

RMBS Country Addendum

United Kingdom

[To be read in conjunction with the RMBS Rating Methodology](#)

20-Mar-26

Call for comments

Scope welcomes market participants' comments on its proposed methodology. Please send your comments by 20th April 2026 to consultation@scoperatings.com

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| Distressed Default Rate | | Source / Reference Value | Comment | Section 3.2.2 |
|---|-------------|---------------------------|--|---------------|
| Country Distressed Default Rate | | | 16.00% This corresponds to the default rate that could be experienced by a pool of mortgage exhibiting market characteristics. | |
| Benchmark Country Original LTV | | | 75.00% This is the benchmark country original default rate assumed to compute the LTV loan modifier. | |
| Benchmark Country Floating Interest rate proportion | | | 100.00% This is the benchmark proportion of floating rate loan assumed to compute the Interest Rate modifier. | |
| Region overconcentration | | | 30.00% Increase of the Country-distressed default rate for regional over-concentration | |
| Loan Modifiers | Sensitivity | | | |
| Original LTV | | | 0.94 The loan modifier dedicated to the original LTV is defined as $exp(Sensitivity * (Loan LTV - Country LTV))$ | |
| Seasoning | | Haircut of 40% at year 10 | The loan modifier dedicated to the seasoning is defined as a piecewise linear function of seasoning increasing to a defined level and subsequently constant. | |
| Property Usage | | | 80% The loan modifier for property usage which is increasing the default rate. | |
| Floating interest rate | | | 60% The loan modifier for interest rate is multiplied by the excess proportion of floating interest rate versus the country average. | |

| Recoveries | | Reference Value | Comment | Section 3.3 |
|----------------------------------|--|---|-----------|---|
| Standard Approach | | Statistical analysis of historical data | | |
| Distressed Recovery Rate haircut | | | 25% - 40% | |
| Recovery Timing | | | | |
| Year 1 | | | 60% | |
| Year 2 | | | 15% | The recovery timing specified here defines our standard assumption in the absence of historical performance data. |
| Year 3 | | | 15% | |
| Year 4 | | | 10% | |

| Default timing | | Marginal Default Rate | Comment | Section 3.2.3 |
|--|--|------------------------|---|---------------|
| Front-loaded Default Timing assumption | | Higher between Y0-Y5 | Default timing is derived from the assumption of a higher monthly marginal default rate during an early period. | |
| Constant Default Timing assumption | | Constant | Default timing is derived from the assumption of a constant monthly marginal default rate. | |
| Back-loaded Default Timing assumption | | Higher between Y10-Y15 | Default timing is derived from the assumption of a higher monthly marginal default rate during a late period. | |

| Prepayment | | CPR | Comment | Section 3.4 |
|----------------------------|--|-----|---|-------------|
| Low Prepayment assumption | | | 3% Lower boundary for prepayments if scenario testing is explicitly deemed to be relevant. | |
| Mid Prepayment assumption | | | 15% Base scenario for prepayment. | |
| High Prepayment assumption | | | 25% Higher boundary for prepayments if scenario testing is explicitly deemed to be relevant, knowing that a scenario of joint prepayment and default is assumed to be unlikely. | |

| Structural assumptions | | | Section 4.1 |
|------------------------|---------|-------|-------------|
| Senior Fees assumption | | 0.30% | |
| | minimum | 100k | |

| Benchmark Regional Distribution | | | Section 3.2.2 |
|---------------------------------|--|--------|---------------|
| North East | | 4.00% | |
| North West | | 11.00% | |
| Yorkshire and The Humber | | 8.00% | |
| East Midlands | | 7.00% | |
| West Midlands | | 7.50% | |
| East of England | | 9.50% | |
| London | | 10.00% | |
| South East | | 14.00% | |
| South West | | 9.00% | |
| Wales | | 4.50% | |
| Scotland | | 12.00% | |
| Northern Ireland | | 3.50% | |