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CREDIT OPINION
17 March 2020

New Issue

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Closing Date
13 March 2020

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Burlington Mortgages No. 1 DAC

New Issue – Irish residential mortgage loans originated by EBS DAC and HAVEN Mortgages Limited

Capital structure

Exhibit 1
Definitive ratings

Class	Rating	Amount (million)	% of notes	Legal final maturity	Coupon*	Subordi-nation**	Reserve Fund***	Total credit enhancement****
A1	Aaa (sf)	€ 1,731.40	43.00%	Nov-2058	1mE+ 0.40%	14.00%	0.75%	14.75%
A2	Aaa (sf)	€ 1,731.40	43.00%	Nov-2058	0.35%	14.00%	0.75%	14.75%
B	Aa2 (sf)	€ 201.30	5.00%	Nov-2058	1mE+ 0.95%	9.00%	0.75%	9.75%
C	A1 (sf)	€ 110.70	2.75%	Nov-2058	1mE+ 1.35%	6.25%	0.75%	7.00%
D	Baa3 (sf)	€ 110.70	2.75%	Nov-2058	1mE+ 1.75%	3.50%	0.75%	4.25%
E	B3 (sf)	€ 80.50	2.00%	Nov-2058	1mE+ 2.75%	1.50%	0.75%	2.25%
Z	NR	€ 60.50	1.50%	Nov-2058	8.00%	0.00%	0.00%	0.00%
R1	NR	€ 0.02	0.0%	Nov-2058	R1 payment	0.00%	0.00%	0.00%
R2	NR	€ 0.02	0.0%	Nov-2058	R2 payment	0.00%	0.00%	0.00%
Total§		€ 4,026.50	100.0%					

*Euribor for one-month deposits in euros. Coupon margins after the step-up date March 2025 will increase to 0.80%, 1.90%, 2.35%, 2.75% and 3.75% for Classes A1, B, C, D and E, respectively.
**At close, as a percentage of the portfolio.
***At close, as a percentage of the portfolio. Amortising reserve fund, funded by the proceeds of the subordinated loan, is sized at 0.75% of Class A1 to E notes at closing equal to 0.75% of the portfolio. This includes a Class A1 and A2 liquidity reserve fund that is sized at 0.75% of the Class A1 and A2 note balance and a general reserve sized at 0.75% of Class A1 to E notes reduced by the liquidity reserve.
****No benefit attributed to excess spread.
§ Total of collateralised notes, that is, Classes A, B, C, D, E and Z. Class A comprises of Class A1 and Class A2 notes.
Source: Moody's Investors Service

Summary

The subject transaction is a static cash securitisation of residential mortgages extended to obligors located in Ireland originated by EBS Designated Activity Company (EBS, A2/P-1; A2(cr)/P-1(cr)) and HAVEN Mortgages Limited (HAVEN, NR).

EBS expanded its lending activities through the establishment of HAVEN in December 2007. HAVEN is authorized by the central bank as a retail credit firm and provides mortgages through mortgage intermediaries.

The closing portfolio consists of 23,295 loans secured by mortgages on residential properties located in Ireland extended to prime borrowers, and the current closing pool balance is equal to around €4,026.5 million as of the pool cut-off date (29 February 2020). Of the loans, 65.1% in the pool were originated by EBS and 34.9% by HAVEN.

Our Credit Opinion is the result of the analysis of a wide array of quantitative and qualitative factors, including the pool characteristics, and the originator and servicer reviews. The Credit Opinion of the transaction also takes into consideration the structural features such as credit enhancement and liquidity available for each class of notes, as well as the mitigants to servicer disruption risk.

Credit strengths

The following factors were the strongest features of this transaction:

- **Asset quality:** Particular strengths include:
  - *Performing and not restructured loans:*All the loans are performing at closing. There are no restructured loans in the pool cut.
  - *Current weighted average loan-to-value (CLTV)*: The pool has a current weighted average LTV of 68.0%, with 0.2% loans in the 90% or higher LTV bucket.
- **Liquidity:** The transaction benefits from both a Class A1 and A2 Liquidity Reserve and a General Reserve Fund. Class A1 and A2 Liquidity reserve is available to cover senior fees and interest on Class A1 and A2 notes only. It is sized at 0.75% of aggregate principal amount of the Class A1 and A2 notes and will be amortizing. The General Reserve Fund is available to cover all items down to Class E PDL. (See “Securitisation structure description - Detailed description of the transaction”)
- **Subordinated Class Z notes:** Interest and principal payments under the unrated Class Z notes are subordinated in the structure, below the general reserve fund/liquidity reserve fund and principal deficiency ledger (PDL) payments on the rated notes, which increases the excess spread available to the rated notes. (See “Securitisation structure description - Detailed description of the transaction”)
- **Experienced management:** EBS was acquired by the AIB Group in July 2011. HAVEN was created in December 2007 by EBS. The EBS management reports to the senior AIB leadership team. AIB Group has a long history in securitisation process including the issuance of covered bonds.

Credit challenges

The transaction contains the following challenges:

» **Limited historical information:** Given the limited track record as originators, HAVEN provided limited historical information on arrears. Our approach was to benchmark EBS and HAVEN with similar originators in the Irish market.

» **Operational risk:** EBS (A2/P-1; A2(cr)/P-1(cr)) and HAVEN (NR) act as independent servicers in this transaction. In order to mitigate the operational risk, there will be a backup servicer facilitator, Intertrust Management Ireland Limited (NR). In addition, to ensure payment continuity over the transaction's lifetime, the transaction documents incorporate estimation language whereby the cash manager can use the three most recent available servicer reports to determine the cash allocation in case no servicer report is available. *(See* "Additional structural analysis - Mitigating servicing disruptions")

» **Product switches:** Originator and servicer may agree to a request by a borrower to convert their mortgage loan into a mortgage loan with a different type of interest rate term or repayment term ("product switch"), subject to certain conditions (the "product switch conditions") being satisfied. However there is no condition on the maximum fixed rate period: the transaction may be exposed to fixed-rate loans until maturity due to no maximum term for fixed-rate loans. We have considered this risk in the yield analysis. (See "Asset description - Changes to the asset pool after issuance")

» **Spread compression and Interest rate risk:** 45.7% of the loans in the portfolio yield a fixed rate, 45.8% yield the SVR and the remaining 8.5% are linked to ECB rate. The percentage of fixed-rate loans may increase to 60.0% until maturity due to product switches. Only one note is paying fixed , while the other notes are paying a floating rate. Hence, there is a potential interest rate risk that we have considered in the analysis.

Key characteristics

Asset characteristics

Exhibit 2
Asset characteristics
(Pool cut-off date as of 29 February 2020)

Issuer	Burlington Mortgages No. 1 Designated Activity Company
Seller/Originator:	EBS Designated Activity Company (NR); Haven Mortgages Limited (NR)
Servicer:	EBS Designated Activity Company; Haven Mortgages Limited
Receivables:	First-lien mortgage loans to individuals secured by property located in Ireland
Methodology used:	Moody's Approach to Rating RMBS Using the MILAN Framework, July 2019 (1179948)
Total amount:	EUR 4,026,483,467
Number of borrowers:	23,295
Borrower concentration:	Top 20 borrowers make up 0.6%
WA remaining term:	22.8 yrs
WA seasoning:	5.4 yrs
Interest basis:	45.7% Fixed rate, 45.8% Standard variable rate (SVR), 8.5%ECB base rate
WA current LTV:	68.0%
WA original LTV:	79.4%
Moody's calculated WA indexed LTV:	62.8%
Borrower credit profile:	Prime borrowers
Delinquency status:	0.0% loans are in arrears

Source: Moody's Investors Service

Securitisation structure characteristics

Exhibit 3
Structure summary

Issuer:	Burlington Mortgages No. 1 Designated Activity Company
Corporate service provider:	Intertrust Management Ireland Limited (NR)
Models used:	MILAN (Ireland Settings), ABSROM
Excess spread at closing:	2.30% stressed annualised excess spread at closing under Moody's stressed assumptions of 1-month EURIBOR at 4% and 0.16% senior fees with minimum of €120,000
Length of revolving period:	Static
Back-up servicer(s):	N/A
Back-up servicer facilitator:	Intertrust Management Ireland Limited (NR)
Cash manager:	EBS Designated Activity Company
Back-up cash manager:	N/A
Principal paying agent:	The Bank of New York Mellon, London Branch (Aa1/P-1; Aa1(cr);P-1(cr))
Back-up calculation/Computational agent:	N/A
Issuer account bank:	Allied Irish Banks, p.l.c. (A2/P-1; A2(cr)/P-1(cr))
Collection account bank:	Allied Irish Banks, p.l.c.
Trustee:	BNY Mellon Corporate Trustee Services Limited (NR)
Arrangers:	Bank of America Securities (NR)
Subordinated loan provider:	EBS Designated Activity Company, Haven Mortgages Limited
Credit enhancements/Reserves:	Excess Spread; Subordination; The reserve fund is amortising and will track 0.75% of the principal outstanding of the rated Class A through Class E notes.
Form of liquidity:	Excess spread, Reserve Fund, principal to pay interest mechanism
Number of interest payments covered by liquidity:	4.5 months under Moody's stressed assumption
Interest payments:	20th of each month in each year
Principal payments:	Pass-Through
First payment date:	Apr-20
Hedging arrangements:	N/A

Source: Moody's Investors Service

Asset description

The assets backing the notes are first-ranking prime mortgage loans originated by EBS and HAVEN. All the loans in the pool are secured on residential properties located in Ireland.

Asset description as of the closing cut-off date

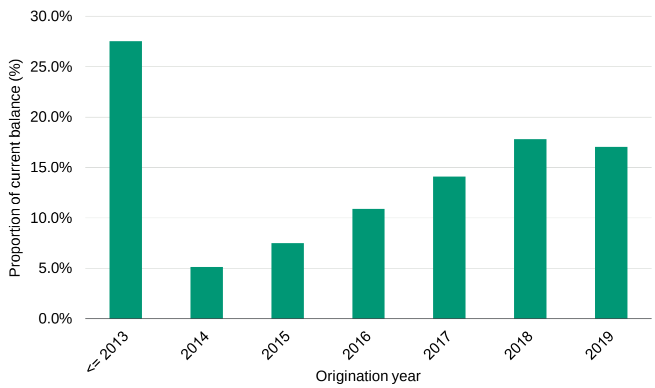
The closing pool cut-off date is 29 February 2020.

Pool characteristics

Exhibits 4 and 5 show the proportion of the loans by origination year and months current. Exhibit 4 illustrates the fact that most of the loans in the pool 34.9% have been originated between 2018 and 2019. Exhibit 5 highlights the fact that around 0.0% of loans are in arrears. The current weighted average LTV in the pool is 68.0%. Exhibit 6 shows that only 0.2% of the loans in the pool have a current LTV higher than 90%. Around 45.4% of the loans are concentrated in the Dublin Region, as Exhibit 7 shows.

Exhibit 4

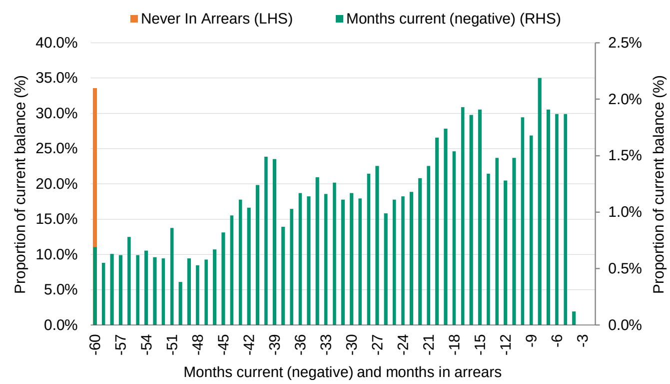
Portfolio breakdown by date of origination



Sources: Moody's Investors Service

Exhibit 5

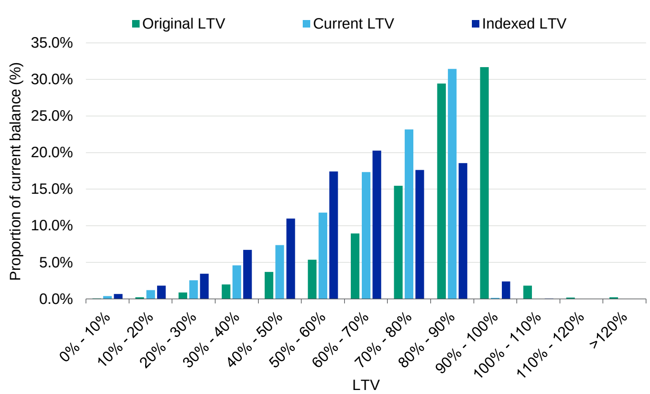
Portfolio breakdown by months current



Sources: Moody's Investors Service

Exhibit 6

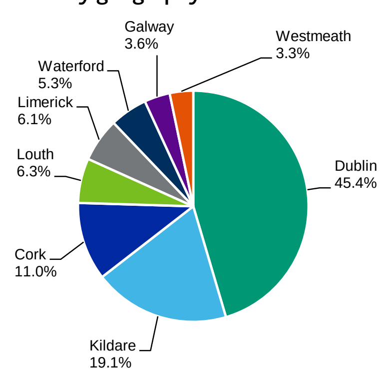
Portfolio breakdown by original/current and indexed LTV



Sources: Moody's Investors Service

Exhibit 7

Portfolio breakdown by geography



Sources: Moody's Investors Service

Originator

EBS and HAVEN act as originators and subordinated loan providers in the transaction. EBS also acts as the cash manager.

EBS was founded in Ireland in April 1935, as the Educational Building Society. EBS changed its name to EBS Building Society in 1991. EBS got its banking license in July 2011. EBS offers residential mortgages and savings products and life and property insurances. EBS had total assets of 12.1 billion at the end of Decenber 2017, with 70 outlets, 56 tied branch agencies and 14 tied agencies in Ireland. EBS also has direct telephone based distribution division, EBS Direct.

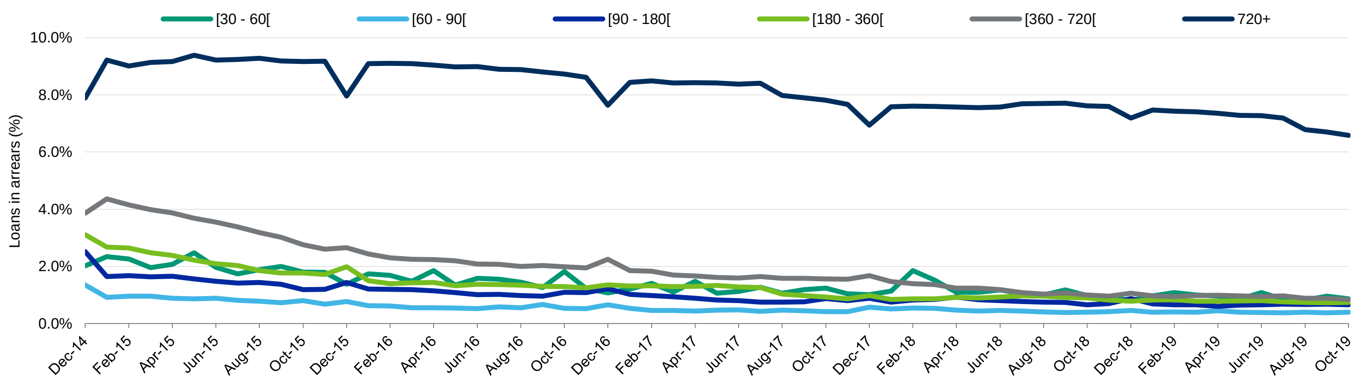
HAVEN was setup in December 2007 by EBS for mortgage distribution through the intermediary market which had not been a part of its target market.

We have received limited historical information for the loans in arrears from December 2014 upto October 2019. We have taken this into account in our expected loss and MILAN analysis. However, performance has been strong to date in the low interest rate environment, but it has not been tested through the cycle.

Exhibit 8

Historical performance of the total assets bought by Burlington Mortgages No. 1 and originated by EBS and HAVEN

30+, 60+ and 90+ days delinquencies of total loans



Source: Moody's Investors Service

Servicer

EBS and HAVEN which are part of AIB Group, service their individual portfolios in this transaction. Each Servicer will delegate certain of its responsibilities to AIB Group. The legal title for each mortgage will be held by their individual seller.

Changes to the asset pool after issuance

The assets backing the notes are first-ranking mortgage loans originated by EBS and HAVEN. All of the loans in the pool are secured on residential properties located in Ireland. The transaction is a static securitisation; product switches (subject to conditions) are allowed by the transaction documents.

Eligibility criteria

The key eligibility criteria are as follows:

» Each loan is secured by a first legal mortgage of residential property in Ireland;

» Each Loan is a backed by an owner-occupied property;

» The loan balance should be between €5,000 to €3,000,000

» The particulars of each Loan scheduled to the mortgage sale agreement were true, correct and complete in all material respects;

» Each Loan and Related Security has been made upon the terms of the standard documentation;

» Each borrower is a natural person, resident of Ireland and was aged not less than 18 years at the time of origination of the loans;

» No borrower is any employee of EBS or HAVEN;

» At the Closing Date, none of the loans is a lifetime interest-only loan and all loans are fully amortising to term;

» Each borrower has made at least one monthly payment as at the closing date;

» Each loan is repayable and denominated in Euro;

» The Loans are not life loans or offset mortgage loans;

Loan warranties

The loan warranties are as follows:

» Each mortgage is secured by residential property situated in Ireland;

» The seller's right, title and interest in each loan and its related security may be validly assigned or transferred to Issuer without the consent of the borrower and without breaching any term or condition applying to such loan and its related security;

» The amount outstanding under each Loan is a valid debt to the seller from the borrower and each loan and its related security constitutes a legal, valid, binding and enforceable obligation of the relevant borrower enforceable in accordance with its terms, except that enforceability may be limited by bankruptcy, insolvency or similar laws or regulations of general applicability affecting the enforcement of creditors' rights generally and the court's discretion in relation to equitable remedies and the terms of each related mortgage provide that such related mortgage secures the repayment of all advances, interest, costs and expenses payable by the relevant borrower (other than in relation to any prepayment charges) in respect of the relevant loan;

» The mortgage conditions applicable to each loan provide for either: (a) a variable interest rate that may be varied up and down by the seller (or following a transfer or assignment of any loans by the seller, such transferee or assignee) from time to time (b) a fixed rate of interest to apply for a given fixed rate period as set by the seller, and interest is chargeable monthly or (C) Tracker Rate Loans provide for the interest rate applicable thereto from time to time to be calculated by reference to the European Base Rate plus an agreed margin and interest is payable monthly;

» The seller has not received any notice or claim in writing by any borrower of any lien, counterclaim, right of set-off or right or ability to make any withholding or deduction from any payment in existence between that borrower and the seller in respect of its Loan or its related security;

» The seller has not received written notice of any litigation, dispute or claim (subsisting, threatened or pending) in respect of any borrower, a property, loan, related security or insurance policy which (if adversely determined) might have a material adverse effect on the value of any loan;

» There is no obligation for the relevant Seller to make a Product Switch other than in accordance with the applicable Mortgage Conditions

» The Seller has full recourse to each relevant Borrower [and, where applicable, guarantors] under each relevant Loan;

» No steps have been taken by the seller to enforce any loan or its related security;

» The seller verified the income of the relevant borrower in the manner of a prudent mortgage lender and did not rely on the borrower's self-certification;

» The relevant borrower will not be more than 71 years of age at the projected repayment date of that loan. No Loan has an original term exceeding 35 years;

Product switches

The originators may agree, subject to certain conditions, to a borrower's request to change the type of interest rate term or repayment term. The conditions comprise, among others:

» The switch date falls before the first optional redemption date;

» No insolvency event in respect of the relevant seller or servicer has occurred;

» No event of default has occurred and is continuing;

» No perfection event has occurred;

» No PDL is recorded on Class A1, A2, B, C, D, E or Z;

» The loan in respect of which a product switch has been made is in compliance with the loan warranties following conversion;

- Following the Product Switch, the relevant Loan shall not be a Tracker Rate Loan
- The product switch does not result in there being in excess of 60.0% fixed rate loans in the portfolio;
- The product switch does not convert a repayment loan into an interest-only loan.

We have factored the possibility of future product switches into our analysis by, among others, stressing the portfolio yield.

Loan repurchase following breach of representations and warranties (R&W) or product switch condition
EBS and HAVEN are liable to the repurchase of the relevant loans upon a material breach of loan warranties or product switch condition.

Agreed upon procedures (AUP)
An AUP was performed in December 2019 – January 2020. The AUP results are in line with what we have seen for other comparable Irish transactions.

We have also received a legal opinion in relation to the enforceability of the mortgages, and the conclusions of such an opinion are in line with our expectations and provide comfort on loan security, title and enforceability.

Asset analysis

Primary asset analysis

The first step in the analysis of the credit quality of the pool is to determine a loss distribution of the mortgages to be securitised. In order to determine the shape of the curve, two parameters are needed: the expected loss and the volatility around this expected loss. These parameters are derived from two important sources: historical loss data and the MILAN loan-by-loan model.

Expected loss
We use performance data provided by the originator in addition to other relevant data in order to extrapolate expected losses for the loan pool. Examples of data include market and sector wide performance data, the performance of other securitisations and other originators' data[1].

The key drivers for the portfolio expected loss of 3.0%, which is lower than the Irish RMBS sector average, are (1) the collateral performance of the loans originated by EBS and HAVEN to date; (2) the current macroeconomic environment in Ireland; (3) the stable outlook that we have on Irish RMBS; and (4) benchmarking with other comparable Irish RMBS transactions. (5) loans are all performing, and never restructured.

MILAN model
To obtain the volatility under "stressed" scenarios, we take into account historical data. However, historical volatility may not be significant (given insufficient data points or incomplete data), and in addition may not be representative for the future as it is based on the previous economic environments experienced.

Consequently, we determine a number representing the enhancement that would be required for a pool of mortgages to obtain a rating consistent with Aaa under highly stressed conditions. This enhancement number (the MILAN CE number) is produced by using a loan-by-loan model, which looks at each loan in the pool individually and based on its individual characteristics such as LTV or other identified drivers of risk, will produce a benchmark CE number. This assumes stressed recovery rates (through house price decline), time to recovery, interest rates and costs to foreclosure. The weighted average benchmark CE number will then be adjusted according to positive and negative characteristics of each loan or of the pool as a whole to produce the MILAN CE number.

The key drivers for the MILAN CE of 12.0%, which is lower than the Irish RMBS sector average, are (1) the collateral performance of the loans to date; (2) the weighted average current loan-to-value of 68.0%, which is in line with the sector average; (3) potential drift in asset quality through product switches; and (4) benchmarking with other Irish RMBS transactions. (5) loans have never been in arrears since origination, and never restructured.

Lognormal distribution

The first step in the analysis is to determine a loss distribution of the pool of mortgages to be securitised. Because of the large number of loans and supporting historical data, we use a continuous distribution to approximate the loss distribution: the lognormal distribution.

In order to determine the shape of the curve, two parameters are needed: the expected loss and the volatility around this expected loss. These parameters are derived from two important sources: historical loss data and the loan-by-loan model.

We use performance data provided by the originator in addition to other relevant data in order to extrapolate expected losses for the loan pool. Examples of data include market and sectorwide performance data, the performance of other securitisations and other originators' data.

To obtain the volatility under stressed scenarios, we take into account historical data. However, observed historical volatility may not be significant (given insufficient data points or incomplete data), and in addition may not be representative for the future as it is based on the previous economic environments experienced.

Consequently, we determine a number representing the enhancement that would be required for a pool of mortgages to obtain a rating consistent with Aaa under highly stressed conditions. This enhancement number (the MILAN CE number) is produced by using a loan-by-loan model, which looks at each loan in the pool individually and based on its individual characteristics such as LTV or other identified drivers of risk, will produce a benchmark CE number. This assumes stressed recovery rates (through house price decline), time to recovery, interest rates and costs to foreclosure. The weighted average benchmark CE number will then be adjusted according to positive and negative characteristics of each loan or of the pool as a whole to produce the MILAN CE number.

Interest rate mismatch

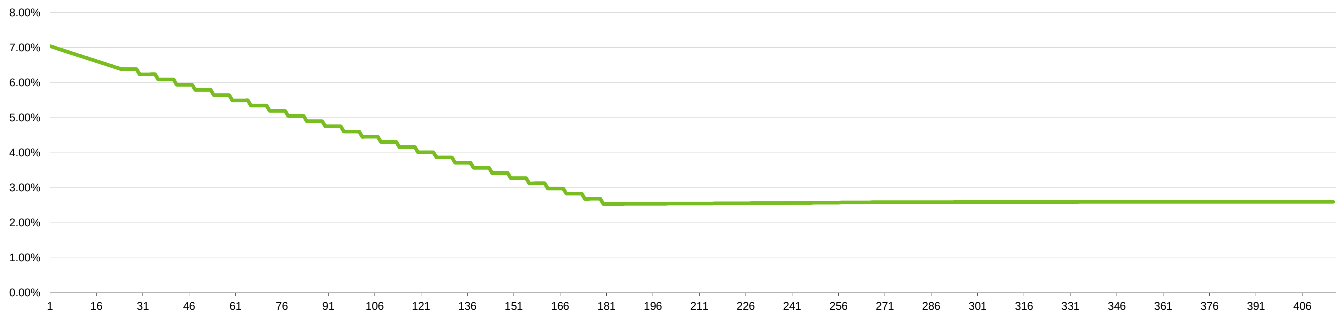
The portfolio comprises floating-rate loans linked to the EBS and HAVEN's variable rate (54.3%) loans (45.8% yield the SVR and 8.5% yield to ECB), and fixed-rate loans (45.7%), whereas the Class A2 note pays fixed and other rated notes pay one-month Euribor plus a spread.

All the fixed-rate loans can either revert to variable rates or change to another fixed rate with a new fixed rate period; variable rate loans can switch to fixed-rate loans. In accordance with the product switch conditions, the percentage of fixed rate loans cannot exceed 60.0% of the current pool balance, all the product switch will occur before the First Optional Redemption date, but there is no condition on the maximum fixed rate period. The transaction may be exposed to fixed-rate loans until maturity.

In our analysis, we have assumed that all fixed-rate loans will extend until maturity, with the new fixed rate being equal to a lower fixed rate. In addition, we have assumed that a share of the variable rates loan will switch to fixed-rate loans until maturity. We assumed that the share of fixed-rate loans swill remain constant at 60.0% until maturity.

When modelling the yield on the portfolio, we assumed an increase of the one-month Euribor rate to assess the impact of the fixed-floating interest rate mismatch.

Exhibit 9
Our stressed yield vector (under a 4% Euribor assumption)



Source: Moody's Investors Service

Comparables

Peer transactions compared with Burlington Mortgages No.1

Exhibit 10 shows the collateral characteristics of Burlington Mortgages No.1 and comparable previous issuances from the originator, as well as transactions that were considered in our rating committee.

Exhibit 10

Benchmark table with peer transactions

Deal Name	Burlington Mortgages No. 1 Designated Activity Company	Finance Ireland RMBS No. 1 Designated Activity Company	Oak No.3 PLC	Finsbury Square 2018-1 plc	Finsbury Square 2018-2 plc	Gemgarto 2018-1 Plc
Closing date	16-Mar-20	24-Jul-19	12-Sep-19	29-Jan-18	15-Nov-18	30-Jul-18
Cut-off date	29-Feb-20	31-May-19	31-Jul-19	15-Jan-18	31-Oct-18	15-Jul-18
Information from	Closing Pool	Closing Pool	Closing Pool	Closing Pool	Closing Pool	Closing Pool
Originator(s)	EBS Designated Activity Company (NR); Haven Mortgages Limited (NR)	Finance Ireland Pepper Money	Aldermore	Kensington BTL Kensington Mortgages Kensington OO New Street Mortgages	Kensington Mortgage Company Kensington Mortgage Company BTL New Street BTL	Kensington Mortgages
Servicer(s)	EBS Designated Activity Company (NR); Haven Mortgages Limited (NR)	Pepper Pepper Finance Corporation DAC	Aldermore	Acenden Limited HML	Kensington Mortgage Company	Kensington Mortgages
MILAN CE	12.0%	15.5%	10.0%	13.0%	14.0%	16.0%
Expected loss	3.0%	4.0%	1.4%	2.0%	2.2%	2.1%
Portfolio stratification						
Avg. current LTV*	68.0%	67.1%	69.9%	73.9%	73.4%	75.7%
Avg. original LTV*	79.4%	69.2%	71.9%	74.3%	74.4%	76.0%
Avg. current LTV indexed *	62.8%	64.6%	68.0%	73.6%	72.2%	74.7%
% current LTV >= 70%*	54.8%	53.0%	55.3%	70.3%	69.6%	77.5%
% current LTV >= 80%*	31.6%	25.3%	33.4%	42.0%	37.4%	47.2%
% current LTV >= 90%*	0.2%	1.2%	18.6%	1.0%	0.0%	1.0%
% current LTV >= 100%*	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Civil servants	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
% Self employed	2.3%	27.7%	30.0%	44.3%	42.2%	36.5%
% Self certified	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Non-Owner occupied (includes: Partial owner, Vacation or Second homes)	0.0%	11.4%	0.0%	22.5%	20.2%	0.0%
% Fixed interest	45.7%	33.9%	96.0%	99.9%	90.0%	100.0%
% Fixed interest resetting after 5 years	0.3%	0.7%	0.0%	0.0%	0.0%	0.0%
% IO without collateral	0.0%	0.0%	10.6%	24.8%	21.9%	4.7%
Previous Arrears (incl. no data)	0.0%	4.6%	0.0%	1.0%	1.5%	1.1%
Total arrears	0.0%	1.7%	0.0%	0.1%	1.4%	0.3%
% in arrears (> 1 month)	0.0%	0.2%	0.0%	0.0%	0.9%	0.0%
% in arrears (> 3 months)	0.0%	0.0%	0.0%	0.0%	0.6%	0.0%
Max regional concentration	Dublin (45.4%)	Dublin (62.9%)	South East (31.4%)	South East (34.0%)	South East (34.0%)	South East (33.3%)
Max vintage concentration	2018 (17.8%)	2018 (48.9%)	2018 (47.30%)	2017 (98.84%)	2018 (89.09%)	2018 (96.51%)
% Brokers	34.9%	0.0%	92.9%	100.0%	100.0%	100.0%
% Remortgage	0.0%	6.4%	45.1%	32.0%	28.4%	20.9%
Portfolio data						
Current balance	€ 4,026,483,467	€ 290,232,157.00	£375,983,705	£426,233,385	£415,932,385	£211,278,346
Avg. loan per borrower	€ 172,847	€ 212,780.00	£142,310	£170,493	£166,639	£177,250
Borrower top 20 (as % of pool bal)	0.6%	4.8%	3.0%	4.5%	4.5%	6.7%
WA interest rate	3.0%	3.6%	3.5%	3.3%	3.8%	3.5%
WA seasoning in years	5.4	1.0	1.2	0.3	0.6	0.3
WA time to reset in years	2.5	2.9	2.1	2.1	2.4	2.2
WA time to maturity in years	22.8	22.8	23.6	24.9	25.4	26.7
Maximum maturity date (dd/mm/yyyy)	01-11-54	01-05-53	30-06-59	12-12-57	28-09-58	31-05-58
Avg. house price stress rate**	40.7%	37.9%	35.5%	31.3%	35.7%	34.0%
Avg. house price change since origination	11.6%	4.4%	4.3%	0.5%	2.1%	1.4%

* As per Moody's calculation.
** As per Moody's MILAN methodology for a Aaa scenario.
Source: Moody's Investors Service

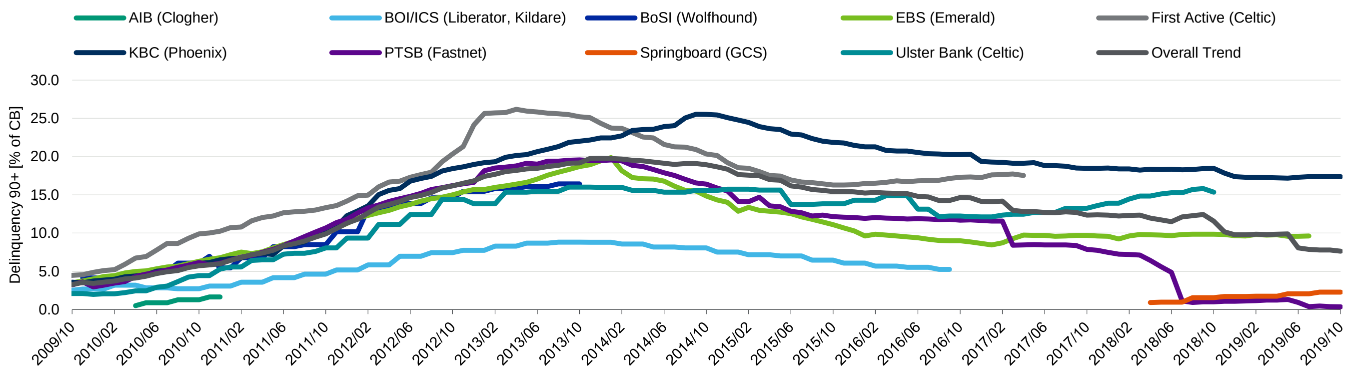
Performance of Irish RMBS

Our sector outlook for Ireland was stable as of December 2019.

Exhibits 11 and 12 show the 90+ and 360+ day delinquencies of comparable transactions, respectively, as well as our calculated index.

Exhibit 11

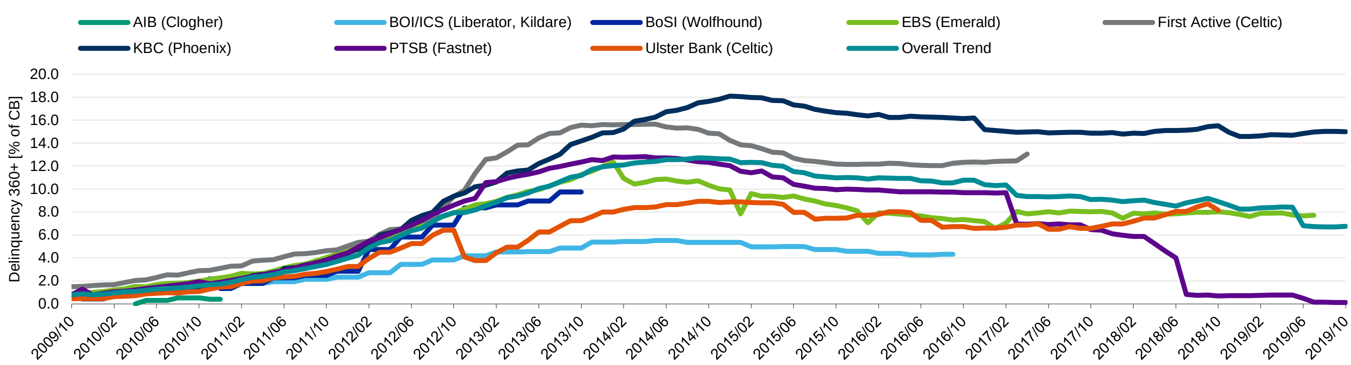
Irish prime RMBS 90+ days delinquency - Trend



Sources: Moody's Investors Service, Moody's Performance Data Service, periodic investor/servicer reports

Exhibit 12

Irish prime RMBS 360+ days delinquencies - Trend



Sources: Moody's Investors Service, Moody's Performance Data Service, periodic investor/servicer reports

Additional analysis

Data quantity and content

We received arrears information from Q4 2014 through Q4 2019. We did not receive default or loss data.

Origination quality

According to our Originator review, the overall origination ability and stability of EBS and HAVEN has been classified as average (see Appendix 3).

Servicing quality

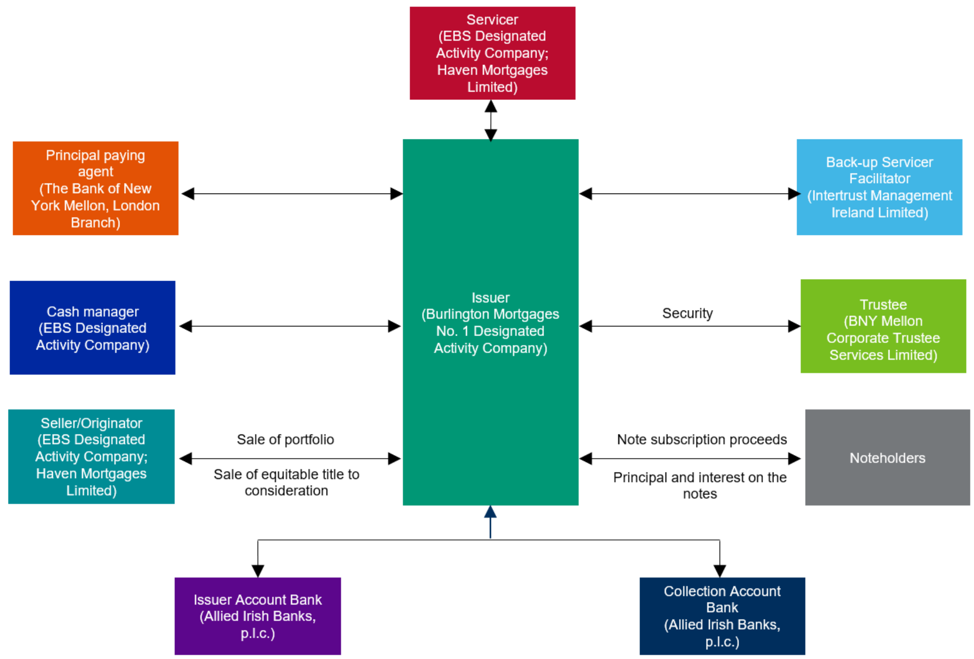
According to our Servicer review, the overall servicing ability and stability of EBS and HAVEN has been classified as average (see Appendix 3).

Securitisation structure description

The sellers, EBS and HAVEN, sold a portfolio of residential mortgage loans to the issuer, Burlington Mortgages No.1 DAC (Burlington Mortgages No.1), which issues the RMBS notes in order to finance the purchase of the asset pool. The servicers, EBS and HAVEN, will service the assets sold to Burlington Mortgages No.1. Exhibit 13 illustrates other parties and their respective roles.

Structural diagram

Exhibit 13
Burlington Mortgages No.1 transaction structure



Source: Burlington Mortgages No. 1 DAC prospectus

Detailed description of the transaction

Credit enhancement

The Class A1 and A2 notes benefit from the subordination provided by more junior collateralised notes, namely Class B, C, D, E and Z notes (Class R1 and R2 are not collateralised by the asset pool). There is an amortising reserve fund in place sized at 0.75% of Class A1, A2, B, C, D and E notes. The reserve fund is separated into two components: (1) the Class A1 and A2 liquidity reserve fund 0.75% of the Class A notes; and (2) the general reserve fund equal to 0.75% of the Class A1, A2, B, C, D and E note balance reduced by the Class A1 and A2 liquidity reserve fund. The transaction has annualised excess spread of around 2.3%, assuming a stressed Euribor rate of 4% per annum.

Flow of funds

Allocation of payments/pre-accelerated revenue waterfall: On each monthly payment date, the issuer's available funds (interest amounts received from the portfolio, the funds drawn or released from the general reserve fund, funds drawn or released from the liquidity reserve fund, principal receipts applied to remedy an interest shortfall and interest earned on the issuer's account) are applied in the following simplified order of priority:

1. Senior expenses;
2. Servicer fees;
3. Interest on Class A1 and A2 notes;
4. Replenishment of the Class A1 and A2 liquidity reserve fund up to required amount;
5. PDL on Class A1 and A2 notes;
6. Interest on Class B notes;
7. PDL on Class B notes;
8. Interest on Class C notes;
9. PDL on Class C notes;
10. Interest on Class D notes;
11. PDL on Class D notes;
12. Interest on Class E notes;
13. PDL on Class E notes;
14. Replenishment of the general reserve fund up to the required amount;
15. PDL on Class Z;
16. Interest on Class Z notes;
17. After the first optional redemption date, to redeem the principal on the Class A1, A2, B, C, D and E notes through the principal waterfall;
18. Subordinated loan interest;
19. Subordinated loan principal;
20. Excess to residual certificates.

Allocation of payments/pre-accelerated principal waterfall: On each monthly payment date, the principal amounts received from the portfolio and amounts applied to clear the PDL less any principal receipts to cover any senior expenses deficit are applied in the following simplified order of priority:

1. Principal payments in sequential order until repaid in full to Classes A1, A2, B, C, D, E and Z;
2. Excess as available revenue receipts.

Allocation of payments/PDL-like mechanism

There is a complex PDL mechanism in place that tracks losses and a portion of defaulted loans. The PDL mechanism is complex because loan balances that have been previously written off to the PDL can be reversed if the loan subsequently cures. In addition, PDL can also be reversed with the proceeds from the recoveries of the loan that was provisioned. The PDL mechanism in place is based on:

» Losses (including set-off losses and write-downs under the personal insolvency legislation);

» 50% of the current balance of loans that are 6 or more months and less than 9 months in arrears;

» 75% of the current balance of loans that are 9 or more months and less than 12 months in arrears;

» 100% of the current balance of loans that are 12 months or more in arrears;

» Principal applied to cover revenue shortfalls;

» Any principal used to reverse revenue amounts applied in excess of the aggregate PDL following the PDL being reduced by cured loans.

Reserve fund

At closing, the reserve fund will be funded with the proceeds of the subordinated loan for an amount corresponding to 0.75% of the Class A1, A2, B, C, D and E note balance at closing. The reserve fund is separated into two components: the Class A1 and A2 liquidity reserve fund and the general reserve fund. During the life of the transaction, the reserve fund provides only liquidity support to the notes. However, as the reserve amortises, the release amount forms a part of the revenue funds and can subsequently be used to cure PDL.

Class A1 and A2 liquidity reserve fund: The Class A1 and A2 liquidity reserve fund is amortising at 0.75% of the Class A1 and A2 notes and can be used to pay senior fees and interest on the Class A1 and A2 notes.

General reserve fund: The general reserve fund is amortising at 0.75% of the Class A1, A2, B, C, D and E note balance reduced by the Class A1 and A2 liquidity reserve fund. The general reserve can be used to pay senior fees and interest on the Class A1 and A2 notes at all times. It can be used to pay interest on Class B, C, D and E notes only if there is no PDL on the respective note outstanding. However, once a note becomes the most senior note outstanding, the general reserve can be used without restriction to pay interest.

Liquidity

» Liquidity reserve fund provides liquidity support to the Class A1 and A2 notes.

» General reserve fund provides liquidity support to the Class A1, A2, B, C, D and E notes, subject to the restrictions as outlined above.

» Principal to pay interest mechanism: Principal can be used to pay interest on the most senior note outstanding.

Subordination of interest

The payment of interest on Class Z notes is junior to the general reserve fund.

Asset transfer

The loans and related security were sold by way of equitable assignment to the issuer, which in turn will create a first fixed security over the assets in favour of the trustee for the noteholders.

Authorised investments

The cash manager may invest funds credited to the transaction account in authorised investments like (1) Money market funds, and (2) Euro demand or time deposits and certificates of deposit and (3) short term debt obligations, which mature within 90 days or less with a rating of at least A2 or P-1.. The investments need to mature prior to the interest payment date on which the cash represented by such investments is required by the issuer.

Securitisation structure analysis

Our ratings are based on the quality of the asset pool, the levels of credit enhancement and liquidity provided by the subordinated tranches, the general reserve fund and liquidity reserve fund, and also the structural and legal integrity of the transaction. The ratings on the notes address the likelihood of receipt by noteholders of timely payment of interest and of all distributions of principal by the final legal maturity date. Our ratings address only the credit risks associated with the transaction.

Primary structural analysis

We consider the probability of default under the notes as well as the estimated severity of loss when assigning a rating.

Tranching of the notes

Once the loss distribution of the pool under consideration has been computed, a cash flow model is used to assess the impact of structural features of the transaction. It calculates the average lives and the losses experienced by the notes for every loss scenario for the portfolio. Based on these numbers, the expected loss and the weighted average lives for the notes are calculated as weighted averages based on the probabilities of the respective scenarios. The expected loss on each tranche, together with the notes' weighted average life, determines the rating, which is consistent with our target losses for each rating category.

The rating of the notes is therefore based on an analysis of:

» The characteristics of the mortgage pool backing the notes

» The relative roll-rate levels and arrears in this type of lending compared with the market average

» Sector wide and originator-specific performance data

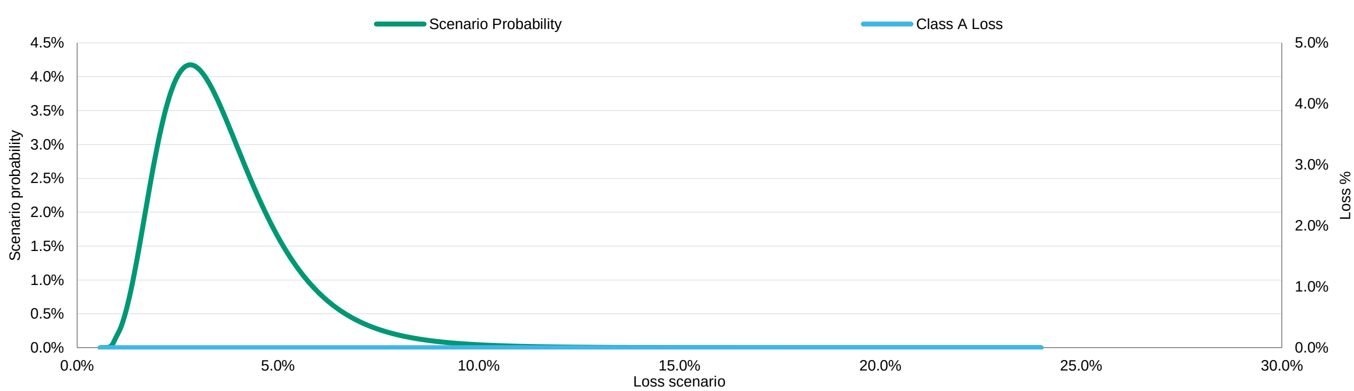
» Protection provided by credit enhancement and liquidity support against defaults and arrears in the mortgage pool

» The legal and structural integrity of the issue

The exhibit below presents the loss distribution (green line) that we used in modelling loan losses.

Exhibit 14

Lognormal loan loss probability distribution including tranche A losses as a percentage of the initial notes amount



Source: Moody's Investors Service

Comparables

Exhibit 15 shows the main structural features of Burlington Mortgages No.1 and how it compares with peer transactions that our rating committee considered for benchmarking purposes.

Exhibit 15

Benchmark table for structural features

Deal Name	Burlington Mortgages No. 1 Designated Activity Company	Finance Ireland RMBS No. 1 Designated Activity Company	Oak No.3 PLC	Finsbury Square 2018-1 plc	Finsbury Square 2018-2 plc	Gemgarto 2018-1 Plc
Structural features						
Notes payment frequency	Monthly	Quarterly	Quarterly	Quarterly	Quarterly	Quarterly
Replenishment periods	Static	Static	Static	Static	None	None
Rating and CE for senior note	Aaa(sf) with 14.75% CE	Aaa(sf) with 16.98% CE	Aaa(sf) with 10.00% CE	Aaa(sf) with 17.00% CE	Aaa(sf) with 16.60% CE	Aaa(sf) with 18.00% CE
Coupon on senior note	A1: 1mE+ 0.40%; A2: 0.35%	0.67%	0.80%	0.65%	0.95%	3mL + 0.85%
Reserve fund (Closing)*	0.75% of the Class A to E	1.50%	1.50%	2.10%	2.10%	2.10% of Class A to F
Reserve fund (Target)	0.75% of the Class A to E	1.50%	1.50%	2.00%	2.00%	N/A
Reserve fund fully funded at closing?	N/A	Yes	Yes	Yes	Yes	Yes
Reserve fund floor	Amortizing	Amortizing	Amortizing	2.00%	Non-amortising	2.00%
Hedge in place	N/A	Yes	Fixed-Floating Swap	Yes	Fixed-Floating Swap	Fixed-Floating Swap
Swap rate or guaranteed XS (if applicable)	N/A	0.08%	0.46%	0.95%	Fixed-floating swap, LIBOR linked loans are unhedged	Fixed-floating swap, LIBOR linked loans are unhedged
Principal to pay interest?	Yes	Yes	Yes	Yes	Yes	Yes
Number of months liquidity in a stressed rate environment	4.5	9	N/A		Around 4 for Class A and B	Around 8 for Class A and B
Back up servicer	No	No	Link Mortgage Services Limited	N/A	N/A	N/A
Back up servicer facilitator	Intertrust Management Ireland Limited	Intertrust Management Ireland Limited	Maples Fiduciary Services (UK) Limited	Intertrust Management Limited	Intertrust Management Limited	CSC Capital Markets UK Limited
Estimation language	N/A	Yes	Yes	Yes	Yes	Yes
Borrower notification trigger	N/A	No	No	N/A	N/A	N/A
Sweep frequency from the collection account to the issuer's account	N/A	Daily	Daily	Daily	Daily	N/A
Total set-off exposure	No	0.00%	0.00%	0.00%	N/A	N/A
Set-off due to employee loans	No	No	No	N/A	N/A	N/A

* Of original note balance.

Source: Moody's Investors Service

Additional structural analysis

Cash commingling

All the payments under the loans in this pool are collected by EBS and HAVEN from their respective portfolios as servicers and paid into a separate collection account in the name of the seller at Allied Irish Banks (A2/P-1,; A2(cr)/P-1(cr)). The following mitigants to commingling risk and collection account bank default risk are included in the structure:

» Payments: Payments are transferred daily to the issuer account held by Allied Irish Bank (Aa2/P-1).

» Collection account declaration of trust: The seller has declared a trust (among the issuer, the seller and the collection account bank) over the collection account in favour of the issuer.

» Transfer trigger for the collection account: Should the collection account bank be rated below Baa2, the collection account bank would need to be replaced or a guarantor would have to be found.

» Transfer trigger for the issuer account: Should the issuer account bank be rated below A3, the issuer account bank would need to be replaced or a guarantor would have to be found.

Given the aforementioned mitigants, commingling risk has not been modelled.

Set-off

EBS is a deposit taking institution and HAVEN is not a deposit taking institution. The set off risk is not modeled as portfolio consists of granular assets to retail obligors and deposit insurance protects retail deposits. The uncovered deposit balance is so small that upon a default of the bank, it is not a credit driver in our analysis.

Mitigating servicing disruptions

The fact that Intertrust Management Limited has been appointed as backup servicer facilitator is a positive feature. In case EBS or HAVEN, acting as independent servicer, becomes unable to perform its servicing duties, the backup servicer facilitator has to use its best efforts to appoint a replacement servicer. In the event the servicer report is not delivered in time, the cash manager shall base the payments on estimates and once it receives the servicer report, it will reconcile the estimates with the actual figures and if needed make additional payments.

Liquidity around 4.5 months of interest payments on Class A1 and A2 notes and items senior thereto in the waterfall (assuming stressed all-in senior expenses) is provided by the reserve fund.

Methodology and monitoring

Overview

The principal methodology used in this rating was Moody's Approach to Rating RMBS Using the MILAN Framework, published in July 2019.

We will monitor the transaction on an ongoing basis to ensure that it continues to perform in the manner expected, including checking all supporting ratings and reviewing periodic servicing reports. Any subsequent changes in the rating will be publicly announced and disseminated through Moody's Client Service Desk.

Servicing disruption: EBS and HAVEN act as servicers for their respective portfolios. Because of the fact that there is an independent backup servicer facilitator and estimation language that can be used in case of a servicer report not being received on time, this structure is compliant with our published guidelines on operational risk.

Significant influences: Further deterioration in the housing market beyond that modeled may have an impact on the subject transaction's ratings.

Factors that could lead to an upgrade

» Performance of the underlying collateral is better than our expectations

» Deleveraging of the capital structure

Factors that could lead to a downgrade

» Worse-than-expected performance

» Significant deterioration in Ireland's economy and real estate market

» Unforeseen legal or regulatory changes

Monitoring trigger

For issuer account bank triggers[2]:

» Loss of A3, remedy is to replace.

For collection account bank triggers:

» Loss of Baa2, remedy is to replace.

General reserve

» Class B cannot use the general reserve to pay interest as long as a Class B PDL is outstanding or Class B is not the most senior note outstanding.

» Class C cannot use the general reserve to pay interest as long as a Class C PDL is outstanding or Class C is not the most senior note outstanding.

» Class D cannot use the general reserve to pay interest as long as a Class D PDL is outstanding or Class D is not the most senior note outstanding.

» Class E cannot use the general reserve to pay interest as long as a Class E PDL is outstanding or Class E is not the most senior note outstanding.

Principal to pay interest

» Class B cannot use principal to pay interest as long as Class B is not the most senior note outstanding.

» Class C cannot use principal to pay interest as long as Class C is not the most senior note outstanding.

» Class D cannot use principal to pay interest as long as Class D is not the most senior note outstanding.

» Class E cannot use principal to pay interest as long as Class E is not the most senior note outstanding.

Monitoring report

Data quality:

» The template for the investor report provided to us at the time of issuance is in line with our template.

» Key performance indicators used to rate the transaction are included in the investor report.

Data availability:

» Report provided by EBS

» Frequency of the publication of the investor report is monthly

Investor reports are publicly available.

The analysis that we undertook at the initial assignment of a rating for an RMBS security may focus on aspects that become less relevant or typically remain unchanged during the surveillance stage. Please see Moody's Approach to Rating RMBS Using the MILAN Framework for further information on our analysis at the initial rating assignment and the ongoing surveillance in RMBS.

Modelling assumptions

Sensitivity to variation in some of the modelling assumptions may have been considered in the analysis.

Exhibit 16
Exhibitvalue will be updated once data is provided 16

Expected Loss:	3.00%
MILAN Credit Enhancement:	12.00%
Covariance (Cov):	43.4%
Timing of defaults/losses:	Sine (6-36-96 months)
Recovery rate:	60.00%
Recovery lag:	5.50 year
Conditional Prepayment Rate (CPR):	15.00% flat
Fees (as modelled):	0.25%, with a floor of €120,000
PDL definition:	Arrears
Amortization profile:	Scheduled amortisation of the assets
Country ceiling:	Aaa
Margin compression:	See interest rate mismatch section
Basis Risk Adjustment - Lender Variable Rate:	ECB
Basis Risk Adjustment - Other Basis Mismatch:	-
Interest on cash:	N/A
Commingling Risk Modelled?	No
Excess Spread (model output)*:	2.3%

* Annualized excess spread in a zero default scenario based upon the first payment period value using Moody's stressed asset yield and fees assumptions.
Source: Moody's Investors Service

Moody's related publications

For a more detailed explanation of our approach to this type of transaction, as well as similar transactions, please refer to the following reports:

Methodologies Used:

» Moody's Approach to Rating RMBS Using the MILAN Framework, July 2019 (1179948)

Index Report:

» Prime RMBS - Ireland: Performance Update – January 2020

Special Reports:

» Structured finance – Global - 2020 Outlook - Performance will weaken modestly as risks from economic slowdown increase, December 2019 (1204571)

» Structured Finance – Europe - 2020 Outlook — Stable deal performance as the credit cycle enters late stages, December 2019 (1195669)

» Sector update - Q3 2019 - Brexit fears reduce UK housing market activity, November 2019 (1200759)

» RMBS – Ireland - Decreasing mortgage rates are credit positive for Irish RMBS, November 2019 (1202981)

» Global RMBS Market Comparison Tool, (June 2019)

» RMBS – Ireland and Spain: Duration of re-performance is a key default indicator for restructured RPLs, (June 2019)

» Issuance update – Q4 2018: Year ends on strong note with RMBS the dominant sector, February 2019 (1158055)

Others:

» Credit Insight: European RMBS & ABS, January 2020 (1210469)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available. All research may not be available to all clients.

Appendix 1: Summary of the originator's underwriting policies and procedures

Originator Ability	At Closing
Sales and Marketing practices	
Origination channels:	Until the end of 2019, originations through the branches were between 50% to 75%. Year To Date (YTD) Drawdowns: EBS Network - 73%; Brokers - 27%
Underwriting procedures	
Ratio of loans underwritten per FTE* per day:	Under Irish consumer protection law a case must be packaged for underwriting within three days of receipt of an application. It is then passed to underwriting who must revert with a credit decision within 10 days. The clock is stopped if any additional is sought and started again upon receipt of the information. Currently, underwriters have the capacity underwrite on average 7 cases a day
Average experience in underwriting:	5 - 10 years. 20%: 0-5 years; 80% 5-10
Criteria for compensation of underwriters	Underwriters compensation is not related to any business volume or activity but is centered on quality of assessment, rationale and the company wide financial performance (Fixed salary).
Percentage of exceptions to underwriting policies:	Exceptions to policy are less than 1% of cases (YTD figrues based on exceptions to NDI(DTI) guidelines) .
Underwriting policies	
Source of credit history checks:	ICB carried out on all applications.
Methods used to assess borrowers' repayment capabilities:	NDI(DTI) Affordablity Assessment, Repayment capacity to be noted, i.e. rent, existing borrowings that are not continuing.
Income taken into account in affordability calculations:	Sustainable Income includes all regular and contracted income. Non-guaranteed income can also be included where the sustainability of this additional income is demonstrated through documentary evidence.
Other borrower's exposures (i.e. other debts) taken into account in affordability calculations:	All existing and proposed debt is included in affordability calculations if continuing.
Is interest rate stressed to calculate affordability?	All loans are stress tested at existing rate + 2.0%, floored at 5.5% for new and existing PDH Rate loans, and 4.0% for new and existing PDH Tracker.
Affordability for I/O/balloon loans:	N/A
Method used for income verification:	Certificate of Income, 3 up to date payslips, most recent P60. Current accounts examined to see if salary mandated. For Self-employed, 3 years certified accounts.
Criteria for non income verified:	Does not take non income into account
Max age at maturity:	68 for paye and 70 for self employed.
Maximum loan size:	No maximum loan size.
Valuation types used for purchase & LTV limits:	Full valuation report. FTB 90% , STB 80% One Bedroom properties 80% - on the Purchase price. If the LTV is outside higher, it must be captured as an exception in accordance with overall of Macro Prudential Measures.
Valuation types used for remortgage & LTV limits:	Full valuation report. FTB 90% , STB 80% One Bedroom properties 80% - on Current market Value per the utd valuation. If the LTV is outside higher, it must be captured as a permitted Macro Prudential exception.

Source: EBS

Originator Ability	At Closing
Valuation types used for further advances & LTV limits:	Full valuation report. FTB 90% , STB 80% One Bedroom properties 80% - on the Purchase price
Valuation types & procedure for new built properties & LTV limits:	Full valuation report. FTB 90% , STB 80% One Bedroom properties 80% - on Current market Value per the utd valuation
LTV limit for first-time-buyers:	LTV limits: FTB 80%, NTB 80% Under Macro Prudential rules a Max LTV for FTB of 90% applies in limited cases including Self Build. RIP(BTL) max is 70%.
Collateral valuation policies and procedures	
Value in the LTV calculation/ in the IT system:	Valuation amount and purchase price.
Type, qualification and appointment of valuers:	External appointed by the lender. The Bank operates an approved residential valuers panel, whereby firms/valuers undertaking valuations are required to hold appropriate valuation qualifications (RICS 'Redbook' or European 'Bluebook' valuation standards) .
Closing policies and procedures	
Quality check before releasing funds:	N/A
Credit risk management	
Reporting line of Chief Risk Officer :	Chief Executive Officer
Track loan performance by loan characteristics?	Track loan performance by specific characteristics - A/c number, Product Type, Rate Type, Default Level, Employment Category & LTV.

Source: EBS

Originator Stability:	At Closing
Quality controls and audits	
Responsibility of quality assurance:	Designed product strategy by monitoring Approval Levels, Swaps, Haven Budget/ Margin and Mix against competitor analysis and market position
Number of monitored files per underwriter per month:	The Lending team do their own internal sampling and separately Credit Review and GIA sample mortgages (different samples) periodically.
Management strength and staff quality	
Training of new hires and existing staff:	N/A
Technology	
Tools/infrastructure available:	N/A

Source: EBS

Appendix 2: Summary of the servicer's collection procedures

Servicer Ability	At Closing
Loan administration	
Entities involved in loan administration:	AIB Group RACC centralised support unit serving EBS and Haven.
Operating hours:	Opening Hours are: Monday to Thursday - 9am - 8pm Friday - 9am - 6pm Saturday - 9am - 1pm
Early arrears management	
Entities involved in early stage arrears:	RACC Centralised support unit handles intial customer contact
Ratio of loans per collector (FTE) in early arrears stage:	Collectors don't operate on a case management basis as they deal with all accounts in a call centre environment. "Resolutions" assess requests for forbearance / support with affordability difficulty and potential restructures / determining sustainability of debt. Resolutions assessors operate upto 100 loans each at any point in time.
Arrears strategy	In accordance with the Irish regulatory requirements of the CCMA (Code of Conduct for Mortgage Arrears)
Prioritisation rules for delinquent accounts:	All mortgage accounts are phoned as frequently as the arrears management system and Borrower Contact Policy allow.
Use of updated information in the collection strategy:	Customers payment history is used in informing the Collections strategy for EWI customers. Some elements of SMS and Letter contact is determined by payment history.
Loss mitigation and asset management practices:	
Transfer of a loan to the late stage arrears team/stage:	Categorized once loans are 120 DPD, or 60 DPD for TNM accounts (where DPD = Arrears balance / monthly €due)
Entities involved in late stage arrears:	Resolutions team (100 staff) plus pre-Legal and legal teams, with cases outsourced through TPM Link for solicitor management.
Ratio of loans per collector (FTE) in late arrears stage:	4 modules with Link - managed the portfolio as required based on capacity.
Analysis performed to assess/propose loss mitigation solutions:	Each sale is in line with Credit Process - under IDL DCA, and any costs challenged and verified. Valutaion, I+E on the property.
Time from first default to litigation and from litigation to sale:	Formal Demand will not issue under CCMA regulation until an account is a minimum of 3 payments missed - this can take longer in terms of days in arrears i.e. an account could miss 2 payments and not clear these arrears for a protracted period.
Average recovery rate (including accrued interest & costs):	RACC don't track the loss % or original values. All EBS assets are subject to II. Resi debt - single / multi assets (all sold), level of costs/ins/int.

Source: EBS

Servicer Stability	At Closing
Management and Staff	
Average experience in servicing or tenure with company:	A mix of experience across the teams. Collecitons call centre is 1-2 years for collectors while Resolutions or Legal is est.5-10 years. Management is >10 years.
Training of new hires specific to the servicing function (i.e. excluding the company induction training)	9 weeks induction are carried out with new collectors, including classroom and side-by-side activity.
Quality control and audit	
Responsibility of quality assurance:	Monthly assurance testing completed over and above preventative and detective controls
Number of files (and calls) per agent per month being monitored:	5 calls per agent per month are sampled internally and 400 calls per month are sampled by an independent firm
IT and Reporting	
Tools/infrastructure available:	N/A
Automatic tracking and reporting of specific characteristics:	N/A

Source: EBS

Appendix 3: Originator and servicer reviews

Originator assessment

Originator Assessment	Main Strengths (+) And Challenges(-)
Overall Assessment:	Average
Originator Ability	
Sales & Marketing Practices	- Haven originates via Broker only, EBS via its network of offices.
	+/- Sales and underwriting function are independent of each other.
Underwriting Policies & Procedures	+ All loans are underwritten manually.
	+ Average experience is 14 years.
	- No credit scoring model or automated underwriting approval in place.
	+ Low exception rate.
	+All outstanding secured mortgage debts are considered and Stress tested as part of the affordability test.
	- Identity check carried out by broker only.
Property Valuation Policies & Procedures	+ Valuers are selected from panel.
	+ Full physical valuation for new lending.
	+ Quarterly audits of valuations for completed loans carried out be independent 3rd party.
	+/- The valuer is asked to provide comparables but no minimum is specified. As the AIB valuation template states a requirement for at least 2 comparables, we may assume that both EBS and HAVEN would also ask for 2 comparables but nothing is specified.
	+ All valuers must all be RICS.
Closing Policies & Procedures	+ Number of pre and post completion checks in place.
	+/- Annual file review undertaken by Group Credit & Risk Team.
Credit Risk Management	+ All members of credit risk team have 15+ years experience.
	+ Loans can be tracked at multiple levels, including loan purpose, product/ rate, loan to value etc.
Originator Stability	
Quality Control & Audit	- 4 eye principal with a quality assurance process being finalised following acquisition of the business.
Management Strength & Staff Quality	+ Management 20+ years or experience.
Technology	+ All documents are scanned and available via the software.

Source: Moody's Investors Service

Servicer assessment

Servicer Assessment:	Main Strengths And Challenges
Overall Assessment:	Average
Servicer Ability	
Loan Administration	+ Centralised in Headquarter.
	- Opening hours, five days a week, (Monday to Friday 8am to 7.30pm).
	+/- Daily monitoring of transactions and bank accounts to ensure all payments allocated.
	- Mortgage deed registration is reviewed only once legal proceeding have started or prior to consensual sale
Early Arrears Management	+/- No pre-arrears strategy in place
	+ Borrower declared defaulted if full payment is not made.
	- No prioritisation via risk scoring of borrowers.
Loss Mitigation and Asset Management	+/- Outsourcing to third parties as per industry practice.
	+/- As with other servicer there is widespread use of forbearance options
	+/- Modified loans are classified as current but flagged as modified in system.
	- Limited data on severity as the servicer only been servicing the pool since June 2014.
	- high ratio of loans per collector
Servicer Stability	
Management Strength & Staff Quality	+ 14 years's experience of management and 9 years for staff
	+ Classroom based training
	+/- Average staff turnover similar to what is observed in the market.
IT, Reporting, Quality control & Audit	+/- Internal Audit function outsourced to PWC
	+ Ability to inform customer in arrears via SMS.
	+/- Ability to create ad hoc reports within a short time frame
	+/- All calls are recorded.

Source: Moody's Investors Service

Endnotes

1 The above-mentioned historical information was analysed as described in Historical Default Data Analysis for ABS Transactions in EMEA, republished 20 December 2012.

2 See Moody's Approach to Assessing Counterparty Risks in Structured Finance, 27 Nov 2019.

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