

# SALE ANNOUNCEMENT

## \$93.1MM JUMBO 15/1 ARM RESIDENTIAL LOAN SALE

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PERFORMING  
LOCATION: TEXAS AND OKLAHOMA

SEPTEMBER 2018



**Asset Type:** Residential Mortgage Loans

**Location:** Texas and Oklahoma

**Performance:** Performing

## Overview

\$93,125,877 (Approximate Unpaid Principal Balance) Residential Mortgage Loan Sale (the “Asset Sale”) being conducted by Mission Capital Advisors, LLC (“Mission Capital” or “Asset Sale Advisor”) on behalf of an undisclosed seller (the “Seller”).

## Asset Sale Structure

Mission Capital has been retained as the exclusive Asset Sale Advisor to the Seller for the sale of performing residential loans (the “Loans,” “Assets” or collectively, the “Portfolio”).

Mission Capital is soliciting final bids from prospective bidders (the “Prospective Bidders”) for the entire Portfolio. Mission Capital and the Seller invite the Prospective Bidders to complete due diligence and submit non-contingent final bids for **the entire Portfolio**. The Seller is offering the loans on a servicing retained or servicing released basis, depending on Buyer preference.

## Portfolio Summary

The Portfolio is being offered in the following bulk pool (the “Bulk Pool”)

Product Type	Count	UPB	% UPB	WAC	Average Balance	Original Balance	Loan Age	Rem Term	FICO	% ARM	DTI	OLTV	Current LTV	% Current
15/1 ARM	148	\$93,125,877	100.0%	3.911%	\$629,229	\$99,708,525	34	330	758	100%	31.7%	75.1%	59.5%	100.0%
<b>Grand Total</b>	<b>148</b>	<b>\$93,125,877</b>	<b>100.0%</b>	<b>3.911%</b>	<b>\$629,229</b>	<b>\$99,708,525</b>	<b>34</b>	<b>330</b>	<b>758</b>	<b>100%</b>	<b>31.7%</b>	<b>75.1%</b>	<b>59.5%</b>	<b>100.0%</b>

Exhibit A contains detailed stratifications for the Portfolio contained in this offering.



## Highlights

### The highlights of the Asset Sale are as follows:

- Seller desires to sell and Prospective Bidder's bid must be for 100% of the Assets offered in the Bulk Pool (Seller will not entertain exceptions/kick-outs).
- Assets will be sold subject only to those representations and warranties noted in the Mortgage Loan Purchase Agreement (the "Asset Sale Agreement"), and Prospective Bidders will be required to provide comments to the Asset Sale Agreement in advance of the final bid date.

### Portfolio highlights include:

- 100.0% of the Portfolio consists of performing 15/1 ARMs and features a 3.911% WAC.
- The Portfolio is made up of 148 loans with a total unpaid principal balance of \$93,125,877.
- The weighted average debt-to-income ratio of the portfolio is 31.7% and no loans have a debt-to-income ratio above the ATR threshold.
- 58% of the properties are Planned Unit Developments with a weighted average seasoning of 34 months and were originated from 2014 to 2016.



## Timeline

The transaction contemplated herein has been scheduled as follows:

Event	Date
Sale Announcement Distributed	Thursday, September 17, 2018
Non-Disclosure Executed and Bid Materials Distributed	Friday, September 21, 2018
Cut-off Date	Sunday, September 30, 2018
Bid Date - Subject to Due Diligence	Thursday, October 11, 2018
Diligence and Sale Agreement	Friday, October 12, 2018 - Thursday, October 18, 2018
Final Pool Determination	Friday, October, 19, 2018
Closing Date	Wednesday, October, 31, 2018

## Asset Sale Process

The Seller, in conjunction with Mission Capital, has prepared a comprehensive set of deal materials (the “Deal Materials”) that will be made available to Prospective Bidders executing the Nondisclosure Agreement (“Confidentiality Agreement”), which can be accessed on the offering email or by visiting [www.missioncap.com/transactions](http://www.missioncap.com/transactions). Included in the Deal Materials will be asset-level data, asset sale overview and bidding rules, Asset Sale Agreement. Prospective Bidders must execute the Confidentiality Agreement prior to review of the Deal Materials. **Prospective Bidders will be provided Deal Materials via Mission Capital's online due diligence site and be required to designate individuals to whom Deal Materials access should be granted subject to the Confidentiality Agreement.**

**PLEASE RETURN EXECUTED CONFIDENTIALITY AGREEMENT (OR PROPOSE CHANGES IN REDLINE FORMAT) TO [NDA@MISSIONCAP.COM](mailto:NDA@MISSIONCAP.COM). Please note that e-signatures will be processed in top priority.**

**All inquiries should be directed through Mission Capital at the contacts contained herein.** Neither the Seller nor borrowers are to be contacted. Bidders are required to strictly adhere to the terms of the Confidentiality Agreement.

## Reservation of Rights

The Seller, at its sole and absolute discretion, reserves the right to, at any time and without obligation to any Prospective Bidder:

- a) Alter, amend, or supplement the terms and conditions of the Asset Sale or Deal Materials;
- b) Withdraw any or all the Assets or from the Asset Sale prior to awarding the bid;
- c) Withdraw Assets after the awarding of the bid subject to the terms of the Asset Sale Agreement;
- d) Extend any deadline or timeframe;
- e) Accept any bid in accordance with the bidding rules, whether or not it is the highest bid, waive any technical defects therein and/or reject any and all bids;
- f) Terminate discussions and negotiations with any Prospective Bidder at any time and for any reason; and
- g) Not award the Portfolio and reject any or all bids.

No obligation to sell shall be binding on Seller unless and until a written contract of sale or Asset Sale Agreement is signed and delivered by Seller.

## Representations & Warranties

The Seller will be providing industry standard representations and warranties. Pursuant to the Asset Sale Agreement, the Seller is selling the Assets subject only to those warranties and representations explicitly stated in the Asset Sale Agreement and will be sold on an as-is, where-is basis.

Seller will be providing industry standard representations and warranties.



## Mission Capital Contact Information

### Asset Sale Discussion & Data

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### Asset Sale Discussions

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### Due Diligence

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### Disclaimer:

THIS OFFERING MEMORANDUM HAS BEEN PREPARED TO ASSIST THE RECIPIENT IN DECIDING WHETHER TO PROCEED WITH FURTHER INVESTIGATION OF THE ASSETS. WHILE THE INFORMATION INCLUDED HEREIN IS BELIEVED TO BE ACCURATE AND RELIABLE, SELLER, MISSION CAPITAL AND THEIR RESPECTIVE SUBSIDIARIES, AFFILIATES, AGENTS, ASSIGNEES, OFFICERS, TRUSTEES, DIRECTORS, SERVICERS AND EMPLOYEES MAKE NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, INCLUDING BUT NOT LIMITED TO THE VALIDITY OR PRIORITY OF ANY LIENS AND THE VALUE OF ANY COLLATERAL. ONLY THOSE REPRESENTATIONS AND WARRANTIES THAT ARE MADE BY THE SELLER TO A PROSPECTIVE BIDDER IN A DEFINITIVE, EXECUTED LOAN SALE AGREEMENT SHALL HAVE ANY LEGAL EFFECT.



## Exhibit A – Portfolio Stratifications

(Data as of 7/31/18)

Balance Range	Count	UPB	% UPB	WAC	Average Balance	Original Balance	Loan Age	Rem Term	FICO	% ARM	DTI	OLTV	Current LTV	% Current
\$0 - \$250,000	1	\$186,243	0.2%	3.600%	\$186,243	\$428,400	26	334	809	100%	34.9%	90.0%	32.7%	100.0%
\$250,000 - \$500,000	56	\$24,577,574	26.4%	3.941%	\$438,885	\$26,681,379	34	328	749	100%	31.7%	77.0%	60.5%	100.0%
\$500,000 - \$750,000	61	\$35,747,511	38.4%	3.873%	\$586,025	\$38,338,816	33	330	767	100%	32.6%	75.7%	60.4%	100.0%
\$750,000 - \$1,000,000	19	\$16,646,491	17.9%	3.876%	\$876,131	\$17,544,730	33	330	768	100%	31.3%	72.2%	57.8%	100.0%
\$1,000,000 - \$1,250,000	2	\$2,158,952	2.3%	3.687%	\$1,079,476	\$2,278,000	32	328	779	100%	27.9%	59.0%	44.1%	100.0%
> \$1,250,000	9	\$13,809,105	14.8%	4.039%	\$1,534,345	\$14,437,200	37	332	735	100%	30.6%	75.7%	60.3%	100.0%
<b>Grand Total</b>	<b>148</b>	<b>\$93,125,877</b>	<b>100.0%</b>	<b>3.911%</b>	<b>\$629,229</b>	<b>\$99,708,525</b>	<b>34</b>	<b>330</b>	<b>758</b>	<b>100%</b>	<b>31.7%</b>	<b>75.1%</b>	<b>59.5%</b>	<b>100.0%</b>

DTI Range	Count	UPB	% UPB	WAC	Average Balance	Original Balance	Loan Age	Rem Term	FICO	% ARM	DTI	OLTV	Current LTV	% Current
<= 20.000%	9	\$5,859,293	6.3%	4.052%	\$651,033	\$6,617,330	36	329	743	100%	14.5%	71.2%	52.6%	100.0%
20.000% - 25.000%	18	\$11,914,684	12.8%	3.943%	\$661,927	\$12,624,051	33	330	758	100%	22.5%	76.0%	61.1%	100.0%
25.000% - 30.000%	29	\$17,815,160	19.1%	3.879%	\$614,316	\$18,880,272	34	331	758	100%	27.4%	75.6%	60.4%	100.0%
30.000% - 35.000%	35	\$22,122,853	23.8%	3.809%	\$632,082	\$23,831,304	33	331	768	100%	32.7%	73.3%	58.2%	100.0%
35.000% - 43.000%	57	\$35,413,886	38.0%	3.957%	\$621,296	\$37,755,568	34	329	755	100%	39.3%	76.2%	60.6%	100.0%
> 43.000%	0	\$0	0.0%			\$0								
<b>Grand Total</b>	<b>148</b>	<b>\$93,125,877</b>	<b>100.0%</b>	<b>3.911%</b>	<b>\$629,229</b>	<b>\$99,708,525</b>	<b>34</b>	<b>330</b>	<b>758</b>	<b>100%</b>	<b>31.7%</b>	<b>75.1%</b>	<b>59.5%</b>	<b>100.0%</b>

Mos to Initial Rate Adjustment	Count	UPB	% UPB	WAC	Average Balance	Original Balance	Loan Age	Rem Term	FICO	% ARM	DTI	OLTV	Current LTV	% Current
Unavailable	5	\$3,423,042	3.7%	3.981%	\$684,608	\$3,571,865	34	343	772	100%	29.6%	75.4%	61.0%	100.0%
<= 120	1	\$411,332	0.4%	4.600%	\$411,332	\$437,760	50	316	694	100%	25.1%	79.6%	56.4%	100.0%
120 - 140	20	\$11,513,064	12.4%	4.274%	\$575,653	\$13,086,895	47	313	750	100%	30.9%	72.6%	50.2%	100.0%
140 - 160	111	\$70,978,831	76.2%	3.845%	\$639,449	\$75,630,627	32	330	759	100%	31.9%	75.2%	60.5%	100.0%
160 - 180	11	\$6,799,608	7.3%	3.916%	\$618,146	\$6,981,378	32	345	759	100%	33.4%	77.2%	64.5%	100.0%
<b>Grand Total</b>	<b>148</b>	<b>\$93,125,877</b>	<b>100.0%</b>	<b>3.911%</b>	<b>\$629,229</b>	<b>\$99,708,525</b>	<b>34</b>	<b>330</b>	<b>758</b>	<b>100%</b>	<b>31.7%</b>	<b>75.1%</b>	<b>59.5%</b>	<b>100.0%</b>

Remaining Term	Count	UPB	% UPB	WAC	Average Balance	Original Balance	Loan Age	Rem Term	FICO	% ARM	DTI	OLTV	Current LTV	% Current
300 - 330	71	\$46,057,172	49.5%	4.111%	\$648,693	\$49,667,529	39	323	752	100%	31.0%	75.7%	57.7%	100.0%
330 - 345	70	\$40,636,181	43.6%	3.700%	\$580,517	\$43,499,346	28	334	766	100%	32.7%	73.7%	60.6%	100.0%
345 - 360	7	\$6,432,524	6.9%	3.818%	\$918,932	\$6,541,650	34	350	753	100%	31.0%	78.8%	65.6%	100.0%
<b>Grand Total</b>	<b>148</b>	<b>\$93,125,877</b>	<b>100.0%</b>	<b>3.911%</b>	<b>\$629,229</b>	<b>\$99,708,525</b>	<b>34</b>	<b>330</b>	<b>758</b>	<b>100%</b>	<b>31.7%</b>	<b>75.1%</b>	<b>59.5%</b>	<b>100.0%</b>

## Exhibit A – Portfolio Stratifications (Cont'd)

(Data as of 7/31/18)

Loan Age	Count	UPB	% UPB	WAC	Average Balance	Original Balance	Loan Age	Rem Term	FICO	% ARM	DTI	OLTV	Current LTV	% Current
24 - 36	103	\$63,971,421	68.7%	3.762%	\$621,082	\$67,822,596	29	332	760	100%	32.1%	74.9%	61.4%	100.0%
36 - 48	29	\$18,179,343	19.5%	4.122%	\$626,874	\$20,025,693	40	330	755	100%	31.4%	75.3%	56.8%	100.0%
48 - 60	16	\$10,975,113	11.8%	4.434%	\$685,945	\$11,860,236	50	316	756	100%	30.0%	75.6%	53.2%	100.0%
<b>Grand Total</b>	<b>148</b>	<b>\$93,125,877</b>	<b>100.0%</b>	<b>3.911%</b>	<b>\$629,229</b>	<b>\$99,708,525</b>	<b>34</b>	<b>330</b>	<b>758</b>	<b>100%</b>	<b>31.7%</b>	<b>75.1%</b>	<b>59.5%</b>	<b>100.0%</b>

Current FICO	Count	UPB	% UPB	WAC	Average Balance	Original Balance	Loan Age	Rem Term	FICO	% ARM	DTI	OLTV	Current LTV	% Current
660 - 710	23	\$14,568,137	15.6%	4.110%	\$633,397	\$15,899,603	37	325	694	100%	31.2%	75.0%	57.6%	100.0%
710 - 760	44	\$28,823,077	31.0%	3.863%	\$655,070	\$30,296,626	33	332	737	100%	32.7%	76.3%	61.2%	100.0%
760 - 810	67	\$41,120,797	44.2%	3.885%	\$613,743	\$44,307,422	33	330	783	100%	31.0%	75.2%	60.1%	100.0%
810 - 860	14	\$8,613,866	9.2%	3.863%	\$615,276	\$9,204,874	33	329	818	100%	33.1%	69.9%	54.4%	100.0%
> 860	0	\$0	0.0%			\$0								
<b>Grand Total</b>	<b>148</b>	<b>\$93,125,877</b>	<b>100.0%</b>	<b>3.911%</b>	<b>\$629,229</b>	<b>\$99,708,525</b>	<b>34</b>	<b>330</b>	<b>758</b>	<b>100%</b>	<b>31.7%</b>	<b>75.1%</b>	<b>59.5%</b>	<b>100.0%</b>

Vintage	Count	UPB	% UPB	WAC	Average Balance	Original Balance	Loan Age	Rem Term	FICO	% ARM	DTI	OLTV	Current LTV	% Current
2014	27	\$16,572,182	17.8%	4.364%	\$613,785	\$18,345,097	48	317	752	100%	31.1%	74.4%	52.4%	100.0%
2015	56	\$38,618,726	41.5%	4.000%	\$689,620	\$40,995,306	34	331	754	100%	31.7%	76.4%	60.8%	100.0%
2016	65	\$37,934,970	40.7%	3.623%	\$583,615	\$40,368,122	27	334	765	100%	32.1%	74.0%	61.4%	100.0%
<b>Grand Total</b>	<b>148</b>	<b>\$93,125,877</b>	<b>100.0%</b>	<b>3.911%</b>	<b>\$629,229</b>	<b>\$99,708,525</b>	<b>34</b>	<b>330</b>	<b>758</b>	<b>100%</b>	<b>31.7%</b>	<b>75.1%</b>	<b>59.5%</b>	<b>100.0%</b>

Collateral Type	Count	UPB	% UPB	WAC	Average Balance	Original Balance	Loan Age	Rem Term	FICO	% ARM	DTI	OLTV	Current LTV	% Current
PUD	86	\$53,710,873	57.7%	3.935%	\$624,545	\$57,827,939	34	330	757	100%	32.5%	76.6%	60.7%	100.0%
1-4 Family Residential	59	\$37,249,246	40.0%	3.874%	\$631,343	\$39,595,336	33	330	760	100%	31.1%	73.2%	58.1%	100.0%
Condo	3	\$2,165,758	2.3%	3.956%	\$721,919	\$2,285,250	34	325	752	100%	24.1%	68.6%	54.6%	100.0%
<b>Grand Total</b>	<b>148</b>	<b>\$93,125,877</b>	<b>100.0%</b>	<b>3.911%</b>	<b>\$629,229</b>	<b>\$99,708,525</b>	<b>34</b>	<b>330</b>	<b>758</b>	<b>100%</b>	<b>31.7%</b>	<b>75.1%</b>	<b>59.5%</b>	<b>100.0%</b>

State	Count	UPB	% UPB	WAC	Average Balance	Original Balance	Loan Age	Rem Term	FICO	% ARM	DTI	OLTV	Current LTV	% Current
TX	118	\$75,853,000	81.5%	3.895%	\$642,822	\$80,929,882	33	331	758	100%	31.9%	74.7%	59.5%	100.0%
OK	30	\$17,272,877	18.5%	3.980%	\$575,763	\$18,778,643	36	324	757	100%	31.2%	76.8%	59.6%	100.0%
<b>Grand Total</b>	<b>148</b>	<b>\$93,125,877</b>	<b>100.0%</b>	<b>3.911%</b>	<b>\$629,229</b>	<b>\$99,708,525</b>	<b>34</b>	<b>330</b>	<b>758</b>	<b>100%</b>	<b>31.7%</b>	<b>75.1%</b>	<b>59.5%</b>	<b>100.0%</b>

## Exhibit A – Portfolio Stratifications (Cont'd)

(Data as of 7/31/18)

Loan Purpose	Count	UPB	% UPB	WAC	Average Balance	Original Balance	Loan Age	Rem Term	FICO	% ARM	DTI	OLTV	Current LTV	% Current
Purchase	61	\$37,647,477	40.4%	3.798%	\$617,172	\$40,325,598	31	328	758	100%	32.5%	77.3%	61.4%	100.0%
Refinance - equity takeout	6	\$3,416,217	3.7%	3.937%	\$569,369	\$3,619,340	36	324	738	100%	26.6%	70.3%	55.7%	100.0%
Refinance - no cash out	46	\$28,771,328	30.9%	3.859%	\$625,464	\$31,273,979	33	327	758	100%	31.5%	70.8%	56.4%	100.0%
Construction	34	\$22,485,254	24.1%	4.147%	\$661,331	\$23,649,608	39	337	762	100%	31.8%	77.4%	61.0%	100.0%
Other	1	\$805,601	0.9%	4.400%	\$805,601	\$840,000	40	331	727	100%	20.8%	80.0%	61.2%	100.0%
<b>Grand Total</b>	<b>148</b>	<b>\$93,125,877</b>	<b>100.0%</b>	<b>3.911%</b>	<b>\$629,229</b>	<b>\$99,708,525</b>	<b>34</b>	<b>330</b>	<b>758</b>	<b>100%</b>	<b>31.7%</b>	<b>75.1%</b>	<b>59.5%</b>	<b>100.0%</b>

OLTV	Count	UPB	% UPB	WAC	Average Balance	Original Balance	Loan Age	Rem Term	FICO	% ARM	DTI	OLTV	Current LTV	% Current
<= 50%	5	\$3,606,942	3.9%	3.525%	\$721,388	\$3,953,900	29	331	802	100%	27.4%	48.2%	36.4%	100.0%
50% - 60%	9	\$5,565,012	6.0%	3.848%	\$618,335	\$6,697,227	33	330	764	100%	35.8%	55.7%	40.2%	100.0%
60% - 70%	19	\$13,040,869	14.0%	3.843%	\$686,362	\$13,900,450	33	328	760	100%	31.0%	66.5%	53.7%	100.0%
70% - 80%	98	\$62,213,514	66.8%	3.921%	\$634,832	\$65,774,937	35	329	754	100%	31.4%	78.2%	62.2%	100.0%
> 80%	17	\$8,699,539	9.3%	4.145%	\$511,738	\$9,382,011	32	333	760	100%	34.6%	88.5%	71.3%	100.0%
<b>Grand Total</b>	<b>148</b>	<b>\$93,125,877</b>	<b>100.0%</b>	<b>3.911%</b>	<b>\$629,229</b>	<b>\$99,708,525</b>	<b>34</b>	<b>330</b>	<b>758</b>	<b>100%</b>	<b>31.7%</b>	<b>75.1%</b>	<b>59.5%</b>	<b>100.0%</b>



## Important Information Regarding Sale Announcement

1. The information (whether written, electronic or verbal) furnished by Mission Capital and/or Seller or their affiliates or by any of their respective officers, directors, shareholders, owners, employees, contractors or agents, including that contained in this Sale Announcement is furnished solely for the purpose of a review by a Prospective Bidder of the Portfolio, and is not to be used for any other purpose or made available to any other person without the express written consent of Seller. The information is based upon information supplied by the Seller from sources it deems reasonably reliable. Summaries of any documents or materials are not intended to be comprehensive or all-inclusive, but rather only outline some of the provisions contained therein and are qualified in their entirety by the actual document to which they relate.
2. While the Seller has no reason to believe that the information provided herein, or in any other marketing or due diligence materials provided, contains any material inaccuracies, neither the Seller nor its affiliates, nor any of their respective officers, directors, shareholders, owners, employees, contractors or agents make any representations or warranties, expressed or implied, as to the accuracy or completeness of the information, including, without limitation, any information pertaining to the creditworthiness or financial condition of any borrower or guarantor or the value of any collateral, or as to the future performance of the Portfolio. Some of the information regarding the Assets was obtained from a third party review company and has not been independently verified by the Seller or its affiliates. Without limiting the foregoing, Prospective Bidders should make their own projections and form their own conclusions without sole reliance upon the material contained herein or provided by Seller and should conduct their own due diligence to determine the condition of any real property. Any materials made available or provided by Seller are for informational purposes only. Prospective Bidders are responsible for performing and completing their own due diligence to the extent they consider it necessary, and any decisions in taking or not taking action will be made based solely on Prospective Bidder's own analysis and without reliance on and materials provided by Seller.
3. In no event shall a Prospective Bidder have any other claims against Seller or any of its affiliates or any of their respective officers, directors, shareholders, owners, employees or agents, for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Portfolio.
4. Prospective Bidders are not to construe the contents of this Sale Announcement or any prior or subsequent communications from Seller or its affiliates or any of their respective officers, directors, shareholders, owners, employees or agents as legal, tax or other advice. Prior to submitting a bid, Prospective Bidders should consult with their own legal counsel, as well as tax and other advisors, to determine the consequences of an investment in the Portfolio and arrive at an independent evaluation of such investment. No brokerage commission or finder's fee shall be payable to any party by Seller or any affiliate or agent thereof in connection with the sale of the Portfolio unless otherwise agreed to by Seller in writing.
5. Acquisitions of Assets such as the Portfolio described herein can involve a high degree of risk and are suitable only for persons and entities of substantial financial means who have no need for liquidity and who can hold the Portfolio indefinitely and bear the partial or entire loss of the value of such Portfolio. In connection with the sale of the Portfolio as contemplated hereby, the Portfolio shall not be deemed a "security" under the Securities Act and, as such, the protections of such act will not apply to the sale of the Portfolio hereunder.