



## **Salomon Brothers Mortgage Securities VII, Inc Mortgage Pass-Through Certificates Series 1997-HUD2**

Report for Distribution dated May 28, 2019



**Salomon Brothers Mortgage Securities VII, Inc**  
**Mortgage Pass-Through Certificates Series 1997-HUD2**

**DISTRIBUTION PACKAGE**

Distribution Date: May 28, 2019



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**DATES**

**First Distribution Date:** December 26, 1997

**Settlement Date:** November 25, 1997

**Cutoff Date:** November 01, 1997

**PARTIES TO THE TRANSACTION**

**Servicer(s):** Bank of America Home Loans Servicing; Bank of America, National Association

**Certificate Insurer(s):**

**Underwriter(s):**

**ADMINISTRATOR**

**Name:** Guadalupe Gannett

**Title:** Account Administrator

**Phone:** 651-466-5011

**Fax:**

**Email:** [guadalupe.gannett@usbank.com](mailto:guadalupe.gannett@usbank.com)

**Address:** 60 Livingston Ave Suite 800, St. Paul, MN 55107

**Website:** <http://pivot.usbank.com/>

The Trustee, at the direction of the Depositor, and based upon information provided in the Mortgage Loan Schedule or by the Servicer, is furnishing this information to each Certificateholder. The Depositor and/or the Servicer may discontinue the furnishing of this Supplemental Report (other than the Payment Date Statement), or may change its format, at any time and without notice to any Certificateholder. While the above parties have undertaken efforts to ensure the reasonable accuracy of this information, this information has not been audited and the parties make no representation as to the accuracy or completeness of the information.





Salomon Brothers Mortgage Securities VII, Inc  
Mortgage Pass-Through Certificates Series 1997-HUD2

STATEMENT TO CERTIFICATEHOLDERS

Distribution Date: May 28, 2019

Determination Date:  
Record Date:

15-May-19  
30-Apr-19

Class	Original Certificate Face Value	Beginning Certificate Balance	Principal Distribution	Interest Distribution	Total Distribution	Applied Realized Loss Amount (1)	Ending Certificate Balance
A-1	143,824,000.00	0.00	0.00	0.00	0.00	0.00	0.00
A-2	18,410,000.00	0.00	0.00	0.00	0.00	0.00	0.00
A-3	29,302,000.00	0.00	0.00	0.00	0.00	0.00	0.00
A-4	62,806,000.00	625,521.25	0.00	3,779.19	3,779.19	0.00	625,521.25
IO	367,525,466.74	4,774,386.13	0.00	5,430.86	5,430.86	0.00	4,695,799.83
A-WAC	66,681,956.00	576,613.00	0.00	0.00	0.00	0.00	576,613.00
B-1	28,295,000.00	1,921,793.06	0.00	10,260.79	10,260.79	0.00	1,921,793.06
B-2	17,413,000.00	1,532,890.29	0.00	0.00	0.00	0.00	1,532,890.29
B-3	17,413,000.00	694,181.53	0.00	0.00	0.00	78,586.30	615,595.23
B-4	11,971,000.00	0.00	0.00	0.00	0.00	0.00	0.00
B-5	8,706,000.00	0.00	0.00	0.00	0.00	0.00	0.00
B-6	29,385,466.74	0.00	0.00	0.00	0.00	0.00	0.00
R-III	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total	434,207,422.74	5,350,999.13	0.00	19,470.84	19,470.84	78,586.30	5,272,412.83

AMOUNTS PER \$1,000 UNIT							
Class	Cusip	Beginning Certificate Balance	Principal Distribution	Interest Distribution	Total Distribution	Allocable Loss Amount	Ending Certificate Balance
A-1	79548KXJ2	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000
A-2	79548KXK9	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000
A-3	79548KXL7	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000
A-4	79548KXM5	9.95957791	0.00000000	0.06017244	0.06017244	0.00000000	9.95957791
IO	79548KXN3	12.99062667	0.00000000	0.01477683	0.01477683	0.00000000	12.77680122
A-WAC	79548KXP8	8.64721185	0.00000000	0.00000000	0.00000000	0.00000000	8.64721185
B-1	79548KXQ6	67.91988189	0.00000000	0.36263615	0.36263615	0.00000000	67.91988189
B-2	79548KXR4	88.03137267	0.00000000	0.00000000	0.00000000	0.00000000	88.03137267
B-3	79548KXS2	39.86570551	0.00000000	0.00000000	0.00000000	4.51308218	35.35262333
B-4	9ABSA962	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000
B-5	9ABSA963	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000
B-6	9ABSA964	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000
R-III	9ABSA967	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000	0.00000000

Class	Current Pass Through Interest Rate	Interest Accrued @ PT Rate (2)	Allocation of Net PPIS & Relief Act	Deferred Amount Paid	Total Interest Paid	Cumulative Interest Shortfall	Next Pass Through Interest Rate
A-1	6.59000%	0.00	0.00	0.00	0.00	0.00	6.59000%
A-2	6.75000%	0.00	0.00	0.00	0.00	0.00	6.75000%
A-3	6.85000%	0.00	0.00	0.00	0.00	0.00	6.85000%
A-4	7.25000%	3,779.19	0.00	0.00	3,779.19	0.00	7.25000%
IO	1.36500%	5,430.86	0.00	0.00	5,430.86	0.00	1.36500%
A-WAC	0.00000%	0.00	0.00	0.00	0.00	0.00	0.00000%
B-1	7.00000%	11,210.46	0.00	0.00	10,260.79	949.67	7.00000%
B-2	7.00000%	8,941.86	0.00	0.00	0.00	8,941.86	7.00000%
B-3	7.00000%	4,049.39	0.00	0.00	0.00	4,049.39	7.00000%
B-4	7.00000%	0.00	0.00	0.00	0.00	0.00	7.00000%
B-5	7.00000%	0.00	0.00	0.00	0.00	0.00	7.00000%
B-6	7.00000%	0.00	0.00	0.00	0.00	0.00	7.00000%

Due to the conversion of systems, the layout of this monthly report has changed. All required reporting items will continue to be included on the report.

(1) Includes Extraordinary Trust Fund Expenses and Realized Loss

(2) Includes interest shortfalls from previous payment dates



Salomon Brothers Mortgage Securities VII, Inc  
Mortgage Pass-Through Certificates Series 1997-HUD2

STATEMENT TO CERTIFICATEHOLDERS

Distribution Date: May 28, 2019



ACCOUNT ACTIVITY

Miscellaneous:		Reconciliation:	
<b>Arrearage</b>		Available funds (A):	
Beginning Arrearage Balance	754,147.59	Remittance/Collection Account Beginning Balance	19,518.99
Less: Arrearage Paid in Current Period	11,270.86		19,518.99
Less: Arrearage Loss in the Current Period	(1,865.88)		
Ending Arrearage Balance	744,742.61		
<b>Extraordinary Trust Fund Expenses</b>		Distributions (B):	
Prior Extraordinary Trust Fund Expenses	1,905.56	Trustee Fee	48.15
Add: Current Period Extraordinary Trust Fund Expenses	0.00	Extraordinary Expense and Legal Fees	0.00
Cumulative Extraordinary Trust Fund Expenses	1,905.56	Total Interest distributed	19,470.84
		Total Principal distributed	0.00
			19,518.99
<b>Realized Loss*</b>		(A)-(B):	
Prior Realized Loss	46,543,320.33		0.00
Add: Current Period Realized Loss	78,586.30		
Cumulative Realized Loss	46,621,906.63		
Weighted Average Term to Maturity	14.83		
Current Advances	Not Provided		
Outstanding Advances	Not Provided		
Beginning Legal Balance of the Mortgage Loans:	4,360,349.22	<b>Trustee Fees:</b>	
Ending Legal Balance of the Mortgage Loans:	4,288,573.62	Trustee Fee	48.15
A-WAC Certificate Beginning Notional Balance:	4,774,386.13	Carryover Trustee Fee	0.00
A-WAC Certificate Ending Notional Balance:	4,695,799.83		
		<b>Unpaid Extraordinary Trust Expense</b>	
			0.00

\* The reported Cumulative Realized Losses are adjusted to account for certain isolated variances related to the aggregation of mortgage loan losses. This reporting-only adjustment has no impact on other loan level reporting and no impact on losses previously applied to certificates as set forth in prior reports.



**Salomon Brothers Mortgage Securities VII, Inc**  
**Mortgage Pass-Through Certificates Series 1997-HUD2**

**STATEMENT TO CERTIFICATEHOLDERS**

Distribution Date: May 28, 2019



**COLLATERAL / REMITTANCE SUMMARY**

	<b>TOTAL</b>
<b><u>POOL BALANCE INFORMATION:</u></b>	
Beginning Balance	3,606,201.63
Less: Principal Remittance	(16,215.68)
Plus: Negative Amortization	0.00
Plus: Draws (If Applicable)	0.00
Less: Net Realized Losses	78,586.30
Ending Balance	3,543,831.01
<b><u>PRINCIPAL REMITTANCE:</u></b>	
Scheduled Principal	44,878.16
Prepayments	1,463.81
Curtailements	(8,781.43)
Net Liquidation Proceeds	(53,776.22)
Repurchase Principal	0.00
Total Principal Remittance (A)	(16,215.68)
<b><u>INTEREST REMITTANCE:</u></b>	
Gross Interest	19,443.10
Less: Total Retained Fees	1,270.01
Less: Deferred Interest	0.00
Less: Relief Act Interest Shortfall	0.00
Less: Net Prepayment Interest Shortfall	0.00
Less: Net Nonrecoverable Advances	(6,290.72)
Less: Interest Loss	0.00
Net Interest Remittance From Servicer(s) (B)	24,463.81
Prepayment Premiums (C)	0.00
Arrearage Funds (D)	11,270.86
<b><u>REMITTANCE TO TRUST (A+B+C+D):</u></b>	<b><u>19,518.99</u></b>
<b><u>OTHER INFORMATION:</u></b>	
Beginning Loan Count	171.00
Ending Loan Count	168.00
Ending Pool Factor	0.01
Weighted Average Coupon	8.1463033%
Weighted Average Net Coupon	7.6130533%
Weighted Average Maximum Net Coupon	7.6130533%
Liquidated Loans - Balance	24,810.08
Negative Amortization - Count	
Negative Amortization - Balance	
Substitution In Loans	0.00
Substitution Out Loans	0.00
Substitution Adjustment - Principal	0.00
Loans w/ Prepayment Penalties - Balance	0.00
Loans w/ Prepayment Penalties - Count	0.00
Repurchase Loans - Count	0.00
Subsequent Recoveries	1,364.77
<b><u>NON-RETAINED FEES:</u></b>	
Excess Servicing Fee	0.00
<b><u>RETAINED FEES:</u></b>	
Scheduled Servicing Fee	1,270.01
LPMI	0.00
Special Servicing Fee	0.00
Additional Master Servicing Fee	0.00
Backup Servicing Fee	0.00
Supplemental Insurance Fee	0.00



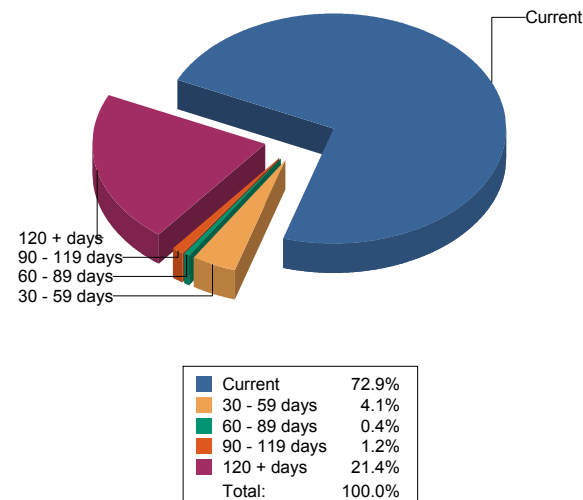
# Salomon Brothers Mortgage Securities VII, Inc Mortgage Pass-Through Certificates Series 1997-HUD2

## DELINQUENCY SUMMARY REPORT

Distribution Date: May 28, 2019

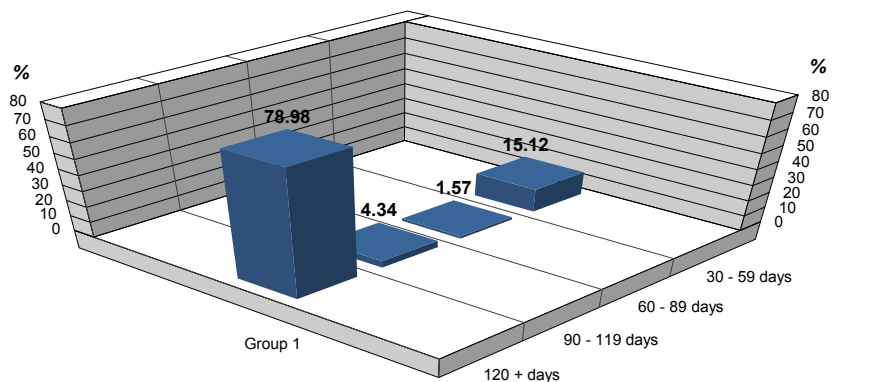


		Current	30 - 59 days	60 - 89 days	90 - 119 days	120 + days	TOTAL
Delinquent	Loan Count	121	9	1	2	5	138
	Sched Bal	2,550,321.57	127,637.44	15,068.65	41,623.28	179,012.49	2,913,663.43
	Percentage*	71.97%	3.60%	0.43%	1.17%	5.05%	82.22%
	Arrearage	440,733.38	10,845.94	0.00	33,676.95	68,253.27	553,509.54
Bankruptcy	Loan Count	4	1	0	0	7	12
	Sched Bal	33,472.07	17,513.21	0.00	0.00	124,678.06	175,663.34
	Percentage*	0.94%	0.49%	0.00%	0.00%	3.52%	4.96%
	Arrearage	5,178.19	0.00	0.00	0.00	28,780.07	33,958.26
Foreclosure	Loan Count	0	0	0	0	14	14
	Sched Bal	0.00	0.00	0.00	0.00	387,541.15	387,541.15
	Percentage*	0.00%	0.00%	0.00%	0.00%	10.94%	10.94%
	Arrearage	0.00	0.00	0.00	0.00	137,391.15	137,391.15
REO	Loan Count	0	0	0	0	4	4
	Sched Bal	0.00	0.00	0.00	0.00	66,963.09	66,963.09
	Percentage*	0.00%	0.00%	0.00%	0.00%	1.89%	1.89%
	Arrearage	0.00	0.00	0.00	0.00	8,336.67	8,336.67
TOTAL	Loan Count	125	10	1	2	30	168
	Sched Bal	2,583,793.64	145,150.65	15,068.65	41,623.28	758,194.79	3,543,831.01
	Percentage*	72.91%	4.10%	0.43%	1.17%	21.39%	100.00%
	Arrearage	445,911.57	10,845.94	0.00	33,676.95	242,761.16	733,195.62

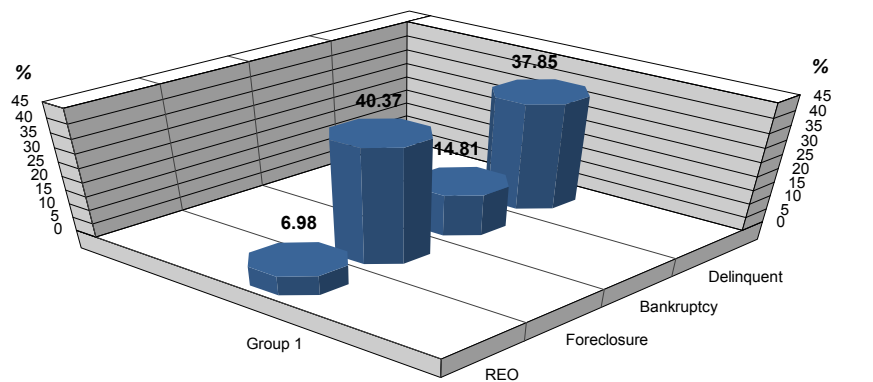


\* Percentages are based on scheduled balance as a percent of total pool scheduled balance.

	30 - 59 days			60 - 89 days			90 - 119 days			120 + days			TOTAL		
	Count	Balance (\$)	% of Bal*	Count	Balance (\$)	% of Bal*	Count	Balance (\$)	% of Bal*	Count	Balance (\$)	% of Bal*	Count	Balance (\$)	% of Bal*
Delinquent	9	127,637.44	13.30%	1	15,068.65	1.57%	2	41,623.28	4.34%	5	179,012.49	18.65%	17	363,341.86	37.85%
Bankruptcy	1	17,513.21	1.82%	0	0.00	0.00%	0	0.00	0.00%	7	124,678.06	12.99%	8	142,191.27	14.81%
Foreclosure	0	0.00	0.00%	0	0.00	0.00%	0	0.00	0.00%	14	387,541.15	40.37%	14	387,541.15	40.37%
REO	0	0.00	0.00%	0	0.00	0.00%	0	0.00	0.00%	4	66,963.09	6.98%	4	66,963.09	6.98%
TOTAL	10	145,150.65	15.12%	1	15,068.65	1.57%	2	41,623.28	4.34%	30	758,194.79	78.98%	43	960,037.37	100.00%



Distribution of Delinquencies By Group and Days. (total 100%)



Distribution of Delinquencies By Group and Status Type. (total 100%)

\* Percentages are based on scheduled balance as a percent of total pool scheduled balance.



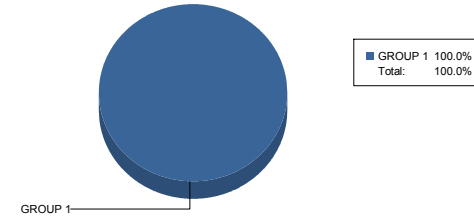
Salomon Brothers Mortgage Securities VII, Inc  
Mortgage Pass-Through Certificates Series 1997-HUD2

REO LOAN DETAIL REPORT

Distribution Date: May 28, 2019



REO						
Count	All (\$)	%	Count	New (\$)	%	
4	66,963.09	100.00%	1	10,433.81	100.00%	



Loan Number	Original Balance	Ending Balance	Ending Arrearage	Rate %	Next Due Date	Orig Term	New REO?	Book Value	State	Lien	Scheduled Principal	REO Date	Actual Ending Balance (UPB)
22772915	24,300.00	10,433.81	0.00	8.60%	08/01/2018	360	Yes	Not Available	TN	1	0.00	Not Available	10,770.35
23055777	69,048.00	23,231.30	0.00	8.80%	09/01/2015	360		Not Available	FL	1	0.00	Not Available	26,837.32
23055823	47,750.00	15,443.38	0.00	6.88%	09/01/2016	360		Not Available	PR	1	0.00	Not Available	17,199.41
23056769	49,800.00	17,854.60	8,336.67	9.50%	04/01/2018	360		Not Available	AR	1	0.00	Not Available	20,255.19
<b>Total:</b>	<b>4</b>	<b>190,898.00</b>	<b>66,963.09</b>										



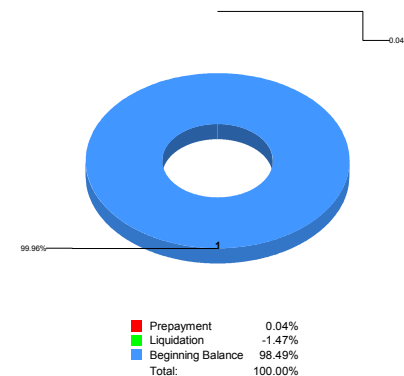


**Salomon Brothers Mortgage Securities VII, Inc**  
**Mortgage Pass-Through Certificates Series 1997-HUD2**  
**PREPAYMENT & LIQUIDATION LOAN DETAIL REPORT**

Distribution Date: May 28, 2019



	Count	Original Balance	Prepayment	Liquidation	Group Begin Balance
	5	182,122.00	1,463.81	-54,578.02	3,606,201.63



Loan Num	Original Balance	Beginning Balance	Beginning Arrearage	Scheduled Principal	Prepayments Incl Curtail	Liquidation Proceeds	Loss	Add'l Loss	Payoff Description	Paid Off Date	Add'l Loss Date	Loan Rate	Loss Severity	Prepay Penalty	State	Lien
23055626	38,850.00	268.34	0.00	157.83	110.51	0.00	0.00	0.00	Voluntary PIF	04/30/2019		3.375%		0.00	IL	1
23055732	45,360.00	1,696.23	0.00	342.93	1,353.30	0.00	0.00	0.00	Voluntary PIF	04/11/2019		8.700%		0.00	MO	1
23055509	27,000.00	0.00	0.00	0.00	0.00	254.33	0.00	-254.33	Liquidation			0.000%		0.00	IN	1
23069489	31,140.00	24,810.08	0.00	0.00	0.00	-55,140.99	79,951.07	0.00	Liquidation	04/30/2019		11.000%	322.250%	0.00	PA	1
71816029	39,772.00	0.00	0.00	0.00	0.00	308.64	0.00	-308.64	Liquidation			0.000%		0.00	OH	1
<b>Total:</b>	<b>5</b>	<b>182,122.00</b>	<b>26,774.65</b>	<b>0.00</b>	<b>500.76</b>	<b>1,463.81</b>	<b>-54,578.02</b>	<b>79,951.07</b>	<b>-562.97</b>					<b>0.00</b>		