

NOTICE REGARDING METHODOLOGY CHANGE

Date: August 23, 2024

From: Computershare Trust Company, N.A.

Notice is hereby given to the holders of certificates, notes, or other securities (the “Certificateholders”) and other interested persons of residential mortgage-backed securitization trusts (the “Trusts”) administered by Computershare Trust Company, N.A. (“Computershare”) as agent and/or attorney-in-fact for Wells Fargo Bank, National Association (“Wells Fargo”), in its capacity as trustee, successor trustee, indenture trustee, paying agent, securities administrator, or calculation agent, as applicable (the “Payment Administrator”) under Pooling and Servicing Agreements, Indentures, Trust Agreements, Servicing Agreements, Mortgage Loan Purchase Agreements, Assignment and Assumption Agreements and/or other agreements governing the Trusts (the “Governing Agreements”). This Notice concerns the application of the JPM Order (as defined below) to the Trusts.

BACKGROUND

On December 15, 2017, Deutsche Bank National Trust Company, HSBC Bank USA, National Association, the Bank of New York Mellon, the Bank of New York Mellon Trust Company, N.A., U.S. Bank National Association, U.S. Bank Trust Company National Association, Wilmington Trust, National Association, and Wells Fargo Bank, National Association (collectively, the “Petitioners”) commenced a judicial instruction proceeding concerning the administration and distribution of a settlement payment (the “Settlement Payment”) in certain Residential Mortgage Backed Securities trusts captioned *In the matter of application of Wells Fargo Bank, National Association, U.S. Bank National Association, The Bank of New York Mellon, The Bank of New York Mellon Trust Company, N.A., Wilmington Trust, National Association, HSBC Bank USA, N.A., and Deutsche Bank National Trust Company* (Index. No. 657387/2017) (the “JPM Article 77 Proceeding”), by filing a petition (the “Petition”) and related papers in the Supreme Court of the State of New York, County of New York (the “Court”).

Relevant to this Notice, the Settlement Payment was to be treated as a “subsequent recovery” under the applicable Governing Agreement for each trust which would receive part of the Settlement Payment. The Petitioners sought instruction regarding the application of a provision (or provisions) of the Governing Agreements which concerned how “subsequent recoveries” should be applied to write-up the balance of a trust’s certificates (the “Subsequent Recovery Write-up Language”). The Petition sought the Court’s instruction as to whether, in trusts in which the Subsequent Recovery Write-up Language only referenced subordinate certificates, senior certificates could receive write-ups from the Settlement Payment. Petitioners identified eighty-two trusts for which this issue was relevant.

On February 13, 2020, the Court issued a Decision and Order (the “JPM Order”)¹ which held that in trusts that “expressly provide for the subsequent recovery write-up of specified subordinate certificate balances, must be applied to permit write-up only of those subordinate certificates pursuant to the terms of the provisions.” Certain parties to the JPM Article 77 Proceeding appealed this ruling.

On August 19, 2021, the Appellate Division, First Department, affirmed the JPM Order, stating that “[t]he [lower] court correctly found that where the governing agreements provide only for the write-up of subordinate certificates—conspicuously excluding senior certificates from the write-up instructions—the plain and unambiguous intent is that only subordinate certificates will be written up.”² Subsequently, certain parties filed motions seeking discretionary leave to appeal to New York’s Court of Appeals. On April 26, 2022, the New York Court of Appeals denied the motions seeking leave to appeal, on the grounds that a final decision had not yet been rendered in the lower court. The New York Court of Appeals also denied subsequent motions for re-argument. In January 2024, certain parties to the JPM Article 77 Proceeding again filed motions for leave to appeal the Appellate Division’s August 19, 2021 order to the New York Court of Appeals, arguing that the lower court proceeding was now final.

On June 18, 2024, the New York Court of Appeals denied the motions for leave to appeal on the merits. Since no party timely moved for reconsideration of the New York Court of Appeals denial of the motions for leave to appeal, all appeals in the State of New York have been exhausted.³

During the pendency of the JPM Article 77 Proceeding, the Payment Administrator updated its methodology with respect to the Subsequent Recovery Write-up Language for certain trusts such that subsequent recoveries were applied to permit the write-up only of those subordinate certificates pursuant to the terms of the Subsequent Recovery Write-up Language and in accordance with the JPM Order. After receiving inquiries from certain Certificateholders, the Payment Administrator instituted a separate Article 77 Proceeding (the “Subsequent Recovery Article 77 Proceeding”).⁴ In the Subsequent Recovery Article 77 Proceeding, the Payment Administrator sought instruction regarding the manner in which the Payment Administrator

¹ *In re Wells Fargo Bank*, 2020 WL 735683 (Sup. Ct., NY County 2023, Friedman, J.) (available at Index No. 657387/2017, Dkt. No. 843).

² *Wells Fargo Bank v. Aegon USA Investment Management, LLC*, 198 AD.3d 156 (1st Dept. 2021) (available at Case No. 2020-02716, Dkt. No. 111).

³ The decisions from the New York Court of Appeals referenced in this section can be found at the following locations: *Matter of Wells Fargo Bank v Aegon USA Inv. Mgt., LLC*, 2022 NY Slip Op. 64994 (Apr. 26, 2022) (deciding motions seeking leave to appeal), https://www.nycourts.gov/reporter/motions/2022/2022_64994.htm; *Matter of Wells Fargo Bank v Aegon USA Inv. Mgt., LLC*, 2022 NY Slip Op. 71728 (Sept. 15, 2022) (denying subsequent motions for re-argument), https://www.nycourts.gov/reporter/motions/2022/2022_71728.htm; *Matter of Wells Fargo Bank v Aegon USA Inv. Mgt., LLC*, 2022 NY Slip Op. 69666 (June 18, 2024) (denying motions for leave to appeal on the merits), https://www.nycourts.gov/reporter/motions/2024/2024_69666.htm.

⁴ *In the matter of the application of Wells Fargo Bank, National Association* (Index. No. 154984/2021).

administers subsequent recoveries received in the ordinary course in light of previous instructions it received from the court in the JPM Order. The Subsequent Recovery Article 77 Proceeding remains ongoing.

The JPM Order and other public filings in the JPM Article 77 Proceeding and the Subsequent Recovery Article 77 Proceeding are available through the Court's website: <https://iapps.courts.state.ny.us/nyscef/CaseSearch>.

THE PAYMENT ADMINISTRATOR INTENDS TO CHANGE METHODOLOGY WITH RESPECT TO ADDITIONAL TRUSTS

The JPM Order construes language that is materially similar or identical to language contained in the Governing Agreements of certain Trusts that the Payment Administrator administers. These include both additional Trusts that were the subject of the Petition in the JPM Article 77 Proceeding as well as other Trusts which were not the subject of that Petition.

The New York courts have confirmed that Subsequent Recovery Write-up Language materially similar or identical to language described in the JPM Order requires that subordinate certificates, and not senior certificates, are entitled to write-ups from subsequent recoveries. Such interpretation is no longer subject to appeal.

Because of these rulings, the Payment Administrator intends to change its methodology for allocating subsequent recoveries in accordance with the JPM Order starting with the September 2024 distribution date. The Payment Administrator expects to change its methodology both with respect to Trusts that were the subject of the JPM Article 77 Proceeding and other Trusts that were not part of that proceeding. The Payment Administrator expects that this change in methodology will take a number of months to accomplish.

MISCELLANEOUS

This Notice contains a summary of the matters described herein and is not a complete statement of those matters or a summary or statement of relevant law or of relevant legal procedures. Certificateholders and other potentially interested persons are urged to carefully consider the implications of the matters described in this Notice, and to consult with their own legal and financial advisors.

Certificateholders and other potentially interested persons should not rely on the Payment Administrator, or counsel, experts or other advisors retained by the Payment Administrator, as their sole source of information.

Please note that this Notice is not intended and should not be construed as investment, accounting, financial, legal, tax, or other advice by or on behalf of the Payment Administrator, or its directors, officers, affiliates, agents, attorneys or employees. Each person or entity receiving this Notice should seek the advice of its own advisors in respect of the matters set forth herein.

Please be further advised that the Payment Administrator (and its agents) reserve all of the rights, powers, claims, and remedies available to it under the Governing Agreements and applicable law. No delay or forbearance by the Payment Administrator (or its agents) to exercise



any right or remedy accruing upon the occurrence of a default, or otherwise under the terms of the Governing Agreements, other documentation relating thereto or under applicable law, shall impair any such right or remedy or constitute a waiver thereof or acquiescence therein.

The Payment Administrator expressly reserves all rights in respect of each applicable Governing Agreement, including without limitation its right to recover in full its fees and costs (including, without limitation, fees and costs incurred or to be incurred by such Payment Administrator in performing its duties, indemnities owing or to become owing to the Payment Administrator, compensation for such Payment Administrator's time spent and reimbursement for fees and costs of counsel and other agents it employs in performing its duties or to pursue remedies) and its right, prior to exercising any rights or powers in connection with any applicable Governing Agreement at the request or direction of any Certificateholder, to receive security or indemnity satisfactory to it against all costs, expenses, and liabilities which might be incurred in compliance therewith, and all rights that may be available to it under applicable law or otherwise.

Any questions or comments regarding this Notice should be directed to Melissa Loiselle at melissa.loiselle@computershare.com. Please be advised that, should the Payment Administrator receive an inquiry or feedback from a Certificateholder, the Payment Administrator may conclude that a response to only that Certificateholder is not consistent with applicable law or regulation that requires equal and full dissemination of information to all Certificateholders.

COMPUTERSHARE TRUST COMPANY, N.A., as
Payment Administrator (as defined herein) and/or
as agent and attorney in fact for

WELLS FARGO BANK,
NATIONAL ASSOCIATION,
Solely in its capacity as Payment Administrator, as
defined herein

By: /s/ Melissa Loiselle

Its: Vice President