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MICH Model

Model Summary Document (MSD)

1. Model Purpose and Description

The MICH Model is used to perform the cover pool asset analysis of Spanish mortgage covered bonds or Cédulas Hipotecarias (CH). The MICH Model produces the lifetime default rates and recovery rates on the cover pool under different rating cases.

2. Model Assumptions

The assumptions in the model are those listed in the following criteria:

- Covered Bonds Rating Criteria (Appendix 9: Cédulas Hipotecarias and Multi-Issuer Cédulas Hipotecarias)
- European RMBS Rating Criteria
- SME Balance Sheet Securitisation Rating Criteria

3. Model Inputs

The main inputs are RMBS and SME key analytical parameters, and cover pool stratification tables for each CH issuer including for example loan-to-value, regional and interest rate type distributions.

4. Model Development Data

Not applicable to this rating model as it does not use historical data for its development and calibration, and it only uses transaction specific data and other related data as described in the relevant criteria and/or RAC.

5. Model Limitations

The model is intended only for the analysis of Spanish CH based on the Covered Bonds Rating Criteria. It is used only if stratified data is received instead of loan-by-loan data, and when a maximum 15% of the cover pool balance is linked to Small and Medium-Sized Enterprises (SME) mortgages and a maximum 5% is linked to real estate developer loans.

6. Material Changes

The current model version is 4.39.0. Any future material changes will be disclosed in this section.

Contact Information

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