Article Title: ARCHIVE | Legal Criteria: Standard & Poor's Criteria For Analyzing Loans Governed By Anti-Predatory Lending Laws Data: (EDITOR'S NOTE: — This criteria article is no longer current. It has been superseded by "Standard & Poor's Criteria For Analyzing Loans Governed By Anti-Predatory Lending Laws," published July 22, 2011. This article supersedes "Standard & Poor's Addresses New Jersey Predatory Lending Law," published May 2, 2003, "Standard & Poor's Announces Position on OTS Preemption Pronouncements," published Nov. 25, 2003, "Standard & Poor's Addresses OCC Rule Regarding Preemption of State Anti-Predatory Lending Laws," published March 3, 2004, "Standard & Poor's Addresses Various Anti-Predatory Lending Laws Enacted Prior to January 2003," published May 13, 2004, "Anti-Predatory Lending Alert: Standard & Poor's Revises Criteria Related to Anti-Predatory Lending Laws," published May 13, 2004, and "Standard & Poor's Implements Credit Enhancement Criteria and Revises Representation and Warranty Criteria for Including Anti-Predatory Lending Law Loans in U.S. Rated Structured Finance Transactions," published May 13, 2004. On Sept. 17, 2009, we updated Note 3 of this article to provide the location of and link to the current version of the Anti-Predatory Lending Law Update Table.) Standard & Poor's Ratings Services began commenting on anti-predatory lending laws in 2003 (see note 1). Since then, as new laws have been enacted or existing laws have been amended, Standard & Poor's has published articles addressing the applicability of its General Anti-Predatory Lending Law Criteria, as set forth below, to such laws. To date, Standard & Poor's has published more than 50 articles addressing anti-predatory lending laws. Because a law may have been amended multiple times, there may be more than one article on the same law, making it difficult for a reader to discern Standard & Poor's most up-to-date approach. To reduce any confusion, Standard & Poor's is consolidating into this article (the General 2008 Article) a number of publications that explain our general approach to evaluating anti-predatory lending laws (see note 2). We are also publishing our revised Anti-Predatory Lending Law Update Table, which provides information about the application of Standard & Poor's current criteria, as set forth below, to the various state laws (see note 3). Thus, while this General 2008 Article describes Standard & Poor's general approach and criteria, the Anti-Predatory Lending Law Update Table applies Standard & Poor's general approach to specific anti-predatory lending laws. We will continue to review new or amended anti-predatory lending laws and publish our criteria related to each specific law that contains assignee liability, and when new laws or amendments are enacted, we will update the Anti-Predatory Lending Law Update Table. We have divided this article into three parts. Part I explains Standard & Poor's approach to evaluating anti-predatory lending laws. Part II sets forth Standard & Poor's General Anti-Predatory Lending Law Criteria, including its Additional Credit Enhancement Criteria, as we define those terms below. Part III explains certain modifications to Standard & Poor's General Anti-Predatory Lending Law Criteria for depository institutions and certain operating subsidiaries of depository institutions. Part I: Standard & Poor's Approach To Evaluating Anti-Predatory Lending Laws The following section describes Standard & Poor's approach to evaluating anti-predatory lending laws. General Anti-predatory lending laws are designed to protect borrowers from certain predatory lending practices, such as, but not limited to, charging excessive interest or fees, making a loan to a borrower that is beyond the borrower's financial ability to repay, charging excessive prepayment fees, encouraging a borrower to refinance a loan notwithstanding the lack of benefit to the borrower, and increasing interest rates upon default. Standard & Poor's strongly supports efforts to combat such predatory lending practices. However, because many of these anti-predatory lending laws impose liability on purchasers or assignees (including securitization issuers) of mortgage loans simply by virtue of holding a loan in connection with which the originator violated the law (even if the purchaser or assignee did not itself engage in predatory lending practices), and because such assignee liability might reduce the availability of funds to pay investors in securities backed by mortgage loans governed by these laws, Standard & Poor's is concerned about assignee liability provisions. Therefore, if Standard & Poor's determines that investors in securities backed by loans governed by an anti-predatory lending law may be negatively affected, Standard & Poor's may, in certain circumstances, either require Additional Credit Enhancement (as defined below) to protect investors or decline to rate transactions that include such loans. In performing its evaluation of anti-predatory lending laws, Standard & Poor's considers, among other factors: (1) whether the law provides for assignee liability; (2) whether the law clearly delineates loan categories; (3) the penalties the law imposes; and (4) the clarity of statutory violations. 1. Assignee liability. As the first part of its analysis, Standard & Poor's determines if, in its opinion, an anti-predatory lending law imposes assignee liability in connection with any type of loan the law covers (see note 4). Typically, laws that impose assignee liability permit a borrower to assert the same claims and defenses against the purchaser or assignee that the borrower could assert against the original lender, even if, as noted above, the purchaser or assignee did not itself engage in predatory lending practices. This liability could include affirmative claims, brought individually or as a class action, defensive claims, and rescission or extinguishment of the loan. (For purposes of this publication, an Assignee Liability Loan is a loan with associated assignee liability, and an Assignee Liability Law is a loan that provides for the imposition of assignee liability.) If, in Standard & Poor's opinion, a law does not provide for assignee liability, Standard & Poor's generally will rate transactions that include loans the law covers and will not apply its General Anti-Predatory Lending Law Criteria, including its Additional Credit Enhancement Criteria (each as set forth below), to loans the law covers. On the other hand, if it is Standard & Poor's opinion that a law is an Assignee Liability Law, Standard & Poor's evaluation of the law continues to the second part of its analysis. 2. Statutory loan categories. As the second part of its analysis, Standard & Poor's examines whether the language of the Assignee Liability Law clearly distinguishes among different categories of loans subject to the law (such as home loans, high-cost home loans, covered loans, etc.). Standard & Poor's considers if a loan originator, a seller of loans into a securitization transaction, or a purchaser or assignee of loans would be able to determine with certainty into what category a loan belongs. If, in Standard & Poor's opinion, the distinctions among different categories of loans are not clearly set forth in the Assignee Liability Law, then Standard & Poor's may decline to rate transactions that include any loans originated in the relevant jurisdiction. However, if, in Standard & Poor's opinion, those distinctions are clearly set forth in the law, Standard & Poor's will continue to consider which loan categories include assignee liability. As indicated above, Standard & Poor's will rate transactions that include loans with no assignee liability without applying its General Anti-Predatory Lending Law Criteria, including its Additional Credit Enhancement Criteria, to such loans. For Assignee Liability Loans, Standard & Poor's continues to the third part of its analysis. 3. Penalties. As the third part of its analysis, Standard & Poor's considers whether, in its opinion, the Assignee Liability Law exposes the assignee or purchaser to monetary damages and whether such damages are limited to a determinable dollar amount (that is, whether the damages are capped). Standard & Poor's performs this analysis for each Assignee Liability Loan category and for all types of potential monetary damages, including statutory, actual, and punitive damages, as well as other types of damages provided under the law. If, in Standard & Poor's opinion, the damages for a violation of an Assignee Liability Law in connection with a given loan category are not capped, Standard & Poor's is not able to size the potential liability into its rating analysis and, thus, does not, as a general matter, rate transactions that include these loans. On the other hand, if it is Standard & Poor's opinion that, for any given loan category, the monetary damages appear to be capped, as a general matter, Standard & Poor's is able to size in its credit analysis the potential monetary impact of violating the Assignee Liability Law and, thus, will continue with the fourth part of its analysis. 4. Clarity of statutory violations. As the fourth part of its analysis, Standard & Poor's considers whether the statutory language clearly sets forth what constitutes a violation for each Assignee Liability Loan category. Standard & Poor's considers whether the statutory language is clear and objective, so that an originator, seller, or assignee would be able to determine with certainty whether its conduct complies with the Assignee Liability Law. For example, prohibitions on refinancings that are not in the "borrower's interest" are common provisions in existing anti-predatory lending laws. However, in Standard & Poor's opinion, this type of prohibition is subjective and, thus, not easily tested through objective means, leaving loan purchasers in the unenviable position of not knowing whether a loan they are purchasing violates the law. Standard & Poor's believes that this increases the risk that originators or sellers may inadvertently breach their Compliance Representation, as defined below, made in good faith. Absent clarity on how to comply with such subjective standards to best protect investors in rated securities, Standard & Poor's may require Additional Credit Enhancement for transactions that include Assignee Liability Loans subject to subjective standards. Based on its evaluation of all of the factors discussed above, as well as any other factors it deems pertinent, Standard & Poor's determines if it can rate transactions that include any of the Assignee Liability Loans covered by an Assignee Liability Law, and what, if any, Additional Credit Enhancement (as defined below) may be required. Part II: Standard & Poor's Criteria This section describes Standard & Poor's General Anti-Predatory Lending Law Criteria. General Anti-Predatory Lending Law Criteria For Assignee Liability Loans, Standard & Poor's evaluates, using the approach outlined above, the impact the Assignee Liability Law governing such loans may have on the availability of funds to pay investors in its rated securities. For laws that Standard & Poor's has reviewed and has concluded, in its opinion, constitute Assignee Liability Laws, Standard & Poor's will apply the following criteria (its General Anti-Predatory Lending Law Criteria, including Additional Credit Enhancement Criteria) for rating structured finance transactions that include loans governed by such laws. Standard & Poor's first announced this General Anti-Predatory Lending Law Criteria, including the Additional Credit Enhancement Criteria, in its publications entitled "Standard & Poor's Implements Credit Enhancement Criteria and Revises Representation and Warranty Criteria for Including Anti-Predatory Lending Law Loans in U.S. Rated Structured Finance Transactions," published May 13, 2004, and "Standard & Poor's Addresses Various Anti-Predatory Lending Laws Enacted Prior to January 2003," published May 13, 2004. First, Standard & Poor's continues to require a representation and warranty from a seller into a securitization stating that "all loans were originated in compliance with all applicable laws, including, but not limited to, all applicable anti-predatory and abusive lending laws" (the Compliance Representation). Second, Standard & Poor's will require a representation and warranty from a seller into a securitization stating that "no loan has a percentage listed under the Indicative Loss Severity Column in the then-current version of Standard & Poor's Anti-Predatory Lending Law Update Table (the Indicative Loss Severity Representation). If an issuer chooses to include any loans governed by an Assignee Liability Law in a rated structured finance transaction, exceptions to the Indicative Loss Severity Representation must be identified. Third, Standard & Poor's continues to require a representation and warranty from a seller into a securitization stating that "no loan is excluded from Standard & Poor's rated transactions as reflected in the then-current version of Standard & Poor's Anti-Predatory Lending Law Update Table" (the Exclusion Representation). If any loan included in a rated pool is in breach of the Compliance Representation, the Indicative Loss Severity Representation, or the Exclusion Representation (see note 5), Standard & Poor's continues to require the seller to repurchase any such loan at a purchase price that would make the securitization issuer whole, including any costs and damages the issuer incurred in connection with the loan. Fourth, Standard & Poor's continues to require a seller into a securitization to identify, on the loan-level file submitted to Standard & Poor's for review in connection with the transaction, whether a loan to be included in a rated pool is a Home Loan, Covered Loan, or High Cost Loan, as applicable (as such terms are defined in the Anti-Predatory Lending Law Update Table under the column heading "Standard & Poor's Loan Categorization"). Fifth, Standard & Poor's continues to require a seller into a securitization to satisfy Standard & Poor's Additional Credit Enhancement Criteria, as described below. If a seller has an outstanding long-term debt rating from Standard & Poor's that is equal to or higher than the rating of the highest rated security to be issued in the applicable transaction, or the payment of principal of and interest on the rated securities is guaranteed (pursuant to a guaranty agreement, letter of credit, or similar agreement) by an entity with a rating equal to or higher than the rating of the highest rated security to be issued in the applicable transaction, Standard & Poor's may not require Additional Credit Enhancement (see note 6). Sixth, Standard & Poor's will continue to review the compliance procedures of sellers into a securitization to gain comfort that their procedures are effective in identifying which loans fall into the various loan categories set forth in the applicable Assignee Liability Law(s), and, if a seller chooses to include in any rated pool loans governed by any Assignee Liability Law(s), to determine that all such loans do not violate the applicable law(s). Additional Credit Enhancement Criteria Standard & Poor's relies on the Compliance Representation for comfort that a loan complies with an Assignee Liability Law if, in Standard & Poor's opinion, the Assignee Liability Law has clear and objective standards. If, in Standard & Poor's opinion, the law does not have clear and objective standards, but Standard & Poor's believes the law in question has sufficient mitigating factors to enable Standard & Poor's to conclude that liability would not be imposed on the securitization issuer, Standard & Poor's also may rely on the Compliance Representation for comfort that a loan complies with an Assignee Liability Law. On the other hand, if, in Standard & Poor's opinion, the Assignee Liability Law does not contain clear and objective standards or adequate mitigating factors, Standard &

Poor's believes that there is an increased risk that originators or sellers may inadvertently breach a Compliance Representation made in good faith, and the securitization issuer might become exposed to liability. Therefore, in this case, Standard & Poor's requires Additional Credit Enhancement. The Anti-Predatory Lending Law Update Table identifies the types of loans (based on the jurisdiction, loan category, and type of originating lender) for which Standard & Poor's requires Additional Credit Enhancement. Standard & Poor's bases its Additional Credit Enhancement on an assessment of potential losses to the securitization transaction. This calculation involves an evaluation of several factors, including, among others, the number of successful lawsuits likely to be asserted against the issuer based on the jurisdiction involved, statutory borrower rights, the maximum potential damages that could be awarded, and an assessment of the likely amount of damages to be awarded. Standard & Poor's separately identifies the Additional Credit Enhancement for affected loans as a percentage of a rated pool. For a more specific discussion of Additional Credit Enhancement, see the endnotes to the Anti-Predatory Lending Law Update Table. Part III: Modifications To Standard & Poor's General Anti-Predatory Lending Law Criteria, Including Its Additional Credit Enhancement Criteria, For Depository Institutions And Certain Operating Subsidiaries Of Depository Institutions Certain depository institutions and certain of their subsidiaries may be exempt from an Assignee Liability Law because of either an exemption in the Assignee Liability Law itself or federal preemption. Therefore, when Standard & Poor's reviews an Assignee Liability Law, it considers whether state or federal law may displace application of the Assignee Liability Law in connection with loans originated by certain types of entities. If, in Standard & Poor's opinion, such displacement would occur, Standard & Poor's may decide not to apply its General Anti-Predatory Lending Criteria, including its Additional Credit Enhancement Criteria, to Assignee Liability Loans that such entities have originated. State exemptions or federal preemption is most commonly available to the following types of lenders: National banks and their operating subsidiaries (collectively, National Banks); Federal savings associations (including federal savings banks) and their operating subsidiaries (collectively, Federal Thrifts); and State-chartered banks and savings institutions (State-Chartered Depository Institutions). Sometimes an exemption will cover some institutions that fall into one of these three categories, but not other institutions in the same category. When that happens, Standard & Poor's may distinguish between lenders that fall into the same category above. National Banks The approach Standard & Poor's uses to determine whether to apply its General Anti-Predatory Lending Law Criteria, including its Additional Credit Enhancement Criteria, to National Banks was first described in the article "Standard & Poor’s Addresses OCC Rule Regarding Preemption of State Anti-Predatory Lending Laws," published March 3, 2004. When reviewing an Assignee Liability Law, Standard & Poor's considers whether the Assignee Liability Law has an exemption for loans that National Banks have originated. If it does and if, in Standard & Poor's opinion, that exemption protects assignees of Assignee Liability Loans originated by National Banks from liability for a violation by the National Bank or certain other parties involved in the transaction, then Standard & Poor's will rate transactions that include National Bank originated Assignee Liability Loans governed by the Assignee Liability Law without applying its General Anti-Predatory Lending Law Criteria, including its Additional Credit Enhancement Criteria. If, in Standard & Poor's opinion, in connection with a given Assignee Liability Law, a state exemption is not available for National Banks, then Standard & Poor's considers whether, in its opinion, federal law protects assignees of Assignee Liability Loans originated by National Banks and subject to the law from liability for violations by such banks or certain other parties to the transaction. If, in Standard & Poor's opinion, federal law provides such protection, then it will rate transactions that include National Bank originated Assignee Liability Loans governed by the applicable Assignee Liability Law without applying its General Anti-Predatory Lending Law Criteria, including its Additional Credit Enhancement Criteria. In determining whether to apply its General Anti-Predatory Lending Law Criteria, including its Additional Credit Enhancement Criteria, to Assignee Liability Loans that National Banks have originated, Standard & Poor's considers, among other authorities, the National Bank Act (12 U.S.C. §§ 1 et seq.), related regulations (12 C.F.R. §§ 1-199), case law, and issuances by the Office of the Comptroller of the Currency (OCC). If, in its opinion, Standard & Poor's believes that it cannot reasonably determine that a state exemption or federal preemption insulates assignees of Assignee Liability Loans from liability for violations by the National Bank or certain other parties to the transaction, then Standard & Poor's will apply its General Anti-Predatory Lending Law Criteria, including its Additional Credit Enhancement Criteria, to those loans. For Standard & Poor's to rate transactions that include loans originated by National Banks when, in its opinion, its General Anti-Predatory Lending Law Criteria, including its Additional Credit Enhancement Criteria, do not apply, Standard & Poor's will continue to rely on the Compliance Representation. In addition, Standard & Poor's requires legal comfort in the form of an officer's certificate from the originator to the effect that the originator of the loans is a National Bank (as defined in 12 C.F.R. § 5.3(j)) or an operating subsidiary of a National Bank (as defined in 12 C.F.R. § 5.34). If new Assignee Liability Laws or amendments to existing Assignee Liability Laws are enacted in the future, Standard & Poor's will review each enactment using the approach described above to assess whether, in Standard & Poor's opinion, a state exemption or federal preemption insulates assignees of Assignee Liability Loans originated by National Banks from liability or loss under the Assignee Liability Law for legal violations by the National Bank or certain other parties involved in the transaction. Federal Thrifts The approach Standard & Poor's uses to determine whether to apply its General Anti-Predatory Lending Law Criteria, including its Additional Credit Enhancement Criteria, to Federal Thrifts is described in its article "Criteria For Rating Structured Finance Transactions That Include Loans Originated By Federal Thrifts Revised," published March 5, 2008. When reviewing an Assignee Liability Law, Standard & Poor's considers whether the Assignee Liability Law has an exemption for loans originated by Federal Thrifts. If it does and, in Standard & Poor's opinion, the exemption protects assignees of Assignee Liability Loans originated by Federal Thrifts from liability for violations by the Federal Thrift or certain other parties involved in the transaction, then Standard & Poor's will rate transactions that include Federal Thrift originated Assignee Liability Loans governed by the Assignee Liability Law without applying its General Anti-Predatory Lending Law Criteria, including its Additional Credit Enhancement Criteria. If, in Standard & Poor's opinion, in connection with a given Assignee Liability Law, a state exemption is not available for a Federal Thrift, then Standard & Poor's considers whether, in its opinion, federal law protects assignees of Assignee Liability Loans originated by Federal Thrifts and subject to the law from liability for violations by the Federal Thrift or certain other parties to the transaction. If, in Standard & Poor's opinion, the federal law provides such protection, then it will rate transactions that include Federal Thrift-originated Assignee Liability Loans governed by the applicable Assignee Liability Law without applying its General Anti-Predatory Lending Law Criteria, including its Additional Credit Enhancement Criteria. In determining whether to apply its General Anti-Predatory Lending Law Criteria, including its Additional Credit Enhancement Criteria, to Assignee Liability Loans originated by Federal Thrifts, Standard & Poor's considers, among other authorities, the Home Owners' Loan Act (12 U.S.C. §§ 1461 et seq.), related regulations (12 C.F.R. §§ 500-599), case law, and Office of Thrift Supervision (OTS) opinion letters. If, in Standard & Poor's opinion, it believes that it cannot reasonably determine that a state exemption or federal preemption insulates assignees of Assignee Liability Loans originated by Federal Thrifts from liability for violations by the originators or certain other parties to the transactions, then Standard & Poor's will apply its General Anti-Predatory Lending Law Criteria, including its Additional Credit Enhancement Criteria, to those loans. For Standard & Poor's to rate transactions that include loans originated by Federal Thrifts when, in its opinion, its General Anti-Predatory Lending Law Criteria, including its Additional Credit Enhancement Criteria, do not apply, Standard & Poor's will continue to rely on the Compliance Representation. In addition, Standard & Poor's will require legal comfort in the form of an officer's certificate from the originator to the effect that the originator of the loans is a federal savings association (as defined in 12 C.F.R. § 541.11) or an operating subsidiary of a Federal Thrift (as defined in 12 C.F.R. § 559.2). If new Assignee Liability Laws (or amendments to existing Assignee Liability Laws) are enacted in the future, Standard & Poor's will review each enactment using the approach described above to assess whether, in Standard & Poor's opinion, a state exemption or federal preemption insulates assignees of Assignee Liability Loans originated by Federal Thrifts or certain other parties to the transaction from liability or loss under the Assignee Liability Law for legal violations by the originators or other parties involved in the transactions. State-Chartered Depository Institutions Certain Assignee Liability Laws exempt loans originated by State-Chartered Depository Institutions. When reviewing an Assignee Liability Law, Standard & Poor's considers whether the Assignee Liability Law has an exemption for loans originated by State-Chartered Depository Institutions. If it does and, in Standard & Poor's opinion, the exemption protects assignees of Assignee Liability Loans governed by the Assignee Liability Law from liability for a violation by the State Chartered Depository Institution or certain other parties involved in the transaction, then Standard & Poor's will rate transactions that include Assignee Liability Loans originated by State-Chartered Depository Institutions governed by the law without applying its General Anti-Predatory Lending Law Criteria, including its Additional Credit Enhancement Criteria. For Standard & Poor's to rate transactions that include loans originated by State-Chartered Depository Institutions when, in its opinion, its General Anti-Predatory Lending Law Criteria, including its Additional Credit Enhancement Criteria, do not apply, Standard & Poor's will continue to rely on the Compliance Representation. In addition, Standard & Poor's will require legal comfort in the form of an officer's certificate from the originator to the effect that the originator of the loans is a State-Chartered Depository institution (as defined under the relevant Assignee Liability Law(s)). These criteria represent the specific application of fundamental principles that define credit risk and ratings opinions. Their use is determined by the issuer- or issue-specific facts, as well as by Standard & Poor's assessment of the credit and, if applicable, structural risks for a given issuer or issue rating. Methodology and assumptions change from time to time as a result of market and economic conditions, issue- or issuer-specific factors, or new empirical evidence that would affect our credit judgment. Standard & Poor's regularly reviews its criteria to keep current with changes in the law in the area of predatory lending. These criteria are not stagnant, but evolve over time. Standard & Poor's will continue to publish its criteria to keep market participants informed of any new approaches in this area. Notes (1) For this purpose, "law" or "laws" refers to statutes and regulations, as interpreted by agencies and courts of law. (2) This General 2008 Article consolidates and supersedes the following articles: (i) "Evaluating Predatory Lending Laws: Standard & Poor’s Explains its Approach," published April 15, 2003; (ii) "Standard & Poor’s Announces Position on OTS Preemption Pronouncements," published Nov. 25, 2003; (iii) "Standard & Poor’s Addresses OCC Rule Regarding Preemption of State Anti-Predatory Lending Laws," published March 3, 2004; (iv) "Standard & Poor’s Addresses Various Anti-Predatory Lending Laws Enacted Prior to January 2003," published May 13, 2004; (v) "Standard & Poor’s Implements Credit Enhancement Criteria and Revises Representation and Warranty Criteria for Including Anti-Predatory Lending Law Loans in U.S. Rated Structured Finance Transactions," published May 13, 2004; and (vi) "Criteria For Rating Structured Finance Transactions That Include Loans Originated By Federal Thrifts Revised," published March 5, 2008. (3) For anti-predatory lending laws that Standard & Poor's has reviewed and has determined impose assignee liability, the Anti-Predatory Lending Law Update Table provides in summary chart format (i) how a loan would be characterized under the applicable law (State Law Loan Categorization) and under Standard & Poor's guidelines (Standard & Poor's Loan Categorization); (ii) whether, in Standard & Poor's opinion, the law has subjective standards (Subjective Standards) and whether there are, also in Standard & Poor's opinion, mitigating factors that negate the subjectivity of the law (Mitigating Factors); (iii) Standard & Poor's determination of the maximum exposure of a securitization issuer under a given law (Maximum Securitization Trust Exposure); (iv) the "Indicative Loss Severity," which is a percentage estimate calculated by Standard & Poor's and used to determine the required additional credit enhancement, if any; and (v) whether Standard & Poor's will look for additional credit enhancement for loans originated by state or federally chartered banks or thrifts (Banks and Thrifts). The Anti-Predatory Lending Law Update Table is available on RatingsDirect and Standard & Poor's Web site at www.standardandpoors.com, in Appendix E of Revised U.S. Residential Mortgage Input File Format, Glossary, And Appendices To The Glossary For LEVELS Version 7.0, published Sept. 16, 2009. . (4) For this purpose, Standard & Poor's defines "assignee liability" broadly. In addition to laws with explicit assignee liability (that is, laws that expressly state that a borrower may assert against an assignee any claim that the borrower could have asserted against a lender or other third party), Standard & Poor's considers a law to have assignee liability if a violation of the law could result in voiding or rescission of the loan for an origination-related violation even after the loan has been transferred to an assignee, including a securitization trust. (5) Please note that, for purposes of clarity, what Standard & Poor's previously called the "Exclusion Representation" has now been broken down into two separate representations (the Indicative Loss Severity Representation and the Exclusion Representation), with language changes that include, among other changes, references to the then-current version of Standard & Poor's Anti-Predatory

Lending Law Update Table, rather than to Standard & Poor's Levels Glossary, Appendix E, which now comprises the Anti-Predatory Lending Law Update Table. (6) The credit enhancement discussed in this publication is said to be "additional" in that it is added to any other credit enhancement regularly assessed by Standard & Poor's, absent anti-predatory lending law liability.