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UK RMBS RR Model

Model Summary Document (MSD)

1. Model Purpose and Description

The UK RMBS RR model is a criteria model used to calculate the Sustainable Price Discount (SPD), House Price Decline (HPD) and Illiquid Property Adjustment (IPA) assumptions for the UK RMBS Rating Criteria. These are used for the foreclosure frequency and recovery rate calculations in the ResiGlobal UK model.

2. Model Assumptions

The model uses assumptions as prescribed in the UK RMBS Rating Criteria.

3. Model Inputs

Model inputs include Regional HPI, Regional GDHI per Household, Percentage population distribution for each region, and an Applied SPD input for each region.

4. Model Development Data

Data sources include:

- Monthly and annual HPI data for each region from Jan 1995 and 1997 onwards respectively, sourced from HM Land Registry.
- Annual GDHI data per Household per region (and UK overall) from 1997 onwards sourced from the Office for National Statistics (ONS).

5. Model Limitations

The model is intended only to produce SPD, HPD and IPA assumptions for the UK RMBS Rating Criteria.

6. Material Changes

The current model version is 1.3.1. Any future material changes will be disclosed in this section.

Contact Information

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