July 01, 2025

European Equity Release Loan Products Asset Model

Model Summary Document (MSD)

1. Model Purpose and Description

The European Equity Release Loan Products Asset Model takes transaction pool cut data and calculates asset cash flows based on assumptions described in the European Equity Release Loan Products Rating Criteria.

Asset cash flows are calculated on a monthly basis for each loan with cash collections being a combination of interest receipts and principal receipts. These cash flows are aggregated to provide monthly pool level cash flows that are input into Fitch's multi-asset cash flow model, to derive model-implied ratings.

2. Model Assumptions

The assumptions in the model are based on Fitch's European Equity Release Loan Products Rating Criteria.

3. Model Inputs

The modes inputs include:

- Loan Level Data as per Appendix 1 of the criteria.
- Rating case assumptions described in the criteria.
- Interest Rate Stress Model Parameters

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 to analyse transactions backed by equity release loan or financing products based on the criteria listed above. The maximum portfolio size that can be entered into the model is 20,000 loans.

6. Material Changes

The current model version is 1.0.7. Any future material changes will be disclosed in this section.

Contact Information

model_disclosure@fitchratings.com