July 01, 2025

UK RMBS FF Model

Model Summary Document (MSD)

1. Model Purpose and Description

The UK RMBS FF Model is a criteria model designed to calculate rating multiples and 'B' Foreclosure Frequency (FF) matrices for UK RMBS across different sectors: Prime, Non-Conforming, and Buy-To-Let, for the UK RMBS Rating Criteria. These are used for the FF calculations in the ResiGlobal UK Model.

2. Model Assumptions

The model does not contain specific assumptions, but relies on inputs, some of which constitute assumptions based on rating team's analytical judgement.

3. Model Inputs

The model inputs include:

- Cash flow assumptions for the base case scenario, including CPR and CPR vectors, terms, interest rate and initial interest-only proportions
- Representative pool Metric 1/Metric 2 risk relativity matrices and current balance percentages, where Metric 1 is SLTV (%) and Metric 2 can be DTI (%) or ICR (%), to calculate FF matrices.
- Country- or sector-specific inputs such as the country's rating cap, regional concentration multiples, and FF adjustments based on specific risk factors.

4. Model Development Data

The model does not directly use any market data for its development and calibration though uses outputs from Fitch's UK RMBS FF Logistic Regression model that uses EDW and BoE data.

5. Model Limitations

The model is intended only to produce the 'B' FF assumptions and rating multiples under 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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