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LATAM RMBS CF Model

Model Summary Document (MSD)

1. Model Purpose and Description

The LATAM RMBS Cash Flow Model ('The model') reflects the cash flow analysis, for both assets and liabilities, for LATAM RMBS transactions in Brazil, Chile, Colombia, Mexico, El Salvador, Ecuador, and Panama. The model uses the same approach to project interest and principal received from the collateral. Because of the huge varieties of structures across different jurisdictions, the model uses a specific module for each country to reflect the respective debt's waterfall.

The model analyses various stress scenarios and identify best passing scenarios to evaluate whether the interest and principal of the notes are paid in full as prescribed by transaction documents. The key model outputs are cash flow projections and Model Implied Ratings (MIRs).

2. Model Assumptions

The assumptions in the model are derived from Fitch's criteria "Latin America RMBS Rating Criteria".

3. Model Inputs

The key inputs to the model are the collateral characteristics and liability structure. For collateral, the key inputs include replines balance, WA coupon, WA term, WAFF/LGD, recovery, and inputs for non-performing loans. For liability, the inputs include bonds input, triggers input, country-specific liability input and other scheduled payment inputs.

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 rating securities backed by RMBS and only applicable to LATAM region.

6. Material Changes

The current model version is 2.0.2. Any future material changes will be disclosed in this section.

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