principal. For traditional residential mortgages, borrowers are generally incentivized to pay principal monthly, so they can occupy the properties while building equity in their homes. In the RTL space, borrowers repay their entire loan amount when they (1) sell the property with the goal to generate a profit or (2) refinance to a term loan and rent out the property to earn income.

In general, RTLs are short-term IO balloon loans with the full amount of principal (balloon payment) due at maturity. The repayment of an RTL is mainly based on the ability to sell the related mortgaged property or to convert it into a rental property. In addition, many RTL lenders offer extension options, which provide additional time for borrowers to repay their mortgage beyond the original maturity date. For the loans in this transaction, such extensions may be granted, subject to certain conditions, at the direction of the Servicer.

In the NRMLT 2024-RTL1 revolving portfolio, RTLs may be:

1. Fully funded:
   - With no obligation of further advances to the borrower,
   - With a portion of the loan proceeds allocated to a rehabilitation (rehab) escrow account for future disbursement to fund construction draw requests upon the satisfaction of certain conditions, or
   - With a portion of the loan proceeds allocated to an interest reserve escrow account for future disbursement to fund interest reserve requests upon the satisfaction of certain conditions.
2. Partially funded:

- With a commitment to fund construction draw requests upon the satisfaction of certain conditions.

After completing certain construction/repairs using their own funds, the borrower usually seeks reimbursement by making draw requests. Generally, construction draws are disbursed only upon the completion of approved construction/repairs and after a satisfactory construction progress inspection. Based on the NRMLT 2024-RTL1 eligibility criteria, unfunded commitments are limited to 60.0% of the portfolio by the assets of the issuer, which includes (1) the unpaid principal balance (UPB) and (2) amounts in the Accumulation Account.

Cash Flow Structure and Draw Funding

The transaction employs a sequential-pay cash flow structure. During the reinvestment period, the Notes will generally be IO. After the reinvestment period, principal will be applied to pay down the Notes, sequentially. If the Issuer does not redeem the Notes by the payment date in October 2026, the Class A1 and A2 fixed rates will step up by 1.000%.

There will be no advancing of delinquent (DQ) interest on any mortgage by the Servicer or any other party to the transaction. However, the Servicer is obligated to fund Servicing Advances which include taxes, insurance premiums, and reasonable costs incurred in the course of servicing and disposing properties. The Servicer will be entitled to reimburse itself for Servicing Advances from available funds prior to any payments on the Notes.

The Servicer will also satisfy Disbursement Requests, which include:

- Construction draw requests: borrower-requested draws for approved construction, repairs, restoration, and protection of the property
- Interest reserve amount requests: for loans with interest reserve accounts, borrower-requested draws to cover interest payments for the related mortgage loan, subject to certain conditions.

The Servicer will satisfy such Disbursement Requests by (1) directing the release of funds from certain reserve accounts or (2) making Disbursement Request Advances. The Servicer will be entitled to reimburse itself for Disbursement Request Advances from time to time from the Accumulation Account.

The Accumulation Account is replenished from the transaction cash flow waterfall, after payment of interest to the Notes, to maintain a minimum required funding balance. During the reinvestment period, amounts held in the Accumulation Account, along with the mortgage collateral, must be sufficient to maintain a maximum effective advance rate of approximately 95.0%, which ensures a minimum level of overcollateralization for the bonds until the amortization period begins. In addition, the transaction incorporates a Class A Minimum Credit Enhancement Test during the reinvestment period, which if breached, redirects available funds to pay down Classes A1 and A2, sequentially, prior to replenishing the Accumulation Account, to maintain the minimum CE.

The transaction also employs the Expense Reserve Account, which will be available to cover fees and expenses. The Expense Reserve Account is replenished from the transaction cash flow waterfall, before payment of interest to the Notes, to maintain a minimum reserve balance.

Historically, Genesis RTL originations have generated robust mortgage repayments, which have been able to cover unfunded commitments in securitizations. In the RTL space, because of the lack of amortization and the short term nature of the loans, mortgage repayments (paydowns and payoffs) tend to occur closer to or at the related maturity dates when compared with traditional residential mortgages. Morningstar DBRS considers paydowns to be unscheduled voluntary balance reductions (generally repayments in full) that occur prior to the maturity date of the loans, while payoffs are scheduled balance reductions that occur on the maturity or extended maturity date of the loans. In its cash flow analysis, Morningstar DBRS evaluated Genesis' historical mortgage repayments relative to draw commitments and incorporated several stress scenarios where paydowns may or may not sufficiently cover draw commitments. Please see the Cash Flow Analysis section of this report for more details.

Other Transaction Features

Optional Redemption

On or after the Payment Date in April 2026, the Issuer has the option to redeem the outstanding Notes at the Redemption Price, which is equal to par plus interest and fees.

Depositor Repurchase Option

The Depositor will have the option to repurchase any DQ or defaulted mortgage loan at the Repurchase Price, which is equal to par plus interest and fees. However, such voluntary repurchases may not exceed 10.0% of the cumulative UPB of the mortgage loans. During the reinvestment period, if the Depositor repurchases DQ or defaulted loans, this could potentially delay the natural occurrence of an early amortization event based on the DQ or default trigger. Morningstar DBRS' revolving structure analysis assumes the repayment of Notes is reliant on the amortization of an adverse pool regardless of whether it occurs early or not.

U.S. Credit Risk Retention

As the Sponsor, Rithm or one or more majority-owned affiliates, will initially retain a 5% eligible horizontal residual interest in the securities (Class XS Notes) to satisfy the credit risk retention requirements.

Strengths

1. **Genesis Lending Approach and Target Borrowers**: As a business-purpose mortgage lender, Genesis provides financing to professional real estate developers for acquisition, construction, renovation, and rental hold projects. The Genesis lending approach takes into account borrower, project, and asset-level underwriting, which includes a Tier system, an in-depth evaluation of the borrower's credit and experience, a review of the project plan including budget analysis, and property valuations. The company targets sophisticated, professional borrowers that have proven experience

with construction and renovation. This is reflected by the stringent transaction eligibility criteria regarding borrower experience:

- Pool-level: WA minimum number of projects completed in the last 36 months of 150
- Loan-level: Minimum number of projects completed in the last 36 months of 10.

In addition to having generally tenured experience, many of the borrowers are repeat customers who have long-standing relationships specifically with Genesis. Because of its lending approach and underwriting requirements, Genesis borrowers also tend to have strong liquidity positions. This is reflected by the robust eligibility criteria surrounding sponsor liquid reserves:

- Pool-level: WA minimum liquid reserves of $5,000,000
- Loan-level: Minimum liquid reserves for sponsors without a FICO (business entities without a natural person as guarantor) of $1,000,000

In its analysis, Morningstar DBRS views RTL borrowers with greater experience and more substantial liquid reserves as having lower default risk.

2. **Robust Pool Composition Defined by Eligibility Criteria**: The revolving portfolio is generally limited by the eligibility criteria, which incorporates guardrails that mitigate expansion of certain credit drivers. Some of the key guardrails include:
    - LTC, AIV LTV, and ARV LTV maximums and limits on tails.
    - FICO minimums.
    - Minimum liquid reserves (sponsor liquidity).
    - Minimum borrower experience requirements.
    - Limits on large and heavy project sizes.
    - Minimum single-family residence finished property type.

    For some notable RTL characteristics such as borrower experience and liquid reserves, Genesis has stringent criteria, as described in the previous Strength. In its analysis, Morningstar DBRS created an adverse pool defined by the eligibility criteria to assess the expected loss on the revolving portfolio, which is discussed in more detail in the Credit Analysis Details section of this report.

3. **Historical Paydowns and Payoffs**: Genesis provided historical paydown, payoff, and draw information on its RTL originations, which reflected more than 8,000 loans spanning five years. Such data demonstrated fast paydowns and payoffs that consistently outpaced draws, indicating that RTL repayments are sufficient to cover future construction draw requests in a securitization. Additionally, the fast paydowns and payoffs, even in a rising rate environment, demonstrate that these borrowers have been successful in completing their projects, selling or refinancing their properties, and repaying their outstanding loans in a timely manner which should result in better performance for this asset class. In its cash flow analysis, Morningstar DBRS considered this historical data in its prepayment and draw rate assumptions, which are discussed in more detail in the Cash Flow Analysis section of this report.

4. **Solid Historical Performance with Favorable Resolutions**: Albeit limited, Genesis originations have experienced strong historical performance. For the 2021 to 2023 vintage originations (4,775 loans), 172 Genesis loans defaulted and reached certain resolutions. Although four loans realized gross

losses, other loan resolutions have resulted in no realized losses to the overall Genesis origination portfolio. Of these defaulted loans:

- 144 loans paid in full or cured.
- 28 loans went through the foreclosure process (which includes two loans that resolved through short sales).

The high level of loans that paid off after becoming DQ may suggest that certain borrowers strategically default on their interest payments if there is a potential exit opportunity for the property. In addition, for the 2021 to 2023 vintage RTLs that went through the foreclosure process, liquidation timelines were on average 10 months from filing to payoff. Morningstar DBRS considered this historical data in its liquidation and recovery timing assumptions, which are discussed in more detail in the Cash Flow Analysis section of this report.

5. **Structural Enhancements**: The sequential-pay structure incorporates credit enhancements of subordination, overcollateralization, and excess interest. The Accumulation Account is in place to help fund construction draws, interest draws, and, during the reinvestment period, the purchase of additional mortgage loans. The Expense Reserve Account exists to cover transaction fees. These reserve accounts are funded upfront and replenished from the cash flows of the transaction. The transaction also employs certain performance trigger events that can force early amortization. Such trigger events include:
   - 60+ day DQ rate is greater than 10.0% for each of the last three months
   - Default rate is greater than 6.0% for each of the last three months

   In addition, the transaction incorporates a Class A Minimum Credit Enhancement Test during the reinvestment period, which if breached, redirects available funds up to a specified paydown amount to pay Classes A1 and A2, sequentially, prior to replenishing the Accumulation Account.

6. **Third-Party Due-Diligence Review (TPR) Framework**: The Securitization Diligence Providers conducted credit, property valuation, data integrity, and document reviews on 100% of the initial mortgage loans in the revolving portfolio. Eligible diligence vendors (TPR firms) acceptable to Morningstar DBRS will conduct credit, property valuation, data integrity, and document reviews on all the additional mortgage loans. Additional considerations for the TPR analysis include:
   - None of the initial mortgage loans had C or lower grades (or its equivalent) for credit or valuation review. If a TPR firm gives an additional mortgage loan a C or lower grade (or its equivalent), such loan will be removed from the revolving portfolio within 60 days of the final determination.
   - During the underwriting process, third-party, typically full, appraisals are compared with Genesis internal valuations for both the AIV and the ARV, if applicable. The lower value is generally incorporated into the Genesis lending decision. Genesis internal valuations are comparable to desk reviews and are completed by in-house appraisers.
   - Although secondary valuation products by third parties are not ordered to support the property valuations, the TPR firms review certain aspects of the valuations to ensure the appraisals are thorough and complete.

- Although TPR firms do not re-underwrite credit to assess RTLs for the borrower's ability to repay the mortgage, they do check for conformance to underwriting criteria.
- Morningstar DBRS conducted operational risk reviews on Genesis' origination and servicing platform and deems it to be acceptable.
- In conjunction with its TPR analysis, Morningstar DBRS also reviewed Genesis' lending policy in detail and assessed the sufficiency of the underwriting process.
- Because RTLs are business-purpose investor loans, a regulatory compliance review was not performed.

Challenges and Mitigating Factors

1. **Funding of Future Construction Draws**: Some RTLs have a portion of the maximum principal limit of the loan unfunded at origination. Throughout the life of the loan, an RTL borrower may submit construction draw requests to retrieve funds upon completion of budgeted rehab. Such draw amounts may be critical for the successful completion of the project. The Servicer, an unrated entity, will be responsible for satisfying future Disbursement Requests, as well as funding Servicing Advances. Mitigating factors include:
   - The eligibility criteria limits unfunded commitment amounts to 60.0% of UPB.
   - The Servicer may (1) direct amounts from the Accumulation Account to fund Disbursement Requests or (2) make Disbursement Request Advances. The Servicer will be entitled to reimburse itself for Disbursement Request Advances from time to time from the Accumulation Account. Such Accumulation Account will be replenished from the cash flow waterfall after interest payments to the Notes to maintain a minimum required funding balance.
   - Historically, RTL repayment speeds have outpaced draw requests, which suggests that the transaction cash flows will likely be sufficient to cover future draws.
   - Genesis, which serves as the Servicer, has ultimate control over granting construction draw requests.
   - Construction draws are released only after certain conditions are met, including completion of the budgeted rehab work, a satisfactory inspection, and proof of any required permitting/approvals.
   - The Servicer will be reimbursed for Servicing Advances at the top of the cash flow waterfall after transaction counterparty fees are paid.

   Notwithstanding the above mitigating factors, Morningstar DBRS tests paydown and draw funding imbalances in its cash flow stresses.

2. **Borrower and Geographic Concentration Risk**: Genesis uses a sponsor-centric approach in its lending which leads to fairly concentrated RTL portfolios. Although the transaction includes certain eligibility criteria to address borrower and geographic concentration risk, the specifications of the criteria are generally wide. These metrics include high single borrower exposure, large maximum loan size, low minimum loan count, concentrated geography (high California maximum), and no limit for cross-collateralized loans (single loans backed by more than one property). Mitigating factors include:

- Other eligibility criteria are in place to maintain credit quality, including high minimums for FICO, borrower experience, and sponsor liquidity.
- Further sublimits for some of the concentration metrics are in place, such as lower concentration limits for (1) single borrowers excluding the largest and (2) other states besides California.
- Genesis employs a comprehensive sponsor-centric analysis in underwriting that includes a detailed review of a borrower's financial strength, operations, track record, and experience.
- Genesis targets sophisticated, professional borrowers that have proven experience with construction and renovation.
- Most borrowers are repeat customers with multiple projects financed by Genesis, which gives the lender more insight into key underwriting data.

Notwithstanding the above mitigating factors, Morningstar DBRS assumed an elevated asset correlation and higher defaults for the adverse pool, which resulted in higher expected losses on the revolving portfolio.

3. **Project Complexity, Property Types, and Ground Up Construction**: Because of Genesis' specialized lending approach, the company may finance larger projects that have greater complexity as well as property types that include land, multifamily 5+, and mixed-use. In addition, 50.0% of the revolving portfolio may be ground up construction. Mitigating factors include:
   - Finished property types of land, multifamily 5+, and mixed-use are collectively limited to 10.0% of the revolving portfolio (with a 5.0% sublimit for multifamily 5+ and mixed-use).
   - Ground up construction of multifamily 5+ and mixed-use is not permitted by the eligibility criteria.
   - The eligibility criteria limits concentrations of large and heavy rehab projects.
   - Genesis generally targets borrowers that are professional real estate developers with substantial liquid reserves and extensive experience in construction and renovation work.

   Notwithstanding the above mitigating factors, Morningstar DBRS applied additional default and loss severity penalties for the land, multifamily 5+, and mixed-use bucket.

4. **RTL Loan Characteristics**: By their very nature, RTLs are mortgages made to investors to purchase, repair, and/or rehabilitate properties that may be in varying states of disrepair. The properties are generally unoccupied during the life of the loan while rehab is being completed. In addition, traditional income and employment documentation is not usually required in the underwriting of these loans. Finally, RTLs are typically IO balloon loans with full repayment of principal due at maturity similar to commercial construction loans. In the traditional residential mortgage space, the affordability nature of crisis-era IO balloon products has resulted in truly adverse performance of such loans, and a large payment obligation at maturity may introduce the potential for severe payment shock in the event a property cannot be sold or refinanced in time. Mitigating factors include:
   - RTL underwriting incorporates other RTL-specific considerations, such as borrower experience (documented by completed sales), leverage ratios (LTC, AIV LTV, and ARV LTV), project size (in terms of rehab budget), and liquid reserves.

- RTL commonly have extension options, which may allow additional time for a borrower to sell the property or refinance the loan. Such extensions are subject to certain conditions and are granted at the discretion of the Servicer.

Notwithstanding the above mitigating factors, Morningstar DBRS considers investment property, IO balloon product type, and low documentation as baseline assumptions in its RTL analysis, which receives a considerable default penalty when compared with a traditional fully amortizing owner-occupied mortgage with full documentation.

5. **Representations and Warranties (R&W) Framework**: Morningstar DBRS deems the R&W framework to be fairly weak. Instead of an automatic review when a loan becomes seriously DQ, this transaction employs remedies only when breaches are known or discovered. In addition, the R&W provider is the Seller (Genesis), which is an unrated entity. Mitigating factors include:
   - TPR firms will conduct credit, property valuation, data integrity, and document review on all loans in the revolving pool. A comprehensive due-diligence review mitigates the risk of future R&W violations.
   - The Sponsor or majority-owned affiliate will retain a 5% horizontal residual interest in the aggregate fair value of the securities, aligning Sponsor and investor interest in the capital structure.
   - Morningstar DBRS conducted operational risk reviews on Genesis' origination and servicing platform and deems it to be acceptable.

   Notwithstanding the above mitigating factors, Morningstar DBRS reduced originator scores for all loans, which resulted in higher expected losses on the revolving portfolio.

6. **No Advances of Delinquent Interest**: The Servicer will not advance any scheduled interest on DQ mortgages. This will likely result in lower loss severities to the transaction than a full advancing framework because advanced interest will not have to be reimbursed from the Trust upon the liquidation of the mortgages. However, no advancing frameworks increase the possibility of periodic interest shortfalls to the Noteholders. Mitigating factors include:
   - Available funds are used to pay interest on the Notes, which include prepayments and scheduled principal due as loans mature.
   - Subordination levels are greater than expected losses, which may provide for payment of interest to the Notes.
   - Morningstar DBRS ran its standard cash flow scenarios that incorporate no interest advancing, which are discussed in more detail in the Cash Flow Analysis section of this report.

These strengths and challenges, along with other transaction details, will be discussed in depth in the relevant sections of this report.

Credit Rating Rationale

The Morningstar DBRS credit ratings of A (low) (sf), BBB (low) (sf), BB (low) (sf), and B (sf) address the ultimate payment of interest and full repayment of principal by the legal final maturity date in accordance with the terms and conditions of the related securities. Morningstar DBRS based the credit ratings primarily on the following:

- The transaction's capital structure and the form and sufficiency of available credit enhancement.
- Relevant credit enhancement in the form of subordination. Credit enhancement levels are sufficient to support Morningstar DBRS-projected expected cumulative loss assumptions under various stressed cash flow assumptions for the rated classes.
- The ability of the transaction to withstand stressed cash flow assumptions and repay investors according to the terms of the transaction documents.
- The Originator's and Servicers' capabilities with respect to originations, underwriting, servicing, and financial wherewithal.
- The credit quality of the collateral and the ability of the Servicer to perform collection activities on the collateral pool.
- The legal structure and presence of legal opinions addressing the assignment of the assets to the Issuer and the consistency with the Morningstar DBRS *Legal Criteria for U.S. Structured Finance* methodology.
- Morningstar DBRS' credit ratings do not address statements regarding the likelihood or frequency of prepayments on the mortgage loans, allocation of any prepayment interest shortfalls, the payment of any Cap Carryover Amounts, or the likelihood that there may be interest shortfalls as a result of the occurrence of extraordinary trust expenses in any given month.
- For additional information on the meaning and scope of the financial obligations identified in these credit ratings, please see Appendix B.

Credit Analysis Details

Key Assumptions in Morningstar DBRS Analysis

The revolving portfolio consists of the initial mortgage loans as of the Initial Cut-Off Date and additional mortgage loans that may be added on future additional transfer dates. To analyze the revolving portfolio, Morningstar DBRS makes the following assumptions:

- The transaction reaches amortization and the repayment of Notes is reliant on the amortization of an adverse pool.
- The adverse pool composition substantially meets the transaction's eligibility criteria.
- The creation of the adverse pool considers Genesis' underwriting guidelines and historical data related to its previous RTL originations.

Additional Mortgage Loans

Additional mortgage loans are subject to the following conditions:

- R&W specified in the First Step Mortgage Loan Purchase Agreement must be satisfied.
- Must be an Eligible Mortgage Loan (complies with transaction eligibility criteria).
- The Seller must not select loans in a manner that is adverse to the interests of the Noteholders.
- The Issuer will provide certain certifications with respect to the conveyance of such loans.
- The Custodian must be in receipt of the mortgage loan documents that are to be part of the mortgage loan file.

- The Servicer confirms additional mortgage loans meet the Eligible Mortgage Loan criteria. In addition, on a monthly basis, the Master Servicer will confirm the Eligibility Criteria and Concentration Limits are satisfied, based on information provided by the Servicer.

Initial Mortgage Loans and Eligibility Criteria for Additional Mortgage Loans

The table below highlights the key collateral attributes for the initial mortgage loans, as well as concentration limits and criteria for the additional mortgage loans.

Revolving Pool Attributes[1]	Initial Mortgage Loans[2]	Criteria for Additional Mortgage Loans	
Loan Count	251	Min	150
Original Principal Balance ($)	598,882,277	n/a	
Unpaid Principal Balance ($)	480,044,073	n/a	
Maximum Principal Limit ($)	17,539,000	Max	20,000,000
WA Pass Through Rate (%)	10.117	Min	8.000
WA Interest Margin (%)	6.126	Min	4.250
First Lien Position (%)	100.0	Min	100.0
Investment Property with Business Purpose Affidavit (%)	100.0	Min	100.0
Original Maturity Term > 36 months (%)	7.8	Max	8.0
Largest Guarantor/Borrower Exposure (%)	15.1	Max	20.0
Single Guarantor/Borrower Exposure (%)	8.8	Max	12.0
Wet Ink Mortgage Loans (%)	0.0	Max	0.0
Foreign National (%)	3.1	Max	10.0
FICO			
NZ WA FICO	737	Min	735
FICO	652	Min	625
FICO Not Available (%)	15.5	Max	25.0
Leverage (%)			
AIV LTV > 85%	0.0	Max	0.0
NZ WA ARV LTV	65.2	Max	67.0
ARV LTV > 75%	0.0	Max	0.0
NZ WA LTC	73.7	Max	80.0
LTC LTV >90%	0.0	Max	0.0
Project Size (%)			
Bridge Only	24.5	Max	25.0
Large (Construction Budget 50-75% of ARV)	8.4	Max	15.0
Heavy (Construction Budget 75+% of ARV)	2.6	Max	5.0
Ground-Up Construction	40.1	Max	50.0
Multifamily/Mixed-Use Ground-Up Construction	0.0	Max	0.0
Property Liquidity Ratio (x)			
WA PLR	n/a	n/a	
Borrower Experience (Number of Completed Projects in the Last 36 months)			
WA Borrower Experience	473	Min	150
Borrower Experience <10	0	Max	0
Liquid Reserves			
WA Liquid Reserves ($ million)	12.3	Min	5.0
Liquid Reserves on No FICO Guarantors < $1,000,000 (%)	0.0	Max	0.0
Extension (%)			

Revolving Pool Attributes[1]	Initial Mortgage Loans[2]	Criteria for Additional Mortgage Loans	
Extensions >3x	0.0	Max	5.0
Draw Funding (%)			
Unfunded Commitment Amounts	22.7	Max	60.0
Finished Property Type (%)			
Single Family (incl. PUD & TH)	74.7	Min	60.0
2 to 4 Family	10.5	Max	12.0
Multifamily 5+, Mixed-Use, and Land	9.9	Max	10.0
Multifamily 5+ and Mixed Use	0.0	Max	5.0
Geographic Concentration (%)			
State 1	52.2 (CA)	Max	60.0 (CA)
State 2	7.8 (CO)	Max	25.0
State 3	7.6 (WA)	Max	15.0
State 4	7.0 (AZ)	Max	12.0
State 5	6.1 (FL)	Max	10.0
Performance (when added to securitization) (%)			
Current Loans	100.0	Min	100.0
Extended Original Term to Maturity >12 months	0.0	Max	0.0
Third Party Review (%)			
TPR Sample Size (Credit and Property Valuation)	100.0	Min	100.0
TPR C and D Loan Grades[3]	0.0	Max	0.0

Notes:
1 The concentrations in the table reflect the percent of the mortgage loans in the revolving portfolio by the assets of the issuer, which is the sum of (1) the aggregate UPB of the mortgage loans and (2) amounts in the Accumulation Account.
2 The Initial Mortgage Loans figures are as reported in the transaction documents. Morningstar DBRS uses the eligibility criteria to create the adverse pool for its revolving portfolio analysis.
3 If a TPR firm gives an additional mortgage loan a C or lower grade (or its equivalent), such loan will be removed from the revolving portfolio within 60 days of the final determination.

Adverse Pool

Morningstar DBRS created an adverse pool based on the eligibility criteria. The adverse pool includes loans with risk layers and barbelled distributions of certain characteristics. Morningstar DBRS also reviewed historical data on Genesis originations and the company's underwriting guidelines to evaluate certain loan characteristics and create the adverse pool.

Morningstar DBRS used its proprietary RMBS Insight model to derive probability of default, loss severity, and expected loss assumptions for the NRMLT 2024-RTL1 adverse pool. The figures below represent the default probabilities, loss severities, and expected losses on the portfolio, generally stepped up from the raw model results.

Morningstar DBRS Default Probability, Loss Severity, and Expected Loss for NRMLT 2024-RTL1

Credit Rating	Probability of Default (%)	Loss Severity (%)	Expected Loss (%)
A (low) (sf)	31.84	59.68	19.00
BBB (low) (sf)	23.47	53.25	12.50
BB (low) (sf)	19.45	44.99	8.75
B (sf)	13.79	30.81	4.25

Key Probability of Default Drivers for the Adverse Pool

LTV Ratios and Future Equity

The eligibility criteria incorporates maximum NZ WA LTC and ARV LTV ratios, as well as limits on higher LTV buckets. The adverse pool that Morningstar DBRS created has barbelled distributions of LTVs and considers the maximum figures dictated by the eligibility criteria.

In its RTL analysis, Morningstar DBRS uses both an original LTV (using LTC or AIV LTV) and a current LTV (using ARV LTV) as inputs to assess default risk. For Genesis originations, the LTVs are generally calculated as follows:

- **LTC:** (1) the maximum principal limit divided by (2) total costs, which include the purchase price of the property, any fees and expenses paid, the total construction budget, and any interest reserves.
- **AIV LTV:** (1) the maximum principal limit divided by (2) the AIV.
- **ARV LTV:** (1) the maximum principal limit divided by (2) the ARV.

During the underwriting process, third-party appraisals are compared with Genesis internal valuations for both the AIV and the ARV, if applicable. Generally the lower value is incorporated into the Genesis lending decision. Genesis internal valuations are comparable to desk reviews and are completed by in-house appraisers.

Morningstar DBRS calculates future equity (in two years) for every loan using its ZIP code-level base house price forecast model and applies additional market value decline (MVD) assumptions by rating category (described further in the Key Loss Severity Drivers section).

Property Liquidity Ratio

The PLR compares the ARV of the mortgaged property to a mean property value within the same ZIP code area provided by Black Knight. The ratio measures the marketability of the subject property. Higher PLR warrants a greater default penalty as the property may be considered expensive compared with an average house in the area and thus potentially more difficult to sell.

The eligibility criteria does not consider a limit on PLR. Morningstar DBRS reviewed the PLR for Genesis' historical RTL originations using Black Knight data as well as the PLR of the initial mortgage loans. In general, Genesis properties tended to be higher priced compared to average properties and Morningstar DBRS assumed a stressed PLR distribution in its adverse pool analysis.

Borrower Experience

In Morningstar DBRS' RTL analysis, borrower experience is measured by the number of qualifying rehab projects completed within the past 36 months. Qualifying projects may include rehab followed by property sales or conversion into a rental property (and a refinance of the RTL into a traditional mortgage). Borrowers with greater experience are considered less risky.

The eligibility criteria includes a minimum WA borrower experience of 150 projects with a minimum of ten projects. The adverse pool incorporates the borrower experience criteria.

Project Size

Project size is calculated as the ratio of the rehab budget amount to the ARV. This ratio measures the size and/or complexity of the project. Generally speaking, the larger and more complex the project, the riskier it is.

The eligibility criteria dictates concentration limits on project size, which is incorporated in the adverse pool. Ground-up construction is limited as well, which is qualitatively considered in Morningstar DBRS' RTL analysis, in conjunction with project size.

Liquid Reserves

Borrowers, such as professional real estate investors and/or construction companies, may avail their liquid reserves to help fund initial property acquisition and support ongoing rehab/construction projects. Higher liquid reserves generally lead to lower default probabilities.

The eligibility criteria incorporates a minimum WA liquid reserves of $5,000,000 along with a minimum liquid reserves of $1,000,000 for guarantors with no FICO. Morningstar DBRS incorporated this in the adverse pool.

Bridge Only

Bridge only loans are RTL with no repairs or rehab/construction, as evidenced by no project size or ARV. These loans may include RTL originated under bridge or stabilized bridge programs where mortgagors generally seek temporary financing of unrehabilitated properties before commencing construction or exploring other exit options. Some borrowers taking out such loans might have attempted to start the construction and ran into difficulties, causing the project timelines to extend.

Bridge only loans on properties that have been fully or substantially rehabilitated and are ready to be sold or leased at the time of origination may pose lower credit risk than the above-described bridge only loans.

The eligibility criteria limits bridge only and Morningstar DBRS evaluated the impact of bridge only loans on the adverse pool.

Extensions

Genesis RTL may be extended, which provides additional time for borrowers to repay their mortgage beyond the original maturity date. At its discretion, the Servicer may grant such extensions for (1) loans that have been otherwise performing or (2) loans where the borrower is making progress with the renovation project. In Morningstar DBRS' analysis, extensions are measured by the number of months the original loan term was extended. Although there may be some benefit to the borrower in providing a few extra months to sell or refinance their property, generally longer extensions are considered riskier because it could signify a borrower has run into trouble disposing of or refinancing the property.

The eligibility criteria limits loans extended more than three times to 5%. In its adverse pool analysis, Morningstar DBRS considers potential extensions.

Borrower Credit

The minimum non-zero (NZ) WA FICO score of 735 indicates prime borrower credit profiles, and credit scores below 625 are not permitted. Although up to 25.0% of the revolving portfolio can comprise loans made to borrowers without a credit score, such borrowers (generally business entities without a natural person as guarantor) are required to have liquid reserves of $1,000,000.

The adverse pool incorporates the credit score minimums, which results in a barbelled distribution of FICO scores. In addition, for the loans without a FICO, Morningstar DBRS applied a conservative credit score assumption that is lower than the minimum WA FICO specified by the eligibility criteria. In Genesis' RTL underwriting guides, the credit score generally incorporates the average middle score of all guarantors.

Borrower and Geographic Concentration Risk

Morningstar DBRS measures concentration risk by a Herfindahl index calculated on both a geographic (metropolitan statistical area level) and loan-size basis. The concentration measure, along with credit quality, derives the level of asset correlation, which is an important factor in the determination of credit rating category stresses.

Although the transaction includes certain eligibility criteria to address concentration risk, the specifications of the criteria are generally wide. These factors include:

- High single borrower exposure.
- Large maximum loan size.
- Low minimum loan count.
- Concentrated geography (high California maximum).
- No limit for cross-collateralized loans (single loans backed by more than one property).

For the NRMLT 2024-RTL1 adverse pool, the asset correlation was elevated relative to other RTL pools reviewed by Morningstar DBRS. Such treatment resulted in higher expected losses on the revolving portfolio.

Additional Default Considerations for the Adverse Pool

Property Type

The eligibility criteria dictates minimum concentrations for single-family residences, including townhomes and planned unit developments, as well as maximum concentrations for two- to four-unit, multifamily 5+, mixed-use, and land properties. Morningstar DBRS considered these limits in the creation of the adverse pool and applied default penalties for riskier property types accordingly. Morningstar DBRS also applied an additional loss severity penalty for the land, multifamily 5+, and mixed-use bucket.

Investment Properties

RTL borrowers are real estate investors who rehabilitate properties to sell for a profit or refinance to rent. Such properties are generally unoccupied throughout the life of the loans. Investor occupancy is a standard treatment in the Morningstar DBRS RTL model, but represents a default penalty when compared with traditional owner-occupied mortgages.

Product Type

In the revolving portfolio, RTLs comprise fixed- and adjustable-rate first-lien mortgages with original terms to maturity of generally six to 24 months. Most of the loans will be IO balloons with full principal repayment due at maturity. The affordability nature of crisis-era IO balloon products has resulted in truly adverse performance of such loans in the traditional mortgage space. In addition, a large payment obligation at maturity may introduce the potential for severe payment shock in the event a property cannot be sold or refinanced in time. In its RTL analysis, Morningstar DBRS considers IO balloon product types as baseline assumptions, which receive a default penalty when compared with traditional fully amortizing mortgage loans.

Genesis also originates rental hold loans which have longer maturities of up to 120 months and may pay principal and interest. Rental holds are loans for finished properties that are underwritten using rental cash flows (debt service coverage ratios). Morningstar DBRS assumes a portion of longer maturity collateral in the adverse pool per the eligibility criteria, but does not give any credit to fully amortizing loans.

Key Loss Severity Drivers

Morningstar DBRS calculates loss severity as follows:

1. A recovery value is estimated from the statistical recovery model. To derive a recovery value, Morningstar DBRS first estimates an updated property value at liquidation, which includes the following considerations:
    - The number of months each subject loan takes to migrate through the delinquency, foreclosure, and real estate owned (REO) timeline;
    - A ZIP code-level house price forecast; and
    - An MVD stress by credit rating category.
2. Loss is calculated as the shortfall of recovery to loan balance outstanding.

MVD (by Credit Rating Level)

In its standard assumptions, Morningstar DBRS generally applies an MVD to all property values across all credit rating levels, ranging from 27% in the AAA scenario to 5% in the B scenario, as specified in its *RMBS Insight 1.3: U.S. Residential Mortgage-Backed Securities Model and Rating Methodology*.

Interest Advancing

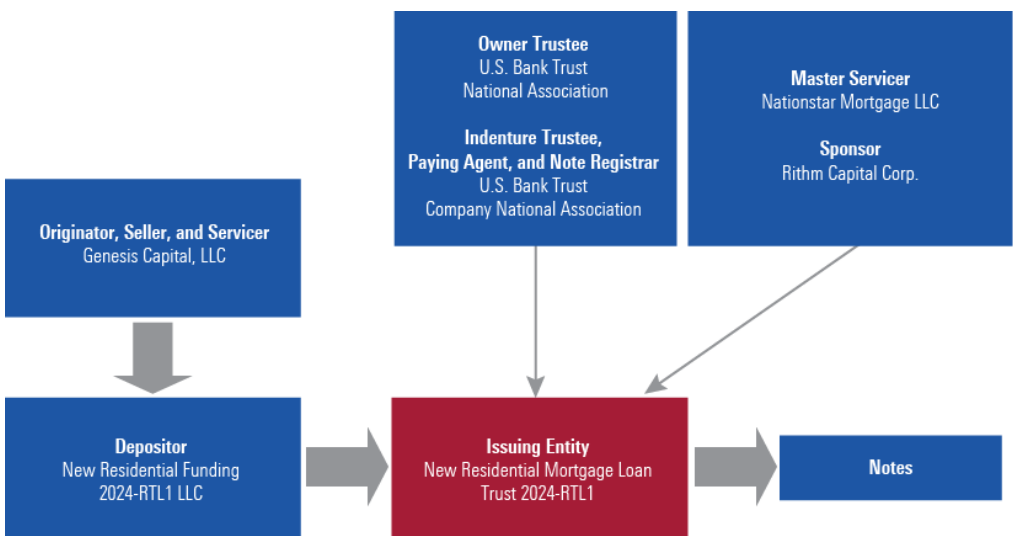
None of the transaction parties will advance scheduled interest on DQ mortgages. This will likely result in lower loss severities when compared with full advancing transactions because the advanced interest will not have to be reimbursed from the trust upon liquidation of the mortgages. However, generally, no advancing frameworks may also increase the possibility of periodic interest shortfalls to the securityholders.

To mitigate potential interest shortfalls, principal proceeds can be used to pay interest shortfalls to the securities. In addition, subordination levels are greater than expected losses, which may provide for payment of interest to the securities. Morningstar DBRS ran cash flow scenarios that incorporated no interest advancing for defaulted loans.

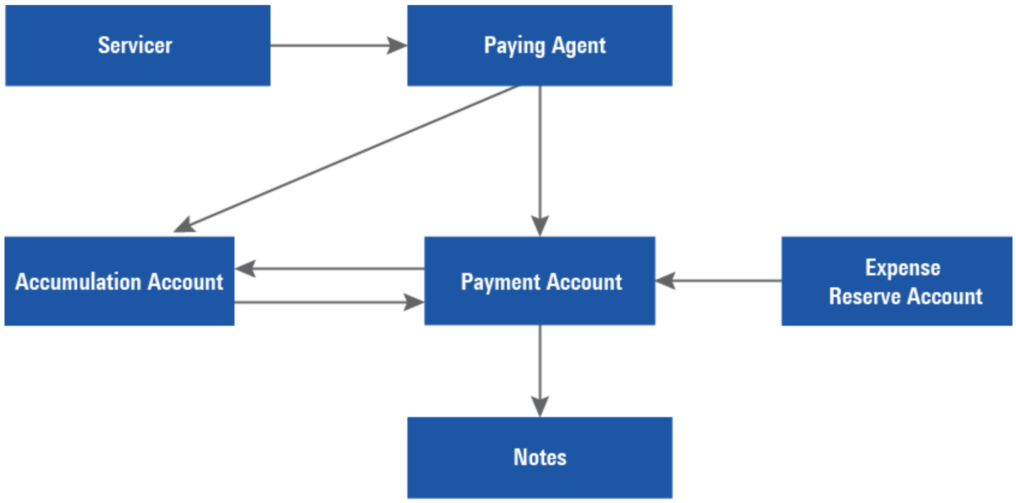
Qualified Mortgage Treatment

The portfolio comprises mortgages loans made to investors for business purposes and are not subject to the Qualified Mortgage/Ability-to-Repay rules.

Transaction Structure



Flow of Funds Summary



Account Descriptions

Accumulation Account

The Accumulation Account is an eligible account that holds funds to be used for (1) Disbursement Requests, (2) the purchase of additional mortgage loans during the reinvestment period, and (3) to make payments according to the priority of payments. The Accumulation Account is replenished from the transaction cash flow waterfall, after payment of interest to the Notes, to maintain a minimum required funding balance. Such account is funded upfront in an amount equal to approximately $19,955,927.

Payment Account

The Payment Account is an eligible account that holds funds that are transferred from the Accumulation Account and available funds. Amounts from the Payment Account will be disbursed in accordance with the priority of payments.

Expense Reserve Account

The Expense Reserve Account is an eligible account that holds amounts to cover transaction counterparty fees paid at the top of the cash flow waterfall. Such account is funded upfront in an amount equal to $355,000. The Expense Reserve Account is replenished from the transaction cash flow waterfall, prior to payment of interest to the Notes, to maintain the Target Expense Reserve Amount. The Target Expense Reserve Amount is $355,000 for the first two years after the Closing Date and then steps down based on a schedule specified in the transaction documents.

Escrow Account

The Escrow Account is an account that holds amounts used to fund Disbursement Requests for loans with funded commitments. For additional mortgage loans with funded commitments, the Issuer will deposit the undrawn holdback amounts into the Escrow Account. As of the Initial Cut-off Date, none of the loans have funded commitments.

Cash Flow Structure and Features

Available Funds

On any payment date, available funds will generally include:

- All collections received during the related collection period, excluding principal collections (interest, liquidation proceeds, insurance proceeds, condemnation proceeds, and Servicing Advance reimbursements).
- Amounts deposited from the Accumulation Account, which includes principal collections, and the Expense Reserve Account.
- Any Redemption Prices, if applicable.

Priority of Payments

Available funds will be applied in the following order of priority:

1. Pay transaction fees and expenses to the applicable transaction parties, subject to the annual cap if applicable
2. Pay any unreimbursed Servicing Advances and other expenses to the Servicer
3. Pay Servicing and Asset Management fee to the Servicer
4. Pay any amounts needed to reach the Target Expense Reserve Amount to the Expense Reserve Account
5. Pay the related note interest payment amount and any unpaid interest amounts to Class A1
6. Following the termination of the Reinvestment Period and solely from amounts deposited from the Accumulation Account into the Payment Account pursuant to clause (ii) of the definition of Available Funds, pay the Class A1 Parity Principal Payment Amount to Class A1, until reduced to zero
7. Pay the related note interest payment amount and any unpaid interest amounts to Class A2
8. Following the termination of the Reinvestment Period and solely from amounts deposited from the Accumulation Account into the Payment Account pursuant to clause (ii) of the definition of Available Funds, pay the Class A2 Parity Principal Payment Amount to Classes A1 and A2, sequentially, until reduced to zero
9. Pay the related note interest payment amount and any unpaid interest amounts to Class M1
10. Following the termination of the Reinvestment Period and solely from amounts deposited from the Accumulation Account into the Payment Account pursuant to clause (ii) of the definition of Available Funds, pay the Class M1 Parity Principal Payment Amount to Classes A1, A2, and M1, sequentially, until reduced to zero
11. Pay the related note interest payment amount and any unpaid interest amounts to Class M2
12. During the reinvestment period,
    a. If the Class A Minimum Credit Enhancement Test is satisfied, pay the Required Accumulation Account Deposit amount to the Accumulation Account
    b. If the Class A Minimum Credit Enhancement Test is not satisfied, pay, sequentially,
        i. The Class A Paydown Amount to Classes A1 and A2, sequentially, until reduced to zero
        ii. The Required Accumulation Account Deposit amount to the Accumulation Account

13. After the reinvestment period, pay amounts as directed by the Servicer, up to the aggregate unfunded commitments, to the Accumulation Account
14. After the reinvestment period and solely from amounts deposited from the Accumulation Account into the Payment Account pursuant to clause (ii) of the definition of Available Funds, pay the principal payment amount to Classes A1, A2, M1, and M2, sequentially as principal, until reduced to zero
15. After the reinvestment period, pay
    a. Up to the amount of any realized losses for such Payment Date to Classes A1, A2, M1, M2, and XS, sequentially, until reduced to zero
    b. Up to the amount of any cumulative applied realized losses to Classes A1, A2, M1, M2, and XS, sequentially, until reduced to zero
    c. Any previously allocated applied realized losses as reimbursement to Classes A1, A2, M1, M2, and XS, sequentially
16. From amounts otherwise payable to Class XS, pay (a) an amount up to the aggregate Cap Carryover Amount for the Class A Notes to the Cap Carryover Reserve Account and then (b) from amounts on deposit in the Cap Carryover Reserve Account, any unpaid Cap Carryover Amounts, to Classes A1 and A2, sequentially
17. Any unpaid amounts beyond the annual cap to the applicable transaction parties, pro rata
18. Pay remaining amounts as set forth in the indenture to Class XS, and
19. Pay remaining amounts in accordance with the Indenture.

Allocation of Realized Losses

Realized losses will be allocated to the Notes in a reverse sequential order from the most subordinate class and up (Classes XS, M2, M1, A2, and A1, in that order), until each class has been reduced to zero.

Early Amortization Events

During the reinvestment period, the occurrence of an early amortization event will cause the transaction structure to cease revolving, and principal will be paid to the Notes in accordance with the priority of payments. Such early amortization events include the following:

- 60+ day DQ rate is greater than 10.0% for each of the last three months
- Default rate is greater than 6.0% for each of the last three months
- An event of default.

Reinvestment Period

The reinvestment period begins on the Closing Date and ends on the earlier of (1) the payment date in March 2026 and (2) an early amortization event.

Parity Principal Payment Amounts

In the event the transaction becomes undercollateralized, the parity principal payment amounts are paid in accordance with the priority of payments in order to bring the applicable Note amounts into parity with the performing collateral balance.

Principal Payment Amounts

During the reinvestment period, the Notes will not receive principal payment amounts. Once the reinvestment period ends, principal payment amounts will be paid to the Notes in accordance with the priority of payments. The principal payment amount will equal the excess of the aggregate Note Amount minus the aggregate parity principal payment amounts.

Class A Minimum Credit Enhancement Test

If credit enhancement for Class A Notes falls below 8.00%, then the Class A Paydown Amount will be applied according to the priority of payments.

Class A Paydown Amount

The Class A Paydown Amount will be equal to

- 12.50 multiplied by
- 8.00% minus the lower of the Class A credit enhancement and 8.00% multiplied by
- The UPB plus amounts in the Accumulation Account.

Step Up Event

Beginning with the Payment Date in October 2026, the fixed rates for Class A-1 and A-2 will step up by 1.000%.

Cash Flow Analysis

Morningstar DBRS generally undertakes a detailed structural analysis that encompasses eight cash flow scenarios. The cash flow assumptions focus on the following risk factors:

- Prepayment speeds.
- Draw rates.
- Timing of defaults and liquidations.
- Interest rate stresses (when there is a mismatch between collateral and bond coupons).

Morningstar DBRS incorporates a dynamic cash flow analysis in its credit rating process. As indicated in the table below, a baseline of two prepayment scenarios under the Standard[2] Intex convention, two draw scenarios, two interest stresses, one default timing curve, and one liquidation vector was applied to test the resilience of the rated classes. Recoveries were assumed to occur in the same period as liquidations. Morningstar DBRS, therefore, ran a total of eight cash flow scenarios at each credit rating level for this transaction.

2. Standard: The standard prepayment rate consists of voluntary prepayments only. The prepayment amount and default amount are applied to the loans independently.

Eight Cash Flow Scenarios Applied by Morningstar DBRS for NRMLT 2024-RTL1

Scenario	Prepayments (%)	Draw (%)	Default Timing	Liquidation Lag	Interest Stress
1	15 CPR	10 CPR	RTL Default Timing Curve	3 to 18 months	Up
2	15 CPR	40 CPR	RTL Default Timing Curve	3 to 18 months	Up
3	40 CPR	10 CPR	RTL Default Timing Curve	3 to 18 months	Up
4	40 CPR	40 CPR	RTL Default Timing Curve	3 to 18 months	Up
5	15 CPR	10 CPR	RTL Default Timing Curve	3 to 18 months	Down
6	15 CPR	40 CPR	RTL Default Timing Curve	3 to 18 months	Down
7	40 CPR	10 CPR	RTL Default Timing Curve	3 to 18 months	Down
8	40 CPR	40 CPR	RTL Default Timing Curve	3 to 18 months	Down

For this transaction, the Servicer will not advance any interest payments on DQ mortgages to the securitization Trust. When performing cash flow analysis, Morningstar DBRS applied a default timing curve and a liquidation lag. This would result in principal and interest collections being shut off when loans default until they are liquidated. Additionally, WAC deterioration stresses were incorporated into the runs.

For a revolving structure, Morningstar DBRS assumes the eligibility criteria controls the risk exposure of the transaction throughout the reinvestment period. Morningstar DBRS then assesses the cash flows during the amortization period, assuming the adverse pool will exist once the reinvestment period ends. Morningstar DBRS reviewed the Genesis' eligibility criteria, historical paydowns and payoffs, and historical draw rates to create collateral replines used in the cash flow analysis, as well as the prepayment and draw assumptions.

Credit Rating Category Analysis

Morningstar DBRS employs various home price assumptions in its credit analysis at each credit rating category. Although an important driver of defaults and loss severities, home prices alone do not necessarily warrant credit rating changes. Many other factors, including economic measures and prepayment behaviors, can also cause changes in transaction performance. Higher credit rating levels by design have the ability to withstand increasing stresses more than the lower credit rating levels.

Credit Rating Category Stresses

Morningstar DBRS incorporates home prices, asset correlation, and simulation in determining credit rating category stresses. Associated with each credit rating category is a home price or MVD scenario. All future house values are adjusted downward by this percentage. This adjustment is applied on top of the base house price forecast. The table below illustrates the MVD assumptions for each credit rating category, as specified in Morningstar DBRS' U.S. RMBS credit rating methodology.

Market Value Decline by Credit Rating Category

Credit Rating Category	Market Value Decline (%)
AAA (sf)	27
AA (sf)	22
A (sf)	18
BBB (sf)	14
BB (sf)	8
B (sf)	5

Asset correlation is determined by the level of concentration (in geography and loan size) and credit quality. A simulation approach is used to determine the portfolio-level distribution of default and recovery. Simulations are run until the probability of exceeding the estimated credit rating stress level is less than a target value, or confidence interval, as established by the Morningstar DBRS idealized default table.

Originator and Servicer

Genesis Capital, LLC

Genesis is the originator and servicer of the loans in this transaction. Morningstar DBRS performed a telephone review of Genesis' residential mortgage origination and servicing platform and believes the company is an acceptable mortgage loan originator and servicer.

Genesis is a business-purpose lender that provides financing solutions to developers and investors of non-owner-occupied single-family and multifamily properties. Loan products include RTLs, bridge loans, and other construction loans. The company was founded in 2013 and received a strategic investment from Oaktree Capital in 2014. In 2018, Genesis was acquired by Goldman Sachs. In 2021, Genesis was acquired by Rithm Capital Corp. (f/k/a New Residential Investment Corp.) and is currently a wholly owned subsidiary of Rithm. Rithm is an asset manager focused on the real estate and financial services industries. Rithm's investments in operating entities include origination and servicing platforms held through its wholly owned subsidiaries, Newrez LLC, Caliber Home Loans Inc., and Genesis Capital LLC, as well as investments in affiliated businesses that provide residential and commercial real estate related services. Since inception through September 30, 2023, Genesis has originated and/or brokered approximately 15,000 loans totaling $13.0 billion. As of October 31, 2023, Genesis's servicing portfolio comprised 1,088 loans totaling $1.9 billion in UPB, which included 22.4% RTLs, 40.1% bridge loans, and 37.5% construction loans by loan count.

Genesis is headquartered in Sherman Oaks, California. The company's senior management team has extensive experience in real estate lending and development, including acquisition, valuation, construction oversight, and resale, and averages more than 10 years of industry experience and 4.4 years of company tenure. As of October 31, 2023, Genesis had approximately 142 full time equivalent (FTE) employees, including 12 underwriters and seven servicing employees. The company leverages offshore resources to support certain information technology (IT) functions. New hire training and annual training for existing employees provided by the Compliance department covers applicable rules, regulations, and internal policies. Ad hoc training on specific requirements is provided as needed.

Genesis' compliance department assists the business operational areas in identifying, measuring, monitoring, and controlling compliance and related risks. The company's operational risk and governance committee assists management in overseeing risk across all operational areas and is responsible for setting business standards and practices for managing risk. Genesis' risk management program incorporates policies for anti-money laundering, business continuity, code of business conduct, customer complaints, electronic communications and social media, and escalating integrity concerns. Genesis is subject to Rithm's internal audit program.

Genesis sources business in more than 30 states and the District of Columbia through a proprietary data platform, existing borrowers, and general marketing efforts, focusing on relationship-based lending and repeat business. The sales department is responsible for identifying potential borrowers and gathering preliminary information on the entity and its controlling principal(s). The credit department, which consists of the senior credit officer and credit risk manager or designated underwriting manager, must approve new borrowers in order to proceed with a letter of interest and/or perform additional due diligence. Prior to approving a new borrower, Genesis' lending and construction departments conduct an onsite or telephone meeting with the company to assess its operations and verify its capabilities, capacity, and expertise.

Genesis does not typically source loans through third-party originators; however, brokers may refer potential borrowers to the company. When contacted by brokers, Genesis requires financial statements, a schedule of REO, operating experience, and background on the potential borrowers and/or guarantors, consistent with its general underwriting practices. If the potential borrower has acceptable financial capability to support the loan request, a senior member of Genesis' lending team will discuss potential loan terms and structure directly with the potential borrower.

Genesis primarily lends to experienced borrowers with successful track records in RTL, construction, and/or rental hold projects. The underwriting process focuses on the borrower's financial condition, creditworthiness, strategy, operations, and construction management capabilities in addition to the property's value and income-producing potential. Genesis requires a track record of the borrower's completed and in-progress projects. A credit underwriter validates the borrower-provided information against certain publicly available real estate data sources and the company's proprietary database. Genesis' in-house construction department reviews the borrower's construction capability, estimated construction timeline, and proposed budget. The company uses a proprietary system, Genesis Loan Approval & Scoring System (GLASS), to support workflow management of its active loan pipeline. Any exceptions to the company's borrower approval or underwriting guidelines must be approved by the credit department. Less than 0.1% of the RTLs have exceptions to Genesis' underwriting guidelines.

Genesis' valuations department, which includes three licensed appraisers, performs a desktop valuation on each property submitted for approval, leveraging third-party data sources including the multiple listing service, House Canary, tax records, and other information available online. For loan amounts greater than $400,000, Genesis orders appraisals directly from approved appraisers or through appraisal management companies and may obtain other third-party valuation products including broker price opinions and automated valuation models. For loan amounts between $400,000 and $1 million, an exterior-only appraisal is acceptable. For loan amounts greater than $1 million, a full interior appraisal is required. Appraisals generally include "as is" and "as repaired" values and a construction budget. The appraisal coordinator and/or the valuations department review the appraisals to check for compliance and accuracy. Any deviation greater than 10% from the company's internal valuation requires further review and reconciliation before a loan can be approved.

Prior to closing, all loans are reviewed by a credit manager to confirm material loan details. Post closing, Genesis conducts a quality control (QC) review for compliance with underwriting guidelines and data integrity.

Genesis generally retains servicing on, and/or asset management of, the loans it originates, and uses a subservicer primarily for sending billing statements and processing payments. Loans are boarded onto the subservicer's servicing system upon closing and a Genesis loan boarding specialist completes a post-boarding QC review. Genesis also tracks loans in its accounting system, SAGE. Originations and draws are posted to SAGE automatically from GLASS. Genesis is responsible for customer service, escrow, draw administration, collections, loss mitigation, and default management functions, and leverages real time access to the subservicer's servicing system to monitor and track loan activity. Loan payments received by the subservicer are posted daily to SAGE. Currently, approximately 46% of RTL borrowers pay through ACH. Real estate tax monitoring is outsourced to LERETA and certain property insurance functions are outsourced to OSC Insurance Services.

Genesis' credit department has primary responsibility for asset management of the company's portfolio, including an annual borrower review and renewal process, quarterly monitoring of borrower financial covenants if applicable, loan maturity extensions, and distressed loan management. The loan maturity extension review process typically begins 45 days prior to the maturity date. When the borrower indicates an extension will be requested, Genesis reviews updated property information, current loan information, extension history, and borrower performance.

Genesis' construction department reviews construction budgets, draw requests, lien status, project delays, and any borrower/guarantor issues for active construction loans. For all draw requests, construction progress and invoices are reviewed and approved by the construction team prior to releasing funds to the borrower. For most draw requests, an onsite inspection is conducted by Genesis or a third-party vendor. In most circumstances, draw requests are placed on hold if a loan becomes 30 days past due.

Outbound collection efforts are initiated by relationship managers and loan officers at 10 days past due. After 30 days past due, the special assets department and/or internal counsel will initiate review and coordination of default resolution actions. Updated valuations and inspections are obtained upon transfer to special assets, and thereafter approximately every six months until resolution. Genesis initiates foreclosure actions in consultation with its counsel. During the foreclosure process, a court-appointed receiver may handle maintenance and repairs. For REO properties, the special assets department works with the construction department and/or third-party vendors for property preservation or management after taking ownership. As of October 31, 2023, Genesis was not managing any REO assets.

Genesis' proprietary data and technology platform facilitates the company's data driven approach across all functions including marketing, sales, underwriting, operations, finance, and risk management. The company's proprietary technology includes its workflow management system GLASS and accounting system SAGE. Critical systems are backed up daily. The company's policy requires its business continuity/disaster recovery plan to be tested annually.

Master Servicer

Nationstar Mortgage LLC

Nationstar Mortgage LLC d/b/a Mr. Cooper Master Servicing (MCMS) is the master servicer for this transaction. Morningstar DBRS performed a telephone review of the MCMS' master servicing operations and believes the company is an acceptable master servicer for Morningstar DBRS rated transactions.

MCMS, an operating subsidiary of Mr. Cooper Group Inc (Mr. Cooper Group), is located in Denver. Mr. Cooper Group through its subsidiaries offers servicing, origination, and transaction-based services related principally to single-family residences throughout the U.S. In June 2012, Nationstar Mortgage LLC acquired the master servicing business of Aurora Loan Services LLC (Aurora), which had been engaged in the business of master servicing residential mortgage loans since 1998. MCMS' senior management team averages more than 29 years of industry experience and 20 years of company tenure including experience with Aurora prior to the acquisition. The master servicing staff comprises approximately 73 FTE employees including four in India. The company does not outsource any master servicing functions. As of December 31, 2023, MCMS was acting as master servicer for approximately 885 residential mortgage transactions with an aggregate outstanding principal balance of approximately $135.4 billion. The master servicing portfolio includes non-QM, seasoned, prime investor, jumbo, reperforming, and debt service coverage ratio loans.

Third-Party Due Diligence

AMC, Recovco, and Canopy are the Securitization Diligence Providers for this transaction. Morningstar DBRS has conducted reviews of the Securitization Diligence Providers and believes that the companies have the capability to effectively perform residential mortgage due-diligence reviews.

The Securitization Diligence Providers conducted credit, property valuation, data integrity, and document reviews on 100% of the initial mortgage loans in the revolving portfolio. Eligible diligence vendors acceptable to Morningstar DBRS will conduct credit, property valuation, data integrity, and document reviews on all the additional mortgage loans. Because RTLs are business-purpose investor loans, a regulatory compliance review is not part of the TPR scope.

The scope of the review includes the following:

1. **Credit**. The mortgage loan documents and underwriting file are reviewed for conformity with the underwriting guidelines, including recalculation of certain fields.
2. **Valuation**. The review includes making a reasonable assessment of whether the appraisal is thorough and complete.

None of the initial mortgage loans had C or lower grades (or its equivalent) for credit or valuation review. If a TPR firm gives an additional mortgage loan a C or lower grade (or its equivalent), such loan will be removed from the revolving portfolio within 60 days of the final determination. In conjunction with its TPR analysis, Morningstar DBRS also reviewed Genesis' underwriting guidelines in detail and assessed the sufficiency of the underwriting process.

For this transaction, each TPR firm provided Morningstar DBRS with a written attestation that generally includes the following:

- The due-diligence review was conducted without influences from the sponsor of the transaction.
- The review was completed in accordance with Morningstar DBRS third-party due-diligence criteria.
- The reviewers have the appropriate level of experience to complete the due-diligence review.
- Ample time was given to the firm to perform the review and report the findings to Morningstar DBRS.

Representations and Warranties

The Seller will make certain R&W with respect to the mortgage loans included in the revolving portfolio. Morningstar DBRS reviewed the various aspects of the R&W framework in this transaction, and in conjunction with a detailed analysis of (1) the nature, purpose, and credit quality of RTL; (2) the TPR framework; and (3) financial assessments of the entities providing R&W, Morningstar DBRS deems such R&W framework acceptable.

Below, is a summary of the R&W framework. Details of the review procedures and enforcement mechanism, among other features, can be found in the related transaction documents.

R&W Framework	
Transaction R&W	24 R&W with content acceptable to Morningstar DBRS
R&W Providers	The Seller: Genesis
Sunset Provisions	None
Enforcement Mechanism	1. Depositor, Issuer, Master Servicer, or Servicer has knowledge of defective or missing document 2. Depositor, Issuer, Master Servicer, Servicer, Indenture Trustee, or Owner Trustee has knowledge of or receives notice of a breach
Breach Reviewer	None
Breach Material Evaluator	Depositor, Issuer, Master Servicer, or Servicer
Remedy	1. Cure 2. Repurchase 3. Remit make-whole payment for liquidated loans
Knowledge Qualifiers	7
Remedy Standard	Material and Adverse

Enforcement Mechanism

To the extent that the Depositor, the Issuer, the Master Servicer, or the Servicer has actual knowledge of a defective or missing mortgage loan document and such missing document or defect is preventing or materially delaying the (1) realization against the related Mortgaged Property through foreclosure or similar loss mitigation activity or (2) processing of any title claim under the related title insurance policy, such party will give written notice to the other parties and to the Seller.

To the extent that the Depositor, the Issuer, the Master Servicer, the Servicer, the Indenture Trustee, or the Owner Trustee has actual knowledge of a material breach, the party with such knowledge will give written notice to the other parties and to the Seller.

Breach Remedies

In the event a breach of any R&W materially and adversely affects the value of a mortgage loan or the interests of the Noteholders in such mortgage loan, the Seller will be required to:

- Cure the breach.
- Repurchase the affected mortgage loan from the trust.
- For liquidated loans, remit an indemnity payment equal to the make-whole amount.

Methodologies

The following are the methodologies Morningstar DBRS applied to assign credit ratings to the above-referenced transaction. Such methodologies can be found on dbrs.morningstar.com under Methodologies & Criteria. Alternatively, please contact info-DBRS@morningstar.com or contact the primary analysts whose information is listed in this report.

- *RMBS Insight 1.3: U.S. Residential Mortgage-Backed Securities Model and Rating Methodology*
- *Assessing U.S. RMBS Pools Under the Ability-to-Repay Rules*
- *Interest Rate Stresses for U.S. Structured Finance Transactions*
- *Third-Party Due-Diligence Criteria for U.S. RMBS Transactions*
- *Representations and Warranties Criteria for U.S. RMBS Transactions*
- *Legal Criteria for U.S. Structured Finance*
- *Operational Risk Assessment for U.S. RMBS Originators*
- *Operational Risk Assessment for U.S. RMBS Servicers*
- *Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings*

In accordance with the operational risk framework outlined in the Morningstar DBRS *RMBS Insight 1.3: U.S. Residential Mortgage-Backed Securities Model and Rating Methodology*, the framework takes into consideration aspects of Morningstar DBRS' originator and servicer assessment, the results of the third-party due-diligence review, and the strength of the R&W provided, which may result in a credit or penalty applied to the default and loss severity rates of a mortgage pool.

The transaction assumptions consider Morningstar DBRS' baseline macroeconomic scenarios for rated sovereign economies, available in its commentary *Baseline Macroeconomic Scenarios for Rated Sovereigns: March 2024 Update*, published on March 27, 2024. These baseline macroeconomic scenarios replace Morningstar DBRS' moderate and adverse coronavirus pandemic scenarios, which were first published in April 2020.

Monitoring and Surveillance

The transaction will be monitored in accordance with the Morningstar DBRS *U.S. RMBS Surveillance Methodology*.

Notes:
All figures are in U.S. dollars unless otherwise noted.

Appendix A—Environmental, Social, and Governance (ESG) Factors

ESG Checklist

ESG Factor		ESG Credit Consideration Applicable to the Credit Analysis: Y/N		Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*
Environmental		**Overall:**	**N**	**N**
	Emissions, Effluents, and Waste	Do the costs or risks result in a higher default risk or lower recoveries for the securitized assets?	N	N
	Carbon and GHG Costs	Do the costs or risks related to GHG emissions, and related regulations and/or ordinances result in higher default risk or lower recoveries of the securitized assets?	N	N
		Are there potential benefits of GHG-efficient assets on affordability, financeability, regulatory compliance, or future values (recoveries)?	N	N
		Carbon and GHG Costs	**N**	**N**
	Climate and Weather Risks	Are the securitized assets in regions exposed to climate change and adverse weather events affecting expected default rates, future valuations, and/or recoveries, considering key IPCC climate scenarios up to a 2°C rise in temperature by 2050?	N	N
	Passed-through Environmental credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by environmental factors (see respective ESG checklist for such issuer)?	N	N
Social		**Overall:**	**N**	**N**
	Social Impact of Products and Services	Do the securitized assets have an extraordinarily positive or negative social impact on the borrowers and/or society, and do these characteristics of these assets result in different default rates and/or recovery expectations?	N	N
		Does the business model or the underlying borrower(s) have an extraordinarily positive or negative effect on their stakeholders and/or society, and does this result in different default rates and/or recovery expectations?	N	N
		Considering changes in consumer behavior or secular social trends: does this affect the default and/or loss expectations for the securitized assets?	N	N
		Social Impact of Products and Services	**N**	**N**
	Human Capital and Human Rights	Are the originator, servicer, or underlying borrower(s) exposed to staffing risks and could this have a financial or operational effect on the structured finance issuer?	N	N
		Is there unmitigated compliance risk due to mis-selling, lending practices, or work-out procedures that could result in higher default risk and/or lower recovery expectations for the securitized assets?	N	N
		Human Capital and Human Rights	**N**	**N**
	Product Governance	Does the originator's, servicer's, or underlying borrower(s)' failure to deliver quality products and services cause damage that may result in higher default risk and/or lower recovery expectations for the securitized assets?	N	N
	Data Privacy and Security	Does the originator's, servicer's, or underlying borrower(s)' misuse or negligence in maintaining private client or stakeholder data result in financial penalties or losses to the issuer?	N	N
	Passed-through Social credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by social factors (see respective ESG checklist for such issuer)?	N	N
Governance		**Overall:**	**N**	**N**
	Corporate / Transaction Governance	Does the transaction structure affect the assessment of the credit risk posed to investors due to a lack of appropriate independence of the issuer from the originator and/or other transaction parties?	N	N
		Considering the alignment of interest between the transaction parties and noteholders: does this affect the assessment of credit risk posed to investors because the alignment of interest is inferior or superior to comparable transactions in the sector?	N	N
		Does the lack of appropriately defined mechanisms in the structure on how to deal with future events affect the assessment of credit risk posed to investors?	N	N
		Considering how the transaction structure provides for timely and appropriate performance and asset reporting: does this affect the assessment of credit risk posed to investors because it is inferior or superior to comparable transactions in the sector?	N	N
		Corporate / Transaction Governance	**N**	**N**
	Passed-through Governance credit considerations	Does this rating depend to a large extent on the creditworthiness of another rated issuer which is impacted by governance factors (see respective ESG checklist for such issuer)?	N	N
		Consolidated ESG Criteria Output:	**N**	**N**

* A Relevant Effect means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.
A Significant Effect means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer.

ESG Considerations

Environmental

There were no Environmental factors that had a relevant or significant effect on the credit analysis. For more details about which Environmental factors could have an effect on the credit analysis, please refer to the checklist above.

Social

There were no Social factors that had a relevant or significant effect on the credit analysis. For more details about which Social factors could have an effect on the credit analysis, please refer to the checklist above.

Governance

There were no Governance factors that had a relevant or significant effect on the credit analysis. For more details about which Governance factors could have an effect on the credit analysis, please refer to the checklist above.

The above ESG discussion relates to credit risk factors that could affect the Issuer's credit profile and, therefore, the credit ratings of the Notes. They are separate from ESG sustainability factors, which are generally outside the scope of this analysis. A description of how Morningstar DBRS considers ESG factors within the Morningstar DBRS analytical framework can be found in the *Morningstar DBRS Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings* at https://dbrs.morningstar.com/research/427030.

Appendix B—Scope and Meaning of Financial Obligations

Morningstar DBRS' credit ratings on the Notes address the credit risk associated with the identified financial obligations in accordance with the relevant transaction documents. For information on the associated financial obligations, please refer to the corresponding press release published for this credit rating action.

About Morningstar DBRS

Morningstar DBRS is a full-service global credit ratings business with approximately 700 employees around the world. We're a market leader in Canada, and in multiple asset classes across the U.S. and Europe.

We rate more than 4,000 issuers and nearly 60,000 securities worldwide, providing independent credit ratings for financial institutions, corporate and sovereign entities, and structured finance products and instruments. Market innovators choose to work with us because of our agility, transparency, and tech-forward approach.

Morningstar DBRS is empowering investor success as the go-to source for independent credit ratings. And we are bringing transparency, responsiveness, and leading-edge technology to the industry.

That's why Morningstar DBRS is the next generation of credit ratings.

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