

STS Grandfathering Term Master Checklist

BPCE HOME LOANS FCT 2018



PRIME COLLATERALISED SECURITIES (PCS) EU SAS

18 July 2019

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This is the STS Grandfathering Term Master Checklist for STS Grandfathering Term Verifications.

This STS Grandfathering Term Master Checklist must be read together with the PCS Procedures Manual and the PCS Term Evidentiary Standards Manual. This document is based upon the draft materials received by PCS as at the date of this document. Any page references in this document are to the prospectus unless otherwise stated.

PCS comments in this STS Grandfathering Term Master Checklist are based on PCS' interpretation of the STS Regulation (the "Regulation") informed by (a) the text of the Regulation itself, (b) the EBA guidelines and recommendations issued in accordance with Article 19(2) of the Regulation (the "EBA Guidelines") and (c) any relevant national competent authorities' interpretation of the STS criteria to the extent known to PCS.

It is important that the reader of this checklist reviews and understands the disclaimer referred to on the following page. Note that all comments on the disclaimer relate to both Provisional STS Grandfathering Term Checklist for STS Grandfathering Term Verifications and the Final STS Grandfathering Term Checklist for STS Grandfathering Term Verifications.

18 July 2019

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Prime Collateralised Securities (PCS) EU S.A.S. - STS Verification

Individual(s) undertaking the assessment	Daniele Vella
Date of Verification	18 July 2019
The transaction to be verified (the “Transaction”)	BPCE HOME LOANS FCT 2018
Issuer	BPCE HOME LOANS FCT 2018
Originator	A number of “ <i>Banques Populaires</i> ” and “ <i>Caisses d’Epargne</i> ” (see list in Section “ <i>The Sellers</i> ”)
ISIN	FR0013369618
Arranger	BPCE - Natixis
Lead Manager(s)	Natixis - Goldman Sachs International
Transaction Legal Counsel	Orrick Herrington & Sutcliffe (Europe) LLP
Rating Agencies	Moody’s and S&P
Stock Exchange	Paris Stock Exchange (Euronext Paris)
Target Date of ESMA Notification	18 July 2019

1	Legislative text	
	Article 20 - Requirements relating to simplicity	
	20.1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.	
	STS criteria	
	1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party.	
	Article 43.3(a): requirements under 20.1 must be met "at the time of <i>issuance</i> ".	Yes
	Verified?	
PCS Comment		
<p>See "Assignment of the Home Loans and Ancillary Rights" in the Section "Description of the Home Loans and Servicing Agreement and the Reserves Cash Deposit Agreement" on page 184-185.</p> <p>Confirmation of true sale i.e. enforceability of assignment, an assessment of the re-characterisation risks is made in the Legal Opinion.</p> <p>PCS has been provided with and reviewed a draft of the French law legal opinion issued by Orrick Herrington & Sutcliffe (Europe) LLP.</p> <p>"True sale" is not a legal concept but a rating agency creation.</p> <p>The essence of a "true sale" is that the property in the securitised assets has legally moved from the originator(s)/seller to the SSPE in such a way that the SSPE's ownership will be recognised as a matter of law, including and especially in the case of the insolvency of the originator(s)/seller. In a "true sale" the insolvency officer and creditors of the insolvent originator/seller are not able to satisfy the claims of the originator/seller's creditor out of the proceeds of the securitised assets. Following a "true sale" there is no legal device by which the assets can automatically revert to the originator/seller's ownership. Such automatic reversion is associated with security interests and anathema to a "true sale".</p> <p>This is clearly stated in the wording of the Regulation (20.1). The expression "transfer to the same effect" indicates that, as long as the conditions in the preceding paragraph are met, the Regulation does not seek to limit the type of legal devices which can be used to effect such transfer of title.</p> <p>The legal opinion from Orrick Herrington & Sutcliffe (Europe) LLP confirmed that the assignment from the Originators to the Issuer meets the definition of "true sale" outlined above and also contains the assessments required by the EBA Guidelines.</p> <p>PCS also received a specific assessment and comfort on the re-characterisation risks.</p> <p>The issue of "true sale" is separate from the issue of "clawback". "Clawback" refers to legal processes through which, in the insolvency of the seller of an asset, an insolvency officer is entitled to reverse the sale – even in cases where a "true sale" has taken place.</p> <p>All European jurisdictions, to PCS' knowledge, have rules allowing for clawbacks. Clawbacks are usually rules to avoid a company heading towards insolvency from "defrauding" its existing creditors either by selling assets at very low prices (to friends and relations) or unfairly preferring certain creditors over others.</p> <p>The Regulation (20.1) therefore does not require STS "true sales" to be fully clawback proof since this would mean that no European securitisation could ever be STS. It does require the sale not to be subject to "severe clawback". The Regulation does not define "severe clawback" but gives an example (20.2) where a clawback may occur.</p> <p>The Regulation (20.3) also explicitly excludes from the definition of "severe clawback" the traditional European basis for such devices which all come under the general category of "preferences".</p> <p>PCS further notes that the examples (20.2 and 20.3) refer to the insolvency law of a jurisdiction and therefore believes that clawback risk is to be assessed on a jurisdictional basis rather than on a transactional basis.</p>		

Finally, PCS does not believe and nor is there any evidence that the legislators or regulatory authorities are seeking to craft a higher standard than that which has been used for decades by the market and was the basis for the legislative text.

Based on the above considerations, PCS believes that transfers from a jurisdiction meeting the following criteria – absent any other indications – shall not fall within the definition of “severe clawback”:

- Clawback requires an unfair preference “defrauding” creditors;
- Clawback puts the burden of proof on the insolvency officer or creditors – in other words it cannot be automatic nor require the purchaser to prove their innocence.

Since “severe clawback” is a jurisdictional concept, in analysing this issue, PCS will therefore first seek to determine the Originator’s jurisdiction for the purposes of insolvency law. This would be its centre of main interest (“COMI”) or its “home member state”.

The second step would be to determine whether the relevant COMI and/or “home member state” contains severe claw back provisions in its insolvency legislation.

Although the determination of a COMI can be a technically fraught analysis of international conflicts of law, PCS notes that in the vast majority of securitisations there is no real issue as the COMI is self-evident.

In the case of the Transaction, the Originators are incorporated in France and licensed as credit institutions by the French *Autorité de Contrôle Prudentiel et de Résolution* and title to the assets is transferred by means of assignments governed by French law to a French *Fonds Commun de Titrisation*.

As outlined in the Prospectus and in the French legal opinion, in the case of a transfer which is made to a French *Fonds Commun de Titrisation* and governed by the specific mode of transfer provided for by French securitisation law, such law specifically excludes the application of the French law clawback provision providing that certain contracts entered into during the hardening period may be nullified if the counterparty of the insolvent entity was aware of its state of insolvency. The potential application of the clawback provision providing for the nullity of unbalanced contractual arrangements entered into during the hardening period is not excluded, but its purpose is to protect creditors from unfair preferences. Therefore, the transfer is not, in our view, subject to “severe clawback”.

EBA Final non-ABCP STS Guidelines – statements on *background and rationale*

True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))

16. The criterion specified in Article 20(1) aims to ensure that the underlying exposures are beyond the reach of, and are effectively ring-fenced and segregated from, the seller, its creditors and its liquidators, including in the event of the seller’s insolvency, enabling an effective recourse to the ultimate claims for the underlying exposures.

22. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:

- (a) how to substantiate the confidence of third parties with respect to compliance with Article 20(1): it is understood that this should be achieved by providing a legal opinion. While the guidance does not explicitly require the provision of a legal opinion in all cases, the guidance expects a legal opinion to be provided as a general rule, and omission to be an exception;
- (b) the triggers to effect the perfection of the transfer if assignments are perfected at a later stage than at the closing of the transaction.

EBA Final non-ABCP STS Guidelines

4.1 True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))

True sale, assignment or transfer with the same legal effect¹⁰. For the purposes of Article 20(1) of Regulation (EU) 2017/2402 and in order to substantiate the confidence of third parties, including t in accordance with Article 28 of that Regulation and competent authorities meeting the requirements specified therein, all of the following should be provided:

- (a) confirmation of the true sale or confirmation that, under the applicable national framework, the assignment or transfer segregate the underlying exposures from the seller, its creditors and its liquidators, including in the event of the seller's insolvency, with the same legal effect as that achieved by means of true sale;
- (b) confirmation of the enforceability of the true sale, assignment or transfer with the same legal effect referred to in point (a) against the seller or any other third party, under the applicable national legal framework;
- (c) assessment of clawback risks and re-characterisation risks

11. The confirmation of the aspects referred to in paragraph 10 should be achieved by the provision of a legal opinion provided by qualified external legal counsel, except in the case of repeat issuances in standalone securitisation structures or master trusts that use the same legal mechanism for the transfer, including instances in which the legal framework is the same.

12. The legal opinion referred to in paragraph 11 should be accessible and made available to any relevant third party verifying STS compliance in accordance with Article 28 of Regulation (EU) 2017/2402 and any relevant competent authority from among those referred to in Article 29 of that regulation.

2	Legislative text	
	Article 20 - Requirements relating to simplicity	
	20.1. The title to the underlying exposures shall be acquired by the SSPE by means of a true sale or assignment or transfer with the same legal effect in a manner that is enforceable against the seller or any other third party. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.	
	STS criteria	
	2. The transfer of the title to the SSPE shall not be subject to severe clawback provisions in the event of the seller's insolvency.	
	Article 43.3(a): requirements under 20.1 must be met "at the time of <i>issuance</i> ".	Yes
	Verified?	
	PCS Comment	
	Each of the Sellers is incorporated and authorised as a credit institution in France (see section "THE SELLERS" on page 89 of the Prospectus) and in case of insolvency of any of them, French law would be applicable to the relevant insolvency actions.	
	In the Republic of France there are no severe claw-back provisions for securitisation transactions.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))	
16. The criterion specified in Article 20(1) aims to ensure that the underlying exposures are beyond the reach of, and are effectively ring-fenced and segregated from, the seller, its creditors and its liquidators, including in the event of the seller's insolvency, enabling an effective recourse to the ultimate claims for the underlying exposures.		
22. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:		
(a) how to substantiate the confidence of third parties with respect to compliance with Article 20(1): it is understood that this should be achieved by providing a legal opinion. While the guidance does not explicitly require the provision of a legal opinion in all cases, the guidance expects a legal opinion to be provided as a general rule, and omission to be an exception;		
(b) the triggers to effect the perfection of the transfer if assignments are perfected at a later stage than at the closing of the transaction.		
EBA Final non-ABCP STS Guidelines		

4.1 True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))

True sale, assignment or transfer with the same legal effect

10. For the purposes of Article 20(1) of Regulation (EU) 2017/2402 and in order to substantiate the confidence of third parties, including third parties verifying simple, transparent and standardised (STS) compliance in accordance with Article 28 of that Regulation and competent authorities meeting the requirements specified therein, all of the following should be provided:

- (a) confirmation of the true sale or confirmation that, under the applicable national framework, the assignment or transfer segregate the underlying exposures from the seller, its creditors and its liquidators, including in the event of the seller's insolvency, with the same legal effect as that achieved by means of true sale;
- (b) confirmation of the enforceability of the true sale, assignment or transfer with the same legal effect referred to in point (a) against the seller or any other third party, under the applicable national legal framework;
- (c) assessment of clawback risks and re-characterisation risks.

11. The confirmation of the aspects referred to in paragraph 10 should be achieved by the provision of a legal opinion provided by qualified external legal counsel, except in the case of repeat issuances in standalone securitisation structures or master trusts that use the same legal mechanism for the transfer, including instances in which the legal framework is the same.

12. The legal opinion referred to in paragraph 11 should be accessible and made available to any relevant third party verifying STS compliance in accordance with Article 28 of Regulation (EU) 2017/2402 and any relevant competent authority from among those referred to in Article 29 of that regulation.

Legislative text	
Article 20 - Requirements relating to simplicity	
20.2. For the purpose of paragraph 1, any of the following shall constitute severe clawback provisions: (a) provisions which allow the liquidator of the seller to invalidate the sale of the underlying exposures solely on the basis that it was concluded within a certain period before the declaration of the seller's insolvency; (b) provisions where the SSPE can only prevent the invalidation referred to in point (a) if it can prove that it was not aware of the insolvency of the seller at the time of sale.	
STS criteria	
Article 43.3(a): requirements under 20.2 must be met "at the time of <i>issuance</i> ".	Yes
Verified?	
PCS Comment	
Neither provision applies. In the Republic of France there are no severe claw-back provisions for assignments of receivables made in the context of securitisation transactions.	
EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6)) 17. The criterion in Article 20(2) is designed to ensure the enforceability of the transfer of legal title in the event of the seller's insolvency. More specifically, if the underlying exposures sold to the SSPE could be reclaimed for the sole reason that their transfer was effected within a certain period before the seller's insolvency, or if the SSPE could prevent the reclaim only by proving that it was unaware of the seller's insolvency at the time of transfer, such clauses would expose investors to a high risk that the underlying exposures would not effectively back their contractual claims. For this reason, Article 20(2) specifies that such clauses constitute severe clawback provisions, which may not be contained in STS securitisation.	
EBA Final non-ABCP STS Guidelines	
4.1 True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6)) True sale, assignment or transfer with the same legal effect 10. For the purposes of Article 20(1) of Regulation (EU) 2017/2402 and in order to substantiate the confidence of third parties, including third parties verifying simple, transparent and standardised (STS) compliance in accordance with Article 28 of that Regulation and competent authorities meeting the requirements specified therein, all of the following should be provided: (a) confirmation of the true sale or confirmation that, under the applicable national framework, the assignment or transfer segregate the underlying exposures from the seller, its creditors and its liquidators, including in the event of the seller's insolvency, with the same legal effect as that achieved by means of true sale; (b) confirmation of the enforceability of the true sale, assignment or transfer with the same legal effect referred to in point (a) against the seller or any other third party, under the applicable national legal framework; (c) assessment of clawback risks and re-characterisation risks. 11. The confirmation of the aspects referred to in paragraph 10 should be achieved by the provision of a legal opinion provided by qualified external legal counsel, except in the case of repeat issuances in standalone securitisation structures or master trusts that use the same legal mechanism for the transfer, including instances in which the legal framework is the same. 12. The legal opinion referred to in paragraph 11 should be accessible and made available to any relevant third party verifying STS compliance in accordance with Article 28 of Regulation (EU) 2017/2402 and any relevant competent authority from among those referred to in Article 29 of that regulation.	

Legislative text	
Article 20 - Requirements relating to simplicity	
20.3. For the purpose of paragraph 1, clawback provisions in national insolvency laws that allow the liquidator or a court to invalidate the sale of underlying exposures in case of fraudulent transfers, unfair prejudice to creditors or of transfers intended to improperly favour particular creditors over others, shall not constitute severe clawback provisions.	
STS criteria	
Article 43.3(a): requirements under 20.3 must be met “at the time of <i>issuance</i> ”.	Yes
Verified?	
PCS Comment	
See point 2 above.	
EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))	
18. Whereas, pursuant to Article 20(2), contractual terms and conditions attached to the transfer of title that expose investors to a high risk that the securitised assets will be reclaimed in the event of the seller's insolvency should not be permissible in STS securitisations, such prohibition should not include the statutory provisions granting the right to a liquidator or a court to invalidate the transfer of title with the aim of preventing or combating fraud, as referred to in Article 20(3).	
EBA Final non-ABCP STS Guidelines	
4.1 True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))	
True sale, assignment or transfer with the same legal effect	
10. For the purposes of Article 20(1) of Regulation (EU) 2017/2402 and in order to substantiate the confidence of third parties, including third parties verifying simple, transparent and standardised (STS) compliance in accordance with Article 28 of that Regulation and competent authorities meeting the requirements specified therein, all of the following should be provided:	
(a) confirmation of the true sale or confirmation that, under the applicable national framework, the assignment or transfer segregate the underlying exposures from the seller, its creditors and its liquidators, including in the event of the seller's insolvency, with the same legal effect as that achieved by means of true sale;	
(b) confirmation of the enforceability of the true sale, assignment or transfer with the same legal effect referred to in point (a) against the seller or any other third party, under the applicable national legal framework;	
(c) assessment of clawback risks and re-characterisation risks.	
11. The confirmation of the aspects referred to in paragraph 10 should be achieved by the provision of a legal opinion provided by qualified external legal counsel, except in the case of repeat issuances in standalone securitisation structures or master trusts that use the same legal mechanism for the transfer, including instances in which the legal framework is the same.	
12. The legal opinion referred to in paragraph 11 should be accessible and made available to any relevant third party verifying STS compliance in accordance with Article 28 of Regulation (EU) 2017/2402 and any relevant competent authority from among those referred to in Article 29 of that regulation.	

3	Legislative text	
	Article 20 - Requirements relating to simplicity	
	20.4. Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to the seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.	
	STS criteria	
	3. Where the seller is not the original lender, the true sale or assignment or transfer with the same legal effect of the underlying exposures to the seller, whether that true sale or assignment or transfer with the same legal effect is direct or through one or more intermediate steps, shall meet the requirements set out in paragraphs 1 to 3.	
	Article 43.3(a): requirements under 20.4 must be met “at the time of <i>issuance</i> ”.	Yes
	Verified?	
	PCS Comment	
	See point 2 above.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	19. Article 20(4) specifies that, where the transfer of title occurs not directly between the seller and the SSPE but through one or more intermediary steps involving further parties, the requirements relating to the true sale, assignment or other transfer with the same legal effect, apply at each step.	
	EBA Final non-ABCP STS Guidelines	
	4.1 True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))	
	True sale, assignment or transfer with the same legal effect	

10. For the purposes of Article 20(1) of Regulation (EU) 2017/2402 and in order to substantiate the confidence of third parties, including third parties verifying simple, transparent and standardised (STS) compliance in accordance with Article 28 of that Regulation and competent authorities meeting the requirements specified therein, all of the following should be provided:
(a) confirmation of the true sale or confirmation that, under the applicable national framework, the assignment or transfer segregate the underlying exposures from the seller, its creditors and its liquidators, including in the event of the seller’s insolvency, with the same legal effect as that achieved by means of true sale;
(b) confirmation of the enforceability f the true sale, assignment or transfer with the same legal effect referred to in point (a) against the seller or any other third party, under the applicable national legal framework;
(c) assessment of clawback risks and re-characterisation risks.
11. The confirmation of the aspects referred to in paragraph 10 should be achieved by the provision of a legal opinion provided by qualified external legal counsel, except in the case of repeat issuances in standalone securitisation structures or master trusts that use the same legal mechanism for the transfer, including instances in which the legal framework is the same.
12. The legal opinion referred to in paragraph 11 should be accessible and made available to any relevant third party verifying STS compliance in accordance with Article 28 of Regulation (EU) 2017/2402 and any relevant competent authority from among those referred to in Article 29 of that regulation.

4	Legislative text
	Article 20 - Requirements relating to simplicity
	<p>20.5. Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to affect such perfection shall, at least include the following events:</p> <ul style="list-style-type: none"> (a) severe deterioration in the seller credit quality standing; (b) insolvency of the seller; and (c) unremedied breaches of contractual obligations by the seller, including the seller's default.
	STS criteria
	<p>4. Where the transfer of the underlying exposures is performed by means of an assignment and perfected at a later stage than at the closing of the transaction, the triggers to effect such perfection shall, at least include the following events:</p> <ul style="list-style-type: none"> (a) severe deterioration in the seller credit quality standing; (b) insolvency of the seller; and (c) unremedied breaches of contractual obligations by the seller, including the seller's default.
	<p>Article 43.3(a): requirements under 20.5 must be met "at the time of <i>issuance</i>".</p>
	Yes
	Verified?
	PCS Comment
	See point 2 above.
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>
	<p>True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))</p> <p>20. The objective of the criterion in Article 20(5) is to minimise legal risks related to unperfected transfers in the context of an assignment of the underlying exposures, by specifying a minimum set of events subsequent to closing that should trigger the perfection of the transfer of the underlying exposures.</p> <p>22. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:</p> <ul style="list-style-type: none"> (a) how to substantiate the confidence of third parties with respect to compliance with Article 20(1): it is understood that this should be achieved by providing a legal opinion. While the guidance does not explicitly require the provision of a legal opinion in all cases, the guidance expects a legal opinion to be provided as a general rule, and omission to be an exception; (b) the triggers to effect the perfection of the transfer if assignments are perfected at a later stage than at the closing of the transaction.
	EBA Final non-ABCP STS Guidelines
	<p>4.1 True sale, assignment or transfer with the same legal effect, representations and warranties (Article 20(1)-(6))</p> <p>Severe deterioration in the seller credit quality standing</p> <p>13. For the purposes of Article 20(5) of Regulation (EU) 2017/2402, the transaction documentation should identify, with regard to the trigger of 'severe deterioration in the seller credit quality standing', credit quality thresholds that are objectively observable and related to the financial health of the seller.</p> <p>Insolvency of the seller</p>

	14. For the purposes of Article 20(5) of Regulation (EU) 2017/2402, the trigger of 'insolvency of the seller' should refer, at least, to events of legal insolvency as defined in national legal frameworks.
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5	Legislative text	
	Article 20 - Requirements relating to simplicity	
	20.6. The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect.	
	STS criteria	
	5. The seller shall provide representations and warranties that, to the best of its knowledge, the underlying exposures included in the securitisation are not encumbered or otherwise in a condition that can be foreseen to adversely affect the enforceability of the true sale or assignment or transfer with the same legal effect.	
	Article 43.3(b): requirements under 20.6 must be met “at the time of <i>notification</i> ”.	Yes
	Verified?	
	PCS Comment	
	See “Overview of the Transaction”, “Home Loan Eligibility Criteria”, §(v). The same point is repeated also in “Description of the Home Loans Purchase and Servicing Agreement and the Reserves Cash Deposit Agreement”, sub “Home Loan Eligibility Criteria” §(v). In particular, it is a requirement that: <i><<(v) the relevant Seller has full title to the Home Loans and the related Ancillary Rights immediately prior to their assignment and the status and enforceability of <u>neither the Purchased Home Loans nor the related Ancillary Rights are subject to, either in whole or in part, any assignment, delegation or pledge, attachment, warranty claims, set-off nor encumbrance of whatever type, in particular any rights of third parties, or otherwise in a condition, that can be foreseen to adversely affect the enforceability of the assignment of the Home Loans or any related Ancillary Right to the Issuer;</u>>>.</i>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	21. The objective of the criterion in Article 20(6), which requires the seller to provide the representations and warranties confirming to the seller’s best knowledge that the transferred exposures are neither encumbered nor otherwise in a condition that could potentially adversely affect the enforceability of the transfer of title, is to ensure that the underlying exposures are not only beyond the reach not only of the seller but equally of its creditors, and to allocate the commercial risk of the encumbrance of the underlying exposures to the seller.	
	EBA Final non-ABCP STS Guidelines	

6	Legislative text	
	Article 20 - Requirements relating to simplicity	
	20.7. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.	
	STS criteria	
	6. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria....	
	Article 43.3(a): requirements under 20.7 must be met “at the time of <i>issuance</i> ”.	Yes
	Verified?	
	PCS Comment	
	See “ <i>Home Loan Eligibility Criteria</i> ” in Overview of the Transaction and in “Description of the Home Loans Purchase and Servicing Agreement and the Reserves Cash Deposit Agreement”. Reference is made to the “Selection Date”, being 13 October 2018, and definition of “Issue Date” being 29 October 2018. Please see in particular the statement that << <i>In order for a Home Loan offered for sale to the Issuer on the Purchase Date to meet the Home Loan Eligibility Criteria, <u>the Home Loan must satisfy the following as at the Selection Date or, as the case may be, the relevant date specified below</u> [...].</i> >>.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
Eligibility criteria for the underlying exposures, active portfolio management (Article 20(7))		
23. The objective of this criterion in Article 20(7) is to ensure that the selection and transfer of the underlying exposures in the securitisation is done in a manner which facilitates in a clear and consistent fashion the identification of which exposures are selected for/transferred into the securitisation, and to enable the investors to assess the credit risk of the asset pool prior to their investment decisions.		
EBA Final non-ABCP STS Guidelines		
4.2 Eligibility criteria for the underlying exposures, active portfolio management (Article 20(7))		
Clear eligibility criteria		
17. For the purposes of Article 20(7) of Regulation (EU) 2017/2402, the criteria should be understood to be ‘clear’ where compliance with them is possible to be determined by a court or tribunal, as a matter of law or fact or both.		

7	Legislative text
	Article 20 - Requirements relating to simplicity
	<p>20.7. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.</p>
	STS criteria
	<p>... which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management.</p>
	<p>Article 43.3(a): requirements under 20.7 must be met “at the time of <i>issuance</i>”.</p>
	<p>Verified?</p>
	<p>PCS Comment</p>
	<p>See “Re-transfers”, and “Repurchase of the Purchased Home Loans”.</p> <p>The following provisions are also noted:</p> <p>Clause 15.1 (Option to re-transfer or re-purchase certain Purchased Home Loans) of the Home Loans Purchase and Servicing Agreement and Clause 38 (Repurchase of the Purchased Home Loans) of the Issuer Regulations, each as amended, which provide that although the transaction contemplates the option (but not the obligation) for the Sellers to repurchase certain Purchased Home Loans which raise management and/or operational issues for such Seller or the corresponding Servicer, such option shall only occur under certain specified conditions (including in case of liquidation of the Issuer), and it is specified that: <<<i>the Management Company shall not carry out any active management of the portfolio of Purchased Home Loans on a discretionary basis (meaning, (a) a management that would make the performance of the securitisation dependent both on the performance of the Purchased Home Loans and on the performance of the portfolio management of the securitisation or (b) a management performed for speculative purposes aiming to achieve better performance, increased yield, overall financial returns or other purely financial or economic benefit).</i>>>.</p>
	EBA Final non-ABCP STS Guidelines – statements on background and rationale
	Eligibility criteria for the underlying exposures, active portfolio management (Article 20(7))
	<p>24. Consistently with this objective, the active portfolio management of the exposures in the securitisation should be prohibited, given that it adds a layer of complexity and increases the agency risk arising in the securitisation by making the securitisation's performance dependent on both the performance of the underlying exposures and the performance of the management of the transaction. The payments of STS securitisations should depend exclusively on the performance of the underlying exposures.</p>
	EBA Final non-ABCP STS Guidelines
	4.2 Eligibility criteria for the underlying exposures, active portfolio management (Article 20(7))
	Active portfolio management
	<p>15. For the purposes of Article 20(7) of Regulation (EU) 2017/2402, active portfolio management should be understood as portfolio management to which either of the following applies:</p> <p>(a) the portfolio management makes the performance of the securitisation dependent both on the performance of the underlying exposures and on the performance of the portfolio management of the securitisation, thereby preventing the investor from modelling the credit risk of the underlying exposures without considering the portfolio management strategy of the portfolio manager;</p> <p>(b) the portfolio management is performed for speculative purposes aiming to achieve better performance, increased yield, overall financial returns or other purely financial or economic benefit.</p> <p>16. The techniques of portfolio management that should not be considered active portfolio management include:</p> <p>(a) substitution or repurchase of underlying exposures due to the breach of representations or warranties;</p> <p>(b) substitution or repurchase of the underlying exposures that are subject to regulatory dispute or investigation to facilitate the resolution of the dispute or the end of the investigation;</p>

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| | <ul style="list-style-type: none">(c) replenishment of underlying exposures by adding underlying exposures as substitutes for amortised or defaulted exposures during the revolving period;(d) acquisition of new underlying exposures during the 'ramp up' period to line up the value of the underlying exposures with the value of the securitisation obligations;(e) repurchase of underlying exposures in the context of the exercise of clean-up call options, in accordance with Article 244(3)(g) of Regulation (EU) 2017/2401;(f) repurchase of defaulted exposures to facilitate the recovery and liquidation process with respect to those exposures;(g) repurchase of underlying exposures under the repurchase obligation in accordance with Article 20(13) of Regulation (EU) 2017/2402. |
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8	Legislative text
	Article 20 - Requirements relating to simplicity
	<p>20.7. The underlying exposures transferred from, or assigned by, the seller to the SSPE shall meet pre-determined, clear and documented eligibility criteria which do not allow for active portfolio management of those exposures on a discretionary basis. For the purpose of this paragraph, substitution of exposures that are in breach of representations and warranties shall not be considered active portfolio management. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.</p>
	STS criteria
	<p>8. Exposures transferred to the SSPE after the closing of the transaction shall meet the eligibility criteria applied to the initial underlying exposures.</p>
	<p>Article 43.3(a): requirements under 20.7 must be met "at the time of <i>issuance</i>".</p>
	<p>Verified?</p>
	<p>PCS Comment</p>
	<p>This is not a revolving transaction. Therefore, this criterion is not applicable.</p> <p>See "<i>Purchase of the Home Loans</i>" in the Section "<i>Description of the Home Loans and Servicing Agreement and the Reserves Cash Deposit Agreement</i>", stating that each Seller may transfer Home Loans to the Issuer on the Purchase Date. The Purchase Date (see relevant definition in Glossary of Defined Terms) coincides with the Issuer Establishment Date, being 29 October 2018 (see relevant definition).</p>
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>
	Eligibility criteria for the underlying exposures, active portfolio management (Article 20.7)
	<p>25. Revolving periods and other structural mechanisms resulting in the inclusion of exposures in the securitisation after the closing of the transaction may introduce the risk that exposures of lesser quality can be transferred into the pool. For this reason, it should be ensured that any exposure transferred into the securitisation after the closing meets the eligibility criteria, which are no less strict than those used to structure the initial pool of the securitisation.</p>
	<p>26. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:</p>
	<p>(a) the purpose of the requirement on the portfolio management, and the provision of examples of techniques which should not be regarded as active portfolio management: this criterion should be considered without prejudice to the existing requirements with respect to the similarity of the underwriting standards in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402, which requires that all the underlying exposures in a securitisation be underwritten according to similar underwriting standards;</p>
	<p>(b) interpretation of the term 'clear' eligibility criteria;</p>
	<p>(c) clarification with respect to the eligibility criteria that need to be met with respect to the exposures transferred to the SSPE after the closing.</p>
	EBA Final non-ABCP STS Guidelines
	4.2 Eligibility criteria for the underlying exposures, active portfolio management (Article 20.7)
	<i>Eligibility criteria to be met for exposures transferred to the SSPE after the closing of the transaction</i>
	<p>18. For the purposes of Article 20(7) of Regulation (EU) 2017/2402, 'meeting the eligibility criteria applied to the initial underlying exposures' should be understood to mean eligibility criteria that comply with either of the following:</p>
	<p>(a) with regard to normal securitisations, they are no less strict than the eligibility criteria applied to the initial underlying exposures at the closing of the transaction;</p>
	<p>(b) with regard to securitisations that issue multiple series of securities including master trusts, they are no less strict than the eligibility criteria applied to the initial underlying exposures at the most recent issuance, with the results that the eligibility criteria may vary from closing to closing, with the agreement of securitisation parties and in accordance with the transaction documentation.</p>

19. Eligibility criteria to be applied to the underlying exposures in accordance with paragraph 18 should be specified in the transaction documentation and should refer to eligibility criteria applied at exposure level.

9	Legislative text	
	Article 20 - Requirements relating to simplicity	
	20.8. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type. The underlying exposures shall contain obligations that are contractually binding and enforceable, with full recourse to debtors and, where applicable, guarantors.	
	STS criteria	
	9. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type.	
	Article 43.3(a): requirements under 20.8 must be met “at the time of <i>issuance</i> ”.	Yes
	Verified?	
	PCS Comment	
	See, in respect of the Provisional Portfolio the statement contained in section “ <i>Information relating to the provisional portfolio of home loans</i> ” – “ <i>General</i> ”.	
	In respect of the final portfolio of Purchased Receivables transferred to the Issuer on the Issue Date, see section of the “ <i>NOTICE IN RESPECT OF: BPCE HOME LOANS FCT 2018 FONDS COMMUN DE TITRISATION</i> ” to be issued on or about the date of notification of this transaction to ESMA, and headed “ <i>ADDITIONAL INFORMATION RELATING TO THE PORTFOLIO OF PURCHASED RECEIVABLES TRANSFERRED TO THE ISSUER ON THE ISSUE DATE</i> ”, which includes the following statement on homogeneity requirements: << <i>The final portfolio of Purchased Receivables transferred to the Issuer on the Issue Date satisfies the homogeneous conditions of Article 1(a), (b), (c) and (d) of the Commission Delegated Regulation of 28 May 2019 supplementing Regulation (EU) 2017/2402 of the European Parliament and of the Council with regard to regulatory technical standards on the homogeneity of the underlying exposures in securitisation</i> (the “Homogeneity Commission Delegated Regulation”). The Home Loans of the final portfolio (i) <i>have been underwritten according to similar underwriting standards which apply similar approaches to the assessment of credit risk associated with the Home Loans (as described in Schedule 15 (Origination and Underwriting Procedures (Credit Guidelines) of the Home Loans Purchased and Servicing Agreement) and without prejudice to Article 9(1) of the STS Regulation,</i> (ii) <i>are serviced according to similar servicing procedures with respect to monitoring, collection and administration of Home Loans (as described in Schedule 16 (Servicing Procedures) of the Home Loans Purchased and Servicing Agreement),</i> (iii) <i>fall within the same asset category, being that of “residential loans secured with one or several mortgages on residential immovable property or residential loans fully guaranteed by an eligible protection provider among those referred to in Article 201(1) of Regulation (EU) No 575/2013 qualifying for the credit quality step 2 or above as set out in Part Three, Title II, Chapter 2 of that Regulation” and</i> (iv) <i>are homogeneous with reference to the homogeneity factors set forth in Article 2(1)(c) of the Homogeneity Commission Delegated Regulation, since, in accordance with the Home Loan Eligibility Criteria (g), the Home Loans were granted to finance the acquisition, renovation, building or refinancing of the main residence of the Borrower, being a property located in France; and therefore “in one jurisdiction only” for the purposes of said Article 2(1)(c).”>>.</i>	
	See also the summary on compliance with homogeneity requirements contained in the Prospectus section “INFORMATION RELATING TO THE PROVISIONAL PORTFOLIO OF HOME LOANS”, on page 160.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8))	
	27. The criterion on the homogeneity as specified in the first subparagraph of Article 20(8) has been further clarified in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402.	
	EBA Final non-ABCP STS Guidelines	

10	Legislative text	
	Article 20 - Requirements relating to simplicity	
	20.8. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type. The underlying exposures shall contain obligations that are contractually binding and enforceable, with full recourse to debtors and, where applicable, guarantors.	
	STS criteria	
	10. The underlying exposures shall contain obligations that are contractually binding and enforceable.	
	Article 43.3(a): requirements under 20.8 must be met "at the time of <i>issuance</i> ".	Yes
	Verified?	
	PCS Comment	
	See Overview of the Transaction, " <i>Home Loan Eligibility Criteria</i> ", §(u). The same point is repeated also in "Description of the Home Loans Purchase and Servicing Agreement and the Reserves Cash Deposit Agreement", sub " <i>Home Loan Eligibility Criteria</i> " §(u). In particular it is represented as follows: << <i>each Home Loan Agreement constitutes the legal, valid, binding and enforceable contractual obligations of the relevant Borrower, with full recourse to the relevant Borrower (except that enforceability may be limited by (i) bankruptcy or insolvency of the Borrower or other laws relating to over-indebtedness (surendettement) or enforcement of general applicability affecting the enforcement rights of creditors generally or (ii) the existence of unfair contract terms (clauses abusives) as defined by articles L.212-1 et seq. of the French Consumer Code in the Home Loan Agreements (provided they would not (A) affect the right of the Issuer to purchase the Home Loan as contemplated under the Home Loan Purchase and Servicing Agreement or (B) deprive the Issuer of its rights to receive principal and to receive interest as provided for under the Home Loan);>>.</i>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	

Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8))	
28. The objective of the criterion specified in the third sentence in the first subparagraph and in the second subparagraph of Article 20(8) is to ensure that the underlying exposures contain valid and binding obligations of the debtor/guarantor, including rights to payments or to any other income from assets supporting such payments that result in a periodic and well-defined stream of payments to the investors.	
30. To facilitate consistent interpretation of this criterion, a clarification should be provided with respect to:	
(a) interpretation of the term 'contractually binding and enforceable obligations';	
EBA Final non-ABCP STS Guidelines	
4.3 Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8))	
Contractually binding and enforceable obligations	
20. For the purposes of Article 20(8) of Regulation (EU) 2017/2402, 'obligations that are contractually binding and enforceable, with full recourse to debtors and, where applicable, guarantors' should be understood to refer to all obligations contained in the contractual specification of the underlying exposures that are relevant to investors because they affect any obligations by the debtor and, where applicable, the guarantor to make payments or provide security.	

11	Legislative text	
	Article 20 - Requirements relating to simplicity	
	20.8. The securitisation shall be backed by a pool of underlying exposures that are homogeneous in terms of asset type, taking into account the specific characteristics relating to the cash flows of the asset type including their contractual, credit risk and prepayment characteristics. A pool of underlying exposures shall only comprise one asset type. The underlying exposures shall contain obligations that are contractually binding and enforceable, with full recourse to debtors and, where applicable, guarantors.	
	STS criteria	
	11. With full recourse to debtors and, where applicable, guarantors.	
	Article 43.3(a): requirements under 20.8 must be met “at the time of <i>issuance</i> ”.	Yes
	Verified?	
	PCS Comment	
	See Overview of the Transaction, “ <i>Home Loan Eligibility Criteria</i> ”, §(u). The same point is repeated also in “Description of the Home Loans Purchase and Servicing Agreement and the Reserves Cash Deposit Agreement”, sub “ <i>Home Loan Eligibility Criteria</i> ” §(u). In particular it is represented as follows: <i><<each Home Loan Agreement constitutes the legal, valid, binding and enforceable contractual obligations of the relevant Borrower, with full recourse to the relevant Borrower (except that enforceability may be limited by (i) bankruptcy or insolvency of the Borrower or other laws relating to over-indebtedness (surendettement) or enforcement of general applicability affecting the enforcement rights of creditors generally or (ii) the existence of unfair contract terms (clauses abusives) as defined by articles L.212-1 et seq. of the French Consumer Code in the Home Loan Agreements (provided they would not (A) affect the right of the Issuer to purchase the Home Loan as contemplated under the Home Loan Purchase and Servicing Agreement or (B) deprive the Issuer of its rights to receive principal and to receive interest as provided for under the Home Loan);>>.</i> See also the interpretative clarification made (as appearing in the Notice) to the above representation: <<Each Seller confirms that the Home Loan Eligibility Criteria (u) shall be understood as referring to a full recourse of such Seller to the relevant Borrower <u>and, where applicable, the relevant guarantor.</u> >>.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8)	
	30. To facilitate consistent interpretation of this criterion, a clarification should be provided with respect to: (a) interpretation of the term ‘contractually binding and enforceable obligations’;	
	EBA Final non-ABCP STS Guidelines	
	4.3 Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8)	
	Contractually binding and enforceable obligations	
20. For the purposes of Article 20(8) of Regulation (EU) 2017/2402, ‘obligations that are contractually binding and enforceable, with full recourse to debtors and, where applicable, guarantors’ should be understood to refer to all obligations contained in the contractual specification of the underlying exposures that are relevant to investors because they affect any obligations by the debtor and, where applicable, the guarantor to make payments or provide security.		

12	Legislative text			
	Article 20 - Requirements relating to simplicity			
	<p>20.8.II - The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts, relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.</p>			
	STS criteria			
	<p>12. The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts.</p>			
	<table border="1"> <tr> <td data-bbox="210 440 1151 480">Article 43.3(a): requirements under 20.8 must be met “at the time of <i>issuance</i>”.</td><td data-bbox="1151 440 2119 480" rowspan="2">Yes</td></tr> <tr> <td data-bbox="210 480 1151 512">Verified?</td></tr> </table>	Article 43.3(a): requirements under 20.8 must be met “at the time of <i>issuance</i> ”.	Yes	Verified?
Article 43.3(a): requirements under 20.8 must be met “at the time of <i>issuance</i> ”.	Yes			
Verified?				
	PCS Comment			
	<p>See Overview of the Transaction, “<i>Home Loan Eligibility Criteria</i>”, §(m). The same point is repeated also in “Description of the Home Loans Purchase and Servicing Agreement and the Reserves Cash Deposit Agreement”, sub “<i>Home Loan Eligibility Criteria</i>” §(m).</p> <p>In particular, it is represented as follows:</p> <p><<(m) the Home Loan is a <u>monthly amortising loan with constant or progressive instalment</u> (consisting of interest and principal) over the term of such Home Loan;>>.</p>			
	EBA Final non-ABCP STS Guidelines – statements on background and rationale			
	<p>Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8))</p> <p>30 (b) a non-exhaustive list of examples of exposures types that should be considered to have defined periodic payment streams. The individual examples are without prejudice to applicable requirements, such as the requirement with respect to the defaulted exposures in accordance with Article 20(11) of Regulation (EU) 2017/2402 and the requirement with respect to the residual value in accordance with Article 20(13) of that regulation.</p>			
	EBA Final non-ABCP STS Guidelines			
	<p>4.3 Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8))</p> <p>Exposures with periodic payment streams</p> <p>21. For the purposes of Article 20(8) of Regulation (EU) 2017/2402, exposures with defined periodic payment streams should include:</p> <ul style="list-style-type: none"> (a) exposures payable in a single instalment in the case of revolving securitisation, as referred to in Article 20(12) of Regulation (EU) 2017/2402; (b) exposures related to credit card facilities; (c) exposures with instalments consisting of interest and where the principal is repaid at the maturity, including interest-only mortgages; (d) exposures with instalments consisting of interest and repayment of a portion of the principal, where either of the following conditions is met: <ul style="list-style-type: none"> (i) the remaining principal is repaid at the maturity; (ii) the repayment of the principal is dependent on the sale of assets securing the exposure, in accordance with Article 20(13) of Regulation (EU) 2017/2402 and paragraphs 47 to 49; (e) exposures with temporary payment holidays as contractually agreed between the debtor and the lender. 			

13	Legislative text	
	Article 20 - Requirements relating to simplicity	
	20.8.II - The underlying exposures shall have defined periodic payment streams, the instalments of which may differ in their amounts, relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.	
	STS criteria	
	13. Relating to rental, principal, or interest payments, or to any other right to receive income from assets supporting such payments. The underlying exposures may also generate proceeds from the sale of any financed or leased assets.	
	Article 43.3(a): requirements under 20.8 must be met "at the time of <i>issuance</i> ".	Yes
	Verified?	
	PCS Comment	
	See Overview of the Transaction, " <i>Home Loan Eligibility Criteria</i> ", §(m). The same point is repeated also in "Description of the Home Loans Purchase and Servicing Agreement and the Reserves Cash Deposit Agreement", sub " <i>Home Loan Eligibility Criteria</i> " §(m). In particular, it is represented as follows: <<(m) the Home Loan is a monthly amortising loan with constant or progressive instalment (<u>consisting of interest and principal</u>) over the term of such Home Loan;>>.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8))		
30 (b) a non-exhaustive list of examples of exposures types that should be considered to have defined periodic payment streams. The individual examples are without prejudice to applicable requirements, such as the requirement with respect to the defaulted exposures in accordance with Article 20(11) of Regulation (EU) 2017/2402 and the requirement with respect to the residual value in accordance with Article 20(13) of that regulation.		
EBA Final non-ABCP STS Guidelines		
4.3 Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8))		
Exposures with periodic payment streams		
21. For the purposes of Article 20(8) of Regulation (EU) 2017/2402, exposures with defined periodic payment streams should include:		
(a) exposures payable in a single instalment in the case of revolving securitisation, as referred to in Article 20(12) of Regulation (EU) 2017/2402;		
(b) exposures related to credit card facilities;		
(c) exposures with instalments consisting of interest and where the principal is repaid at the maturity, including interest-only mortgages;		
(d) exposures with instalments consisting of interest and repayment of a portion of the principal, where either of the following conditions is met:		
(i) the remaining principal is repaid at the maturity;		
(ii) the repayment of the principal is dependent on the sale of assets securing the exposure, in accordance with Article 20(13) of Regulation (EU) 2017/2402 and paragraphs 47 to 49;		
(e) exposures with temporary payment holidays as contractually agreed between the debtor and the lender.		

14	Legislative text	
	Article 20 - Requirements relating to simplicity	
	20.8.III - The underlying exposures shall not include transferable securities, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.	
	STS criteria	
	14. The underlying exposures shall not include transferable securities, as defined in Article 4(1), point 44 of Directive 2014/65/EU of the European Parliament and of the Council other than corporate bonds, provided that they are not listed on a trading venue.	
	Article 43.3(a): requirements under 20.8 must be met "at the time of <i>issuance</i> ".	Yes
	Verified?	
	PCS Comment	
	See specific statements in "Home Loan Eligibility Criteria", last paragraph, stating that <<For the avoidance of doubt, <u>the Home Loans do not include transferable securities</u> , as defined in point (44) of Article 4(1) of Directive 2014/65/EU nor any securitisation position.>>.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
Homogeneity, obligations of the underlying exposures, periodic payment streams, no transferable securities (Article 20(8))		
29. The objective of the criterion specified in the third subparagraph is that the underlying exposures do not include transferable securities, as they may add to the complexity of the transaction and of the risk and due diligence analysis to be carried out by the investor.		
EBA Final non-ABCP STS Guidelines		

15	Legislative text	
	Article 20 - Requirements relating to simplicity	
	20.9. The underlying exposures shall not include any securitisation position.	
	STS criteria	
	15. The underlying exposures shall not include any securitisation position.	
	Article 43.3(a): requirements under 20.9 must be met "at the time of <i>issuance</i> ".	Yes
	Verified?	
	PCS Comment	
	See specific statements in "Home Loan Eligibility Criteria", last paragraph stating that <<For the avoidance of doubt, <u>the Home Loans do not include transferable securities, as defined in point (44) of Article 4(1) of Directive 2014/65/EU nor any securitisation position.</u> >>.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	No resecuritisation (Article 20(9))	
	31. The objective of this criterion is to prohibit resecuritisation subject to derogations for certain cases or for resecuritisation as specified in Regulation (EU) 2017/2402. This is a lesson learnt from the financial crisis, when resecuritisations were structured into highly leveraged structures in which notes of lower credit quality could be re-packaged and credit enhanced, resulting in transactions whereby small changes in the credit performance of the underlying assets had severe impacts on the credit quality of the resecuritisation bonds. The modelling of the credit risk arising in these bonds proved very difficult, also due to high levels of correlations arising in the resulting structures.	
	32. The criterion is deemed sufficiently clear and does not require any further clarification.	
EBA Final non-ABCP STS Guidelines		

16	Legislative text	
	Article 20 - Requirements relating to simplicity	
	20.10. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised.	
	STS criteria	
	16. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business.	
	Article 43.3(a): requirements under 20.10 must be met "as of the time of notification ".	Yes
	Verified?	
	PCS Comment	
	See "Home Loan Eligibility Criteria", §(a).	
	In particular, it is required that <<(a) <i>the Home Loan has been originated in its ordinary course of business by an original lender with an expertise of at least 5 years in originating exposures of a similar nature as the Home Loan, being either the Seller or any other entity of the BPCE Group which has transferred the Home Loan to the Seller through merger, partial contribution of assets or any other mode of transfer by operation of law (transmission universelle de patrimoine)</i> [...]:>>.	
EBA Final non-ABCP STS Guidelines – statements on background and rationale		
Underwriting standards (Article 20(10))		
33. The objective of the criterion specified in the first subparagraph of Article 20(10) is to prevent cherry picking and to ensure that the exposures that are to be securitised do not belong to exposure types that are outside the ordinary business of the originator, i.e. types of exposures in which the originator or original lender may have less expertise and/or interest at stake. This criterion is focused on disclosure of changes to the underwriting standards and aims to help the investors assess the underwriting standards pursuant to which the exposures transferred into securitisation have been originated.		
EBA Final non-ABCP STS Guidelines		

17	Legislative text	
	Article 20 - Requirements relating to simplicity	
	20.10. The underlying exposures shall be originated in the ordinary course of the originator's or original lender's business pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised.	
	STS criteria	
	17. Pursuant to underwriting standards that are no less stringent than those that the originator or original lender applied at the time of origination to similar exposures that are not securitised.	
	Article 43.3(a): requirements under 20.10 must be met "as of the time of notification ".	Yes
	Verified?	
	PCS Comment	
	See "Home Loan Eligibility Criteria", §(a)(i). In particular, it is required that <<(a) the Home Loan has been originated in its ordinary course of business by an original lender with an expertise of at least 5 years in originating exposures of a similar nature as the Home Loan, being either the Seller or any other entity of the BPCE Group which has transferred the Home Loan to the Seller through merger, partial contribution of assets or any other mode of transfer by operation of law (transmission universelle de patrimoine)): (i) prior to the date on which the Home Loan had been made available to the Borrower, all lending criteria and preconditions as applied by the originator of the Home Loan pursuant to the Credit Guidelines were satisfied <u>and the lending procedures applied to the Home Loan was not less stringent than the lending procedure applied to similar exposures which are not securitised</u> >>.	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
Underwriting standards (Article 20(10))		
37. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified: (a) the term 'similar exposures', with reference to requirements specified in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402; (b) the term 'no less stringent underwriting standards': independently of the guidance provided in these guidelines, it is understood that, in the spirit of restricting the 'originate-to-distribute' model of underwriting, where similar exposures exist on the originator's balance sheet, the underwriting standards that have been applied to the securitised exposures should also have been applied to similar exposures that have not been securitised, i.e. the underwriting standards should have been applied not solely to securitised exposures;		
EBA Final non-ABCP STS Guidelines		
4.4 Underwriting standards, originator's expertise (Article 20(10))		
No less stringent underwriting standards		
23. For the purposes of Article 20(10) of Regulation (EU) 2017/2402, the underwriting standards applied to securitised exposures should be compared to the underwriting standards applied to similar exposures at the time of origination of the securitised exposures.		
24. Compliance with this requirement should not require either the originator or the original lender to hold similar exposures on its balance sheet at the time of the selection of the securitised exposures or at the exact time of their securitisation, nor should it require that similar exposures were actually originated at the time of origination of the securitised exposures.		

18	Legislative text
	Article 20 - Requirements relating to simplicity
	20.10. [...] The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay.
	STS criteria
	18. The underwriting standards pursuant to which the underlying exposures are originated and any material changes from prior underwriting standards shall be fully disclosed to potential investors without undue delay.
	Article 43.3(a): requirements under 20.10 must be met “as of the time of <i>notification</i> ”.
	Verified?
	PCS Comment
	See “ <i>Origination, Underwriting and Management Procedures</i> ” on page 220, where it is stated that “the Credit Guidelines described in this Section have not been subject to any material change over the past five (5) years prior to the Issuer Establishment Date”. In light of the fact that this transaction is not revolving, no new changes to the underwriting standards would have any impact or need to be disclosed to potential investors.
	EBA Final non-ABCP STS Guidelines – statements on background and rationale
	Underwriting standards (Article 20(10)) 37 (c) clarification of the requirement to disclose material changes from prior underwriting standards to potential investors without undue delay: the guidance clarifies that this requirement should be forward-looking only, referring to material changes to the underwriting standards after the closing of the securitisation. The guidance clarifies the interactions with the requirement for similarity of the underwriting standards set out in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402, which requires that all the underlying exposures in securitisation be underwritten according to similar underwriting standards;
	EBA Final non-ABCP STS Guidelines
	4.4 Underwriting standards, originator's expertise (Article 20(10)) Disclosure of material changes from prior underwriting standards 25. For the purposes of Article 20(10) of Regulation (EU) 2017/2402, material changes to the underwriting standards that are required to be fully disclosed should be understood to be those material changes to the underwriting standards that are applied to the exposures that are transferred to, or assigned by, the SSPE after the closing of the securitisation in the context of portfolio management as referred to in paragraphs 15 and 16. 26. Changes to such underwriting standards should be deemed material where they refer to either of the following types of changes to the underwriting standards: (a) changes which affect the requirement of the similarity of the underwriting standards further specified in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402; (b) changes which materially affect the overall credit risk or expected average performance of the portfolio of underlying exposures without resulting in substantially different approaches to the assessment of the credit risk associated with the underlying exposures. 27. The disclosure of all changes to underwriting standards should include an explanation of the purpose of such changes. 28. With regard to trade receivables that are not originated in the form of a loan, reference to underwriting standards in Article 20(10) should be understood to refer to credit standards applied by the seller to short-term credit generally of the type giving rise to the securitised exposures and proposed to its customers in relation to the sales of its products and services.

19	Legislative text
	Article 20 - Requirements relating to simplicity
	20.10.II - In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable intermediaries, were made aware that the information provided might not be verified by the lender.
	STS criteria
	19. In the case of securitisations where the underlying exposures are residential loans, the pool of loans shall not include any loan that was marketed and underwritten on the premise that the loan applicant or, where applicable intermediaries, were made aware that the information provided might not be verified by the lender.
	Article 43.3(a): requirements under 20.10 must be met “as of the time of <i>notification</i> ”.
	Verified?
	PCS Comment
	See “Home Loan Eligibility Criteria”, §(a)(ii), where it is expressly stated that: <<the relevant Home Loan has not been marketed and underwritten on the premise that the Borrower as loan applicant or, where applicable, intermediaries were made aware that the information provided might not be verified by the relevant Seller>>.
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>
	Underwriting standards (Article 20(10))
	34. The objective of the criterion specified in the second subparagraph of Article 20(10) is to prohibit the securitisation of self-certified mortgages for STS purposes, given the moral hazard that is inherent in granting such types of loans.
	37 (d) the scope of the criterion with respect to the specific types of residential loans as referred to in the second subparagraph of Article 20(10) and to the nature of the information that should be captured by this criterion;
	EBA Final non-ABCP STS Guidelines
	4.4 Underwriting standards, originator’s expertise (Article 20(10))
	Residential loans
	29. For the purposes of Article 20(10) of Regulation (EU) 2017/2402, the pool of underlying exposures should not include residential loans that were both marketed and underwritten on the premise that the loan applicant or intermediaries were made aware that the information provided might not be verified by the lender.
	30. Residential loans that were underwritten but were not marketed on the premise that the loan applicant or intermediaries were made aware that the information provided might not be verified by the lender, or become aware after the loan was underwritten, are not captured by this requirement.
	31. For the purposes of Article 20(10) of Regulation (EU) 2017/2402, the ‘information’ provided should be considered to be only relevant information. The relevance of the information should be based on whether the information is a relevant underwriting metric, such as information considered relevant for assessing the creditworthiness of a borrower, for assessing access to collateral and for reducing the risk of fraud.
	32. Relevant information for general non-income-generating residential mortgages should normally be considered to constitute income, and relevant information for income-generating residential mortgages should normally be considered to constitute rental income. Information that is not useful as an underwriting metric, such as mobile phone numbers, should not be considered relevant information.

20	Legislative text	
	Article 20 - Requirements relating to simplicity	
	20.10.III - The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.	
	STS criteria	
	20. The assessment of the borrower's creditworthiness shall meet the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU or, where applicable, equivalent requirements in third countries.	
	Article 43.3(a): requirements under 20.10 must be met "as of the time of <i>notification</i> ".	Yes
	Verified?	
	PCS Comment	
	See "Origination, Underwriting and Management Procedures" – subsection "Underwriting Policies", where it is stated that: <<The home loan general lending criteria of BPCE Group primarily focus on the appreciation of the Borrower's debt repayment capacity. As French licensed credit institutions, the members of the BPCE Group apply the requirements set out in Article 8 of Directive 2008/48/EC or paragraphs 1 to 4, point (a) of paragraph 5, and paragraph 6 of Article 18 of Directive 2014/17/EU when assessing the credit worthiness of a borrower.>>. See in Section "Risk Factors" – "2. Risks relating to the Assets allocated to the Issuer", subsection "EU Mortgage Credit Directive" the statement that <<The Mortgage Credit Directive has been transposed into French law by order (ordonnance) no 2016-351 of 25 March 2016 on credit agreements for consumers relating to residential immovable property and the decree (décret) n° 2016-607 (the "Mortgage Credit Order").>> See also definition of "Credit Guidelines" in "Glossary of Defined Terms", which contains the statement that the Credit Guidelines are <u>the Sellers' usual policies, procedures and practices</u> relating to the operation of their home loan business <u>including, without limitation, the usual policies, procedures and practices adopted by them</u> as the grantor of credit in relation to Home Loans and/or (as the case may be) their usual policies, procedures and practices <u>for dealing with matters relating to the obligations and liabilities of the Sellers under applicable laws and regulations, for determining the creditworthiness of home loans borrowers</u> , the extension of the credit, as such policies, procedures and practices may be amended or varied from time to time.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
	Underwriting standards (Article 20(10))	
	35. The objective of the criterion specified in the third subparagraph of Article 20(10) is to ensure that the assessment of the borrower's creditworthiness is based on robust processes. It is expected that the application of this article will be limited in practice, given that the STS is limited to originators based in the EU, and the criterion is understood to cover only exposures originated by the EU originators to borrowers in non-EU countries. 37 (e) clarification of the criterion with respect to the assessment of a borrower's creditworthiness based on equivalent requirements in third countries;	
EBA Final non-ABCP STS Guidelines		

21	Legislative text	
	Article 20 - Requirements relating to simplicity	
	20.10.IV - The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.	
	STS criteria	
	21. The originator or original lender shall have expertise in originating exposures of a similar nature to those securitised.	
	Article 43.3(a): requirements under 20.10 must be met “as of the time of notification ”.	Yes
	Verified?	
	PCS Comment	
	See “Home Loan Eligibility Criteria”, §(a). In particular, it is stated that: <<(a) <i>the Home Loan has been originated in its ordinary course of business by an original lender with an expertise of at least 5 years in originating exposures of a similar nature as the Home Loan, being either the Seller or any other entity of the BPCE Group which has transferred the Home Loan to the Seller through merger, partial contribution of assets or any other mode of transfer by operation of law (transmission universelle de patrimoine) [...]>>.</i>	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
Underwriting standards(Article 20(10)) 36. The objective of the criterion specified in the fourth subparagraph of Article 20(10) is for the originator or original lender to have an established performance history of credit claims or receivables similar to those being securitised, and for an appropriately long period of time. 37 (f) identification of criteria on which the expertise of the originator or the original lender should be determined: (i) when assessing if the originator or the original lender has the required expertise, some general principles should be set out against which the expertise should be assessed. The general principles have been designed to allow a robust qualitative assessment of the expertise. One of these principles is the regulatory authorisation: this is to allow for more flexibility in such qualitative assessments of the expertise if the originator or the original lender is a prudentially regulated institution which holds regulatory authorisations or permissions that are relevant with respect to origination of similar exposures. The regulatory authorisation in itself should, however, not be a guarantee that the originator or original lender has the required expertise; (ii) irrespective of such general principles, specific criteria should be developed, based on specifying a minimum period for an entity to perform the business of originating similar exposures, compliance with which would enable the entity to be considered to have a sufficient expertise. Such expertise should be assessed at the group level, so that possible restructuring at the entity level would not automatically lead to non-compliance with the expertise criterion. It is not the intention of such specific criteria to form an impediment to the entry of new participants to the market. Such entities should also be eligible for compliance with the expertise criterion, as long as their management body and senior staff with managerial responsibility for origination of similar exposures, have sufficient experience over a minimum specified period. 38. It is expected that information on the assessment of the expertise is provided in sufficient detail in the STS notification.		
EBA Final non-ABCP STS Guidelines		
4.4 Underwriting standards, originator’s expertise (Article 20(10)) Similar exposures 22. For the purposes of Article 20(10) of Regulation (EU) 2017/2402, exposures should be considered to be similar when one of the following conditions is met: (a) the exposures belong to one of the following asset categories referred to in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402: (i) residential loans secured with one or several mortgages on residential immovable property, or residential loans fully guaranteed by an eligible protection provider among those referred to in		

Article 201(1) of Regulation (EU) No 575/2013 qualifying for credit quality step 2 or above as set out in Part Three, Title II, Chapter 2 of that regulation;

(ii) commercial loans secured with one or several mortgages on commercial immovable property or other commercial premises;

(iii) credit facilities provided to individuals for personal, family or household consumption purposes;

(iv) auto loans and leases;

(v) credit card receivables;

(vi) trade receivables;

(b) the exposures fall under the asset category of credit facilities provided to micro-, small-, medium-sized and other types of enterprises and corporates including loans and leases, as referred to in Article 2(d) of the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous in accordance with Articles 20(8) and 24(15) of Regulation (EU) 2017/2402, as underlying exposures of a certain type of obligor;

(c) where they do not belong to any of the asset categories referred to in points (a) and (b) of this paragraph and as referred to in the Delegated Regulation further specifying which underlying exposures are deemed to be homogeneous for the purposes of Articles 20(8) and 24(15) of Regulation (EU) 2017/2402, the underlying exposures share similar characteristics with respect to the type of obligor, ranking of security rights, type of immovable property and/or jurisdiction.

Criteria for determining the expertise of the originator or original lender

34. For the purposes of determining whether an originator or original lender has expertise in originating exposures of a similar nature to those securitised in accordance with Article 20(10) of Regulation (EU) 2017/2402, both of the following should apply:

(a) the members of the management body of the originator or original lender and the senior staff, other than the members of the management body, responsible for managing the originating of exposures of a similar nature to those securitised should have adequate knowledge and skills in the origination of exposures of a similar nature to those securitised;

(b) any of the following principles on the quality of the expertise should be taken into account:

(i) the role and duties of the members of the management body and the senior staff and the required capabilities should be adequate;

(ii) the experience of the members of the management body and the senior staff gained in previous positions, education and training should be sufficient;

(iii) the involvement of the members of the management body and the senior staff within the governance structure of the function of originating the exposures should be appropriate;

(iv) in the case of a prudentially regulated entity, the regulatory authorisations or permissions held by the entity should be deemed relevant to origination of exposures of a similar nature to those securitised.

35. An originator or original lender should be deemed to have the required expertise when either of the following applies:

(a) the business of the entity, or of the consolidated group to which the entity belongs for accounting or prudential purposes, has included the originating of exposures similar to those securitised, for at least five years;

(b) where the requirement referred to in point (a) is not met, the originator or original lender should be deemed to have the required expertise where they comply with both of the following:

(i) at least two of the members of the management body have relevant professional experience in the origination of exposures similar to those securitised, at a personal level, of at least five years;

(ii) senior staff, other than members of the management body, who are responsible for managing the entity's originating of exposures similar to those securitised, have relevant professional experience in the origination of exposures of a similar nature to those securitised, at a personal level, of at least five years.

36. For the purposes of demonstrating the number of years of professional experience, the relevant expertise should be disclosed in sufficient detail and in accordance with the applicable confidentiality requirements to permit investors to carry out their obligations under Article 5(3)(c) of Regulation (EU) 2017/2402.

22	Legislative text	
	Article 20 - Requirements relating to simplicity	
	20.11. The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:	
	STS criteria	
	22. The underlying exposures shall be transferred to the SSPE after selection without undue delay ...	
	Article 43.3(a): requirements under 20.11 must be met "at the time of <i>issuance</i> ".	Yes
	Verified?	
	PCS Comment	
	See in Glossary of Defined Terms the definition of " <i>Selection Date</i> ", being the date on which the Home Loans were selected by the Sellers, being 13 October 2018. See also in Glossary of Defined Terms the definition of " <i>Purchase Date</i> ", which coincides with the " <i>Issuer Establishment Date</i> ", being 29 October 2018. <i>PCS has assumed that any period of three and a half months or less between pool cut date and closing will meet the requirements of the criterion. This is in line with market standards.</i> <i>The Prospectus sets out the relevant dates of the initial pool cut (see definition of Selection Date) and the transfer, and these are less than one month apart. No undue delay, therefore, occurred between selection and transfer and this clearly meets the requirement.</i>	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
EBA Final non-ABCP STS Guidelines		

23	Legislative text
	Article 20 - Requirements relating to simplicity
	20.11. The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:
	STS criteria
	23. and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013...
	Article 43.3(a): requirements under 20.11 must be met "at the time of <i>issuance</i> ".
	Verified?
	PCS Comment
	<p>See "Home Loan Eligibility Criteria", §(l) and §(n).</p> <p>In particular, eligibility criteria include that:</p> <p><<the <i>Home Loan</i> is not in arrears, has not been accelerated or declared due and payable and is not subject to legal proceedings>> and that:</p> <p><<the internal Basel II credit score of the Borrower as assigned by the relevant Seller is between 1 and 8 and, indicates that <u>the Borrower is not in default</u> on any other loan granted by the Seller nor that the Borrower is unlikely to pay its obligations to the Seller in full, without recourse by the Seller to action such as realising security>>.</p>
	EBA Final non-ABCP STS Guidelines – statements on background and rationale
	<p>No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))</p> <p>39. The objective of the criterion in Article 20(11) is to ensure that STS securitisations are not characterised by underlying exposures whose credit risk has already been affected by certain negative events such as disputes with credit-impaired debtors or guarantors, debt restructuring processes or default events as identified by the EU prudential regulation. Risk analysis and due diligence assessments by investors become more complex whenever the securitisation includes exposures subject to certain ongoing negative credit risk developments. For the same reasons, STS securitisations should not include underlying exposures to credit-impaired debtors or guarantors that have an adverse credit history. In addition, significant risk of default normally rises as rating grades or other scores are assigned that indicate highly speculative credit quality and high likelihood of default, i.e. the possibility that the debtor or guarantor is not able to meet its obligations becomes a real possibility. Such exposures to credit-impaired debtors or guarantors should therefore also not be eligible for STS purposes.</p> <p>40. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(a) Interpretation of the term 'exposures in default': given the differences in interpretation of the term 'default', the interpretation of this criterion should refer to additional guidance on this term provided in the existing delegated regulations and guidelines developed by the EBA, while taking into account the limitation of scope of that additional guidance to certain types of institutions;</p>
	EBA Final non-ABCP STS Guidelines

4.5 No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))

Exposures in default

37. For the purposes of the first subparagraph of Article 20(11) of Regulation (EU) 2017/2402, the exposures in default should be interpreted in the meaning of Article 178(1) of Regulation (EU) 575/2013, as further specified by the Delegated Regulation on the materiality threshold for credit obligations past due developed in accordance with Article 178 of that Regulation, and by the EBA Guidelines on the application of the definition of default developed in accordance with Article 178(7) of that regulation.

38. Where an originator or original lender is not an institution and is therefore not subject to Regulation (EU) 575/2013, the originator or original lender should comply with the guidance provided in the previous paragraph to the extent that such application is not deemed to be unduly burdensome. In that case, the originator or original lender should apply the established processes and the information obtained from debtors on origination of the exposures, information obtained from the originator in the course of its servicing of the exposures or in the course of its risk management procedure or information notified to the originator by a third party.

24	Legislative text
	Article 20 - Requirements relating to simplicity
	20.11. The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:
	STS criteria
	24. or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge: [...]
	Article 43.3(a): requirements under 20.11 must be met "at the time of <i>issuance</i> ".
	Verified?
	PCS Comment
	<p>See "Home Loan Eligibility Criteria", §(c)(vi). The eligibility criteria include the requirement that the Borrower is an "Eligible Borrower" and therefore it cannot be a credit-impaired obligor. In particular, it is stated that:</p> <p><<the Borrower is an Eligible Borrower, "Eligible Borrower" refers to someone who: [...] (vi) <u>is not a credit-impaired obligor</u>, where a credit-impaired obligor is any obligor that, to the best of the Seller's knowledge: [...]>> and <<for the purpose of assessing whether the Borrower is not a credit-impaired obligor within the meaning of this Home Loan Eligibility Criteria, the Seller only takes into account the internal credit score assigned by it to the Borrower>>.</p>
	EBA Final non-ABCP STS Guidelines – statements on background and rationale
	No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))
	<p>39. The objective of the criterion in Article 20(11) is to ensure that STS securitisations are not characterised by underlying exposures whose credit risk has already been affected by certain negative events such as disputes with credit-impaired debtors or guarantors, debt-restructuring processes or default events as identified by the EU prudential regulation. Risk analysis and due diligence assessments by investors become more complex whenever the securitisation includes exposures subject to certain ongoing negative credit risk developments. For the same reasons, STS securitisations should not include underlying exposures to credit-impaired debtors or guarantors that have an adverse credit history. In addition, significant risk of default normally rises as rating grades or other scores are assigned that indicate highly speculative credit quality and high likelihood of default, i.e. the possibility that the debtor or guarantor is not able to meet its obligations becomes a real possibility. Such exposures to credit-impaired debtors or guarantors should therefore also not be eligible for STS purposes.</p>
	40. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:
	(b) Interpretation of the term 'exposures to a credit-impaired debtor or guarantor': the interpretation should also take into account the interpretation provided in recital 26 of Regulation (EU) 2017/2402, according to which the circumstances specified in points (a) to (c) of Article 24(9) of that regulation are understood as specific situations of credit-impairedness to which exposures in the STS securitisation may not be exposed. Consequently, other possible circumstances of credit-impairedness that are not captured in points (a) to (c) should be outside the scope of this requirement. Moreover, taking into account the role of the guarantor as a risk bearer, it should be clarified that the requirement to exclude 'exposures to a credit-impaired debtor or guarantor' is not meant to exclude (i) exposures to a credit-impaired debtor when it has a guarantor that is not credit impaired; or (ii) exposures to a non-credit-impaired debtor when there is a credit-impaired guarantor;
	(c) Interpretation of the term 'to the best knowledge of': the interpretation should follow the wording of recital 26 of Regulation (EU) 2017/2402, according to which an originator or original lender is not required to take all legally possible steps to determine the debtor's credit status but is only required to take those steps that the originator/original lender usually takes within its activities in terms of origination, servicing, risk management and use of information that is received from third parties. This should not require the originator or original lender to check publicly available information, or to check entries in at least one credit registry where an originator or original lender does not conduct such checks within its regular activities in terms of origination, servicing, risk management and use of information received from third parties, but rather relies, for example, on other information that may include credit assessments provided by third parties. Such clarification is important because corporates that are not subject to EU financial sector regulation and that are acting as sellers with respect to STS securitisation may not always check entries in credit registries and, in line with the best knowledge standard, should not be obliged to perform additional checks at origination of any exposure for the purposes of later fulfilling this criterion in terms of any credit-impaired debtors or guarantors;
	EBA Final non-ABCP STS Guidelines
	4.5 No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))

Exposures to a credit-impaired debtor or guarantor

39. For the purposes of Article 20(11) of Regulation (EU) 2017/2402, the circumstances specified in points (a) to (c) of that paragraph should be understood as definitions of credit-impairedness. Other possible circumstances of credit-impairedness that are not captured in points (a) to (c) should be considered to be excluded from this requirement.

40. The prohibition of the selection and transfer to SSPE of underlying exposures 'to a credit-impaired debtor or guarantor' as referred to in Article 20(11) of Regulation (EU) 2017/2402 should be understood as the requirement that, at the time of selection, there should be a recourse for the full securitised exposure amount to at least one non-credit-impaired party, irrespective of whether that party is a debtor or a guarantor. Therefore, the underlying exposures should not include either of the following:

- (a) exposures to a credit-impaired debtor, when there is no guarantor for the full securitised exposure amount;
- (b) exposures to a credit-impaired debtor who has a credit-impaired guarantor.

To the best of the originator's or original lender's knowledge

41. For the purposes of Article 20(11) of Regulation (EU) 2017/2402, the 'best knowledge' standard should be considered to be fulfilled on the basis of information obtained only from any of the following combinations of sources and circumstances:

- (a) debtors on origination of the exposures;
- (b) the originator in the course of its servicing of the exposures or in the course of its risk management procedures;
- (c) notifications to the originator by a third party;
- (d) publicly available information or information on any entries in one or more credit registries of persons with adverse credit history at the time of origination of an underlying exposure, only to the extent that this information had already been taken into account in the context of (a), (b) and (c), and in accordance with the applicable regulatory and supervisory requirements, including with respect to sound credit granting criteria as specified in Article 9 of Regulation (EU) 2017/2402. This is with the exception of trade receivables that are not originated in the form of a loan, with respect to which credit-granting criteria do not need to be met.

25	Legislative text			
	Article 20 - Requirements relating to simplicity			
	<p>20.11. The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:</p> <p>(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination.</p>			
	STS criteria			
	25.(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination.			
	<table border="1"> <tr> <td data-bbox="208 507 1153 563">Article 43.3(a): requirements under 20.11 must be met "at the time of <i>issuance</i>".</td><td data-bbox="1153 507 2114 563" rowspan="2">Yes</td></tr> <tr> <td data-bbox="208 563 1153 595">Verified?</td></tr> </table>	Article 43.3(a): requirements under 20.11 must be met "at the time of <i>issuance</i> ".	Yes	Verified?
Article 43.3(a): requirements under 20.11 must be met "at the time of <i>issuance</i> ".	Yes			
Verified?				
	PCS Comment			
	<p>See "Home Loan Eligibility Criteria", §(c), sub definition of Eligible Borrower, item (vi)(a).</p> <p>In particular, a borrower is not an Eligible Borrower if it:</p> <p><<(a) (1) <u>has been declared insolvent</u> (meaning for the purpose of this Home Loan Eligibility Criteria, being subject to a <u>judicial liquidation proceedings</u> (procédure de rétablissement personnel), pursuant to the provisions of Title IV of Livre VII of the French Consumer Code (or, before the 1st of July 2016, Titre III of Livre III of the French Consumer Code), to any insolvency proceeding pursuant to the provisions of articles L. 620-1 et seq. of the French Commercial Code or to a review by a jurisdiction pursuant to article 1343-5 of the French Civil Code (or, before the 1st of October 2016, article 1244-1 of the French Civil Code) before a court), or (2) has agreed with his creditors to a debt dismissal or reschedule (meaning for the purpose of this Home Loan Eligibility Criteria, being subject to a commission responsible for reviewing the over-indebtedness of consumers (commission de surendettement des particuliers)), or (3) <u>had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment</u>, in relation to each of items (1), (2) and (3), <u>within three (3) years prior to the date of origination</u> of the relevant Home Loan, or (4) has undergone a debt restructuring process with regard to his nonperforming exposures;>>.</p>			
	EBA Final non-ABCP STS Guidelines – statements on background and rationale			
	EBA Final non-ABCP STS Guidelines			

26	Legislative text			
	Article 20 - Requirements relating to simplicity			
	<p>20.11. The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:</p> <p>(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:</p> <ul style="list-style-type: none"> (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring; <p>(b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender; or</p> <p>(c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not be made is significantly higher than for comparable exposures held by the originator which are not securitised.</p>			
	STS criteria			
	26. Or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:			
	<table border="1"> <tr> <td data-bbox="210 769 1153 828">Article 43.3(a): requirements under 20.11 must be met "at the time of <i>issuance</i>".</td><td data-bbox="1153 769 2119 828" rowspan="2">Yes</td></tr> <tr> <td data-bbox="210 828 1153 855">Verified?</td></tr> </table>	Article 43.3(a): requirements under 20.11 must be met "at the time of <i>issuance</i> ".	Yes	Verified?
Article 43.3(a): requirements under 20.11 must be met "at the time of <i>issuance</i> ".	Yes			
Verified?				
	PCS Comment			
	<p>See "Home Loan Eligibility Criteria", §(c), sub definition of Eligible Borrower, item (vi)(a)(4).</p> <p>In particular, a borrower is not an Eligible Borrower if it:</p> <p><<[...] (4) <i>has undergone a debt restructuring process with regard to his non performing exposures</i>>>.</p>			
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>			
	<p>No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))</p> <p>40. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(d) Interpretation of the criterion with respect to the debtors and guarantors found on the credit registry: it is important to interpret this requirement in a narrow sense to ensure that the existence of a debtor or guarantor on the credit registry of persons with adverse credit history should not automatically exclude the exposure to that debtor/guarantor from compliance with this criterion. It is understood that this criterion should relate only to debtors and guarantors that are, at the time of origination of the exposure, considered entities with adverse credit history. Existence on a credit registry at the time of origination of the exposure for reasons that can be reasonably ignored for the purposes of the credit risk assessment (for example due to missed payments which have been resolved in the next two payment periods) should not be captured by this requirement. Therefore, this criterion should not automatically exclude from the STS framework exposures to all entities that are on the credit registries, taking into account that this would unintentionally exclude a significant number of entities given that different practices exist across EU jurisdictions with respect to entry requirements of such credit registries, and the fact that credit registries in some jurisdictions may contain both positive and negative information about the clients;</p>			
	EBA Final non-ABCP STS Guidelines			

4.5 No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))***Exposures to credit-impaired debtors or guarantors that have undergone a debt-restructuring process***

42. For the purposes of Article 20(11)(a) of Regulation (EU) 2017/2402, the requirement to exclude exposures to credit-impaired debtors or guarantors who have undergone a debt-restructuring process with regard to their non-performing exposures should be understood to refer to both the restructured exposures of the respective debtor or guarantor and those of its exposures that were not themselves subject to restructuring. For the purposes of this Article, restructured exposures which meet the conditions of points (i) and (ii) of that Article should not result in a debtor or guarantor becoming designated as credit-impaired.

27	Legislative text
	Article 20 - Requirements relating to simplicity
	<p>20.11. The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:</p> <p>(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:</p> <ul style="list-style-type: none"> (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring; <p>(b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender; or</p> <p>(c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not be made is significantly higher than for comparable exposures held by the originator which are not securitised.</p>
	STS criteria
	<p>27. (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and</p>
	<p>Article 43.3(a): requirements under 20.11 must be met "at the time of <i>issuance</i>".</p>
	<p>Verified?</p>
	<p>PCS Comment</p>
	<p>See "Home Loan Eligibility Criteria", §(c), sub definition of Eligible Borrower, item (vi)(a)(4).</p> <p>In particular, a borrower is not an Eligible Borrower if it:</p> <p><<[...] (4) <i>has undergone a debt restructuring process with regard to his non performing exposures;</i>>>.</p>
	EBA Final non-ABCP STS Guidelines – statements on background and rationale
	EBA Final non-ABCP STS Guidelines

28	Legislative text
Article 20 - Requirements relating to simplicity	
<p>20.11. The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:</p> <p>(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:</p> <p> (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and</p> <p> (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;</p> <p>(b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender; or</p> <p>(c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not be made is significantly higher than for comparable exposures held by the originator which are not securitised.</p>	
STS criteria	
<p>28. (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring;</p>	
Article 43.3(a): requirements under 20.11 must be met “at the time of <i>issuance</i> ”.	Yes
Verified?	
PCS Comment	
<p>See “Home Loan Eligibility Criteria”, §(c), sub definition of Eligible Borrower, item (vi)(a)(4).</p> <p>In particular, a borrower is not an Eligible Borrower if it:</p> <p><<[...] (4) <i>has undergone a debt restructuring process with regard to his non performing exposures</i>>>.</p>	
EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
EBA Final non-ABCP STS Guidelines	

29	Legislative text
	Article 20 - Requirements relating to simplicity
	<p>20.11. The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:</p> <p>(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:</p> <ul style="list-style-type: none"> (i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and (ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring; <p>(b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender; or</p> <p>(c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not be made is significantly higher than for comparable exposures held by the originator which are not securitised.</p>
	STS criteria
	29. (b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender;
	<p>Article 43.3(a): requirements under 20.11 must be met "at the time of <i>issuance</i>".</p>
	Yes
	Verified?
PCS Comment	
<p>See the definition of "Eligible Borrower" set out under item (c) of the "Home Loan Eligibility Criteria" set out in Schedule 3 (Home Loan Eligibility Criteria) of the Home Loans Purchase and Servicing Agreement and Schedule 1 (Home Loan Eligibility Criteria) of the Issuer Regulations (each as amended), where it is provided that the Eligible Borrower is not a credit impaired obligor, being an obligor that <<is on the Issue Date, and was at the time of origination, on an official registry of persons with adverse credit history>>. In this respect please see also the subsequent specification that:</p> <p><<a Borrower would be regarded as credit-impaired if any of the following is met: (i) it was, at the time of origination, on an official registry of persons with adverse credit history (meaning for the purpose of this Home Loan Eligibility Criteria being registered in the Banque de France's FICP file); (ii) it is, on the Issue Date, on an official registry of persons with adverse credit history (meaning for the purpose of this Home Loan Eligibility Criteria being registered in the Banque de France's FICP file); (iii) it has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the Seller which are not securitised; (iv) it has a credit assessment or a credit score indicating a significant risk that contractually agreed payments will not be made compared to the average obligor for this type of loans in France.">>.</p>	
EBA Final non-ABCP STS Guidelines – statements on background and rationale	

No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))

40. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:

(d) Interpretation of the criterion with respect to the debtors and guarantors found on the credit registry: it is important to interpret this requirement in a narrow sense to ensure that the existence of a debtor or guarantor on the credit registry of persons with adverse credit history should not automatically exclude the exposure to that debtor/guarantor from compliance with this criterion. It is understood that this criterion should relate only to debtors and guarantors that are, at the time of origination of the exposure, considered entities with adverse credit history. Existence on a credit registry at the time of origination of the exposure for reasons that can be reasonably ignored for the purposes of the credit risk assessment (for example due to missed payments which have been resolved in the next two payment periods) should not be captured by this requirement. Therefore, this criterion should not automatically exclude from the STS framework exposures to all entities that are on the credit registries, taking into account that this would unintentionally exclude a significant number of entities given that different practices exist across EU jurisdictions with respect to entry requirements of such credit registries, and the fact that credit registries in some jurisdictions may contain both positive and negative information about the clients;

EBA Final non-ABCP STS Guidelines

4.5 No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))

Credit registry

43. The requirement referred to in Article 20(11)(b) of Regulation (EU) 2017/2402 should be limited to exposures to debtors or guarantors to which both of the following requirements apply at the time of origination of the underlying exposure:

- (a) the debtor or guarantor is explicitly flagged in a credit registry as an entity with adverse credit history due to negative status or negative information stored in the credit registry;
- (b) the debtor or guarantor is on the credit registry for reasons that are relevant to the purposes of the credit risk assessment.

30	Legislative text	
	Article 20 - Requirements relating to simplicity	
	<p>20.11. The underlying exposures shall be transferred to the SSPE after selection without undue delay and shall not include, at the time of selection, exposures in default within the meaning of Article 178(1) of Regulation (EU) No 575/2013 or exposures to a credit-impaired debtor or guarantor, who, to the best of the originator's or original lender's knowledge:</p> <p>(a) has been declared insolvent or had a court grant his creditors a final non-appealable right of enforcement or material damages as a result of a missed payment within three years prior to the date of origination or has undergone a debt-restructuring process with regard to his non-performing exposures within three years prior to the date of transfer or assignment of the underlying exposures to the SSPE, except if:</p> <ul style="list-style-type: none">(i) a restructured underlying exposure has not presented new arrears since the date of the restructuring which must have taken place at least one year prior to the date of transfer or assignment of the underlying exposures to the SSPE; and(ii) the information provided by the originator, sponsor and SSPE in accordance with points (a) and (e)(i) of the first subparagraph of Article 7(1) explicitly sets out the proportion of restructured underlying exposures, the time and details of the restructuring as well as their performance since the date of the restructuring; <p>(b) was, at the time of origination, where applicable, on a public credit registry of persons with adverse credit history or, where there is no such public credit registry, another credit registry that is available to the originator or original lender; or</p> <p>(c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not be made is significantly higher than for comparable exposures held by the originator which are not securitised.</p>	
	STS criteria	
	<p>30. (c) has a credit assessment or a credit score indicating that the risk of contractually agreed payments not be made is significantly higher than for comparable exposures held by the originator which are not securitised.</p>	
	Article 43.3(a): requirements under 20.11 must be met "at the time of <i>issuance</i> ".	Yes
	Verified?	
	PCS Comment	
	<p>See the definition of "Eligible Borrower" set out under item (c) of the "Home Loan Eligibility Criteria" set out in Schedule 3 (Home Loan Eligibility Criteria) of the Home Loans Purchase and Servicing Agreement and Schedule 1 (Home Loan Eligibility Criteria) of the Issuer Regulations (each as amended), where it is provided that the Eligible Borrower is not a credit impaired obligor.</p> <p>In this respect please see also the subsequent specification that: <<a Borrower would be regarded as credit-impaired if any of the following is met: (i) it was, at the time of origination, on an official registry of persons with adverse credit history (meaning for the purpose of this Home Loan Eligibility Criteria being registered in the Banque de France's FICP file); (ii) it is, on the Issue Date, on an official registry of persons with adverse credit history (meaning for the purpose of this Home Loan Eligibility Criteria being registered in the Banque de France's FICP file); (iii) <u>it has a credit assessment or a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the Seller which are not securitised</u>; (iv) it has a credit assessment or a credit score indicating a significant risk that contractually agreed payments will not be made compared to the average obligor for this type of loans in France.">>.</p>	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
	No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))	
	<p>40. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(e) Interpretation of the term 'significantly higher risk of contractually agreed payments not being made for comparable exposures': the term should be interpreted with a similar meaning to the requirement aiming to prevent adverse selection of assets referred to in Article 6(2) of Regulation (EU) 2017/2402, and further specified in the Article 16(2) of the Delegated Regulation specifying in greater detail the risk retention requirement in accordance with Article 6(7) of Regulation (EU) 2017/2402, given that in both cases the requirement (i) aims to prevent adverse selection of underlying exposures and (ii) relates to the comparison of the credit quality of exposures transferred to the SSPE and comparable exposures that remain on the originator's balance sheet. To facilitate the interpretation, a list is given of examples of how to achieve compliance with the requirement.</p>	
	EBA Final non-ABCP STS Guidelines	

4.5 No exposures in default and to credit-impaired debtors/guarantors (Article 20(11))

Risk of contractually agreed payments not being made being significantly higher than for comparable exposures

44. For the purposes of Article 20(11)(c) of Regulation (EU) 2017/2402, the exposures should not be considered to have a 'credit assessment of a credit score indicating that the risk of contractually agreed payments not being made is significantly higher than for comparable exposures held by the originator which are not securitised' when the following conditions apply:

- (a) the most relevant factors determining the expected performance of the underlying exposures are similar;
- (b) as a result of the similarity referred to in point (a) it could reasonably have been expected, on the basis of indications such as past performance or applicable models, that, over the life of the transaction or over a maximum of four years, where the life of the transaction is longer than four years, their performance would not be significantly different.

45. The requirement in the previous paragraph should be considered to have been met where either of the following applies:

- (a) the underlying exposures do not include exposures that are classified as doubtful, impaired, non-performing or classified to the similar effect under the relevant accounting principles;
- (b) the underlying exposures do not include exposures whose credit quality, based on credit ratings or other credit quality thresholds, significantly differs from the credit quality of comparable exposures that the originator originates in the course of its standard lending operations and credit risk strategy.

31	Legislative text	
	Article 20 - Requirements relating to simplicity	
	20.12. The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.	
	STS criteria	
	31. The debtors shall at the time of transfer of the exposures, have made at least one payment, except in the case of revolving securitisations backed by exposures payable in a single instalment or having a maturity of less than one year, including without limitation monthly payments on revolving credits.	
	Article 43.3(a): requirements under 20.12 must be met “at the time of <i>issuance</i> ”.	Yes
	Verified?	
	PCS Comment	
	See “Home Loan Eligibility Criteria”, §(k). <<(k) the Borrower has paid at least one (1) instalment in respect of the Home Loan;>>.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
At least one payment made (Article 20(12))		
41. STS securitisations should minimise the extent to which investors are required to analyse and assess fraud and operational risk. At least one payment should therefore be made by each underlying borrower at the time of transfer, since this reduces the likelihood of the loan being subject to fraud or operational issues, unless in the case of revolving securitisations in which the distribution of securitised exposures is subject to constant changes because the securitisation relates to exposures payable in a single instalment or with an initial legal maturity of an exposure of below one year.		
42. To facilitate consistent interpretation of this criterion, its scope and the types of payments referred to therein should be further clarified.		
EBA Final non-ABCP STS Guidelines		
4.6 At least one payment made (Article 20(12))		
Scope of the criterion		
46. For the purposes of Article 20(12) of Regulation (EU) 2017/2402, further advances in terms of an exposure to a certain borrower should not be deemed to trigger a new ‘at least one payment’ requirement with respect to such an exposure.		
At least one payment		
47. For the purposes of Article 20(12) of Regulation (EU) 2017/2402, the payment referred to in the requirement according to which ‘at least one payment’ should have been made at the time of transfer should be a rental, principal or interest payment or any other kind of payment.		

32	Legislative text			
	Article 20 - Requirements relating to simplicity			
	<p>20.13. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures. This shall not prevent such assets from being subsequently rolled-over or refinanced.</p> <p>The repayment of the holders of the securitisation positions whose underlying exposures are secured by assets the value of which is guaranteed or fully mitigated by a repurchase obligation by the seller of the assets securing the underlying exposures or by another third party shall not be considered to depend on the sale of assets securing those underlying exposures.</p>			
	STS criteria			
	32. The repayment of the holders of the securitisation positions shall not have been structured to depend predominantly on the sale of assets securing the underlying exposures.			
	<table border="1"> <tr> <td data-bbox="210 488 1151 552">Article 43.3(a): requirements under 20.13 must be met “at the time of <i>issuance</i>”.</td><td data-bbox="1151 488 2119 552" rowspan="2">Yes</td></tr> <tr> <td data-bbox="210 552 1151 584">Verified?</td></tr> </table>	Article 43.3(a): requirements under 20.13 must be met “at the time of <i>issuance</i> ”.	Yes	Verified?
Article 43.3(a): requirements under 20.13 must be met “at the time of <i>issuance</i> ”.	Yes			
Verified?				
	PCS Comment			
	<p>See “Underwriting policies” on page 221, where it is stated that <<The home loan general lending criteria of BPCE Group primarily focus on the appreciation of the Borrower’s debt repayment capacity. [...] In most cases and in accordance with the general practice in the French residential loan market, Banques Populaires and Caisses d’Epargne consider the purchase price as the property value of the property, after a check of purchase price consistency with prices for comparable property. Also, in certain circumstances, an appraisal of the market value of a property may be required. But, in any case, no home loan is granted considering the sole (or even predominant) appraisal of the property.>>.</p>			
	EBA Final non-ABCP STS Guidelines – statements on background and rationale			
	<p>No predominant dependence on the sale of assets (Article 20(13))</p> <p>43. Dependence of the repayment of the holders of the securitisation positions on the sale of assets securing the underlying exposures increases the liquidity risks, market risks and maturity transformation risks to which the securitisation is exposed. It also makes the credit risk of the securitisation more difficult for investors to model and assess.</p> <p>44. The objective of this criterion is to ensure that the repayment of the principal balance of exposures at the contract maturity – and therefore repayment of the holders of the securitisation positions – is not intended to be predominantly reliant on the sale of assets securing the underlying exposures, unless the value of the assets is guaranteed or fully mitigated by a repurchase obligation.</p> <p>45. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(a) the term ‘predominant dependence’ on the sale of assets securing the underlying exposures should be further interpreted:</p> <p>(i) when assessing whether the repayment of the holders of the securitisation positions is or is not predominantly dependent on the sale of assets, the following three aspects should be taken into account: (i) the principal balance at contract maturity of underlying exposures that depend on the sale of assets securing those underlying exposures to repay the balance; (ii) the distribution of maturities of such exposures across the life of the transaction, which aims to reduce the risk of correlated defaults due to idiosyncratic shocks; and (iii) the granularity of the pool of exposures, which aims to promote sufficient distribution in sale dates and other characteristics that may affect the sale of the underlying exposures.</p> <p>(i) no types of securitisations should be excluded ex ante from the compliance with this criterion and from the STS securitisation as long as they meet all the requirements specified in the guidance. For example, this criterion does not aim to exclude leasing transactions and interest-only residential mortgages from STS securitisation, provided they comply with the guidance provided and all other applicable STS requirements. However, it is expected that commercial real estate transactions, or securitisations where the assets are commodities (e.g. oil, grain, gold), or bonds whose maturity dates fall after the maturity date of the securitisation, would not meet these requirements, as in all these cases it is expected that the repayment is predominantly reliant on the sale of the assets, that other possible ways to repay the securitisation positions are substantially limited, and that the granularity of the portfolio is low.</p> <p>46. With respect to the exemption provided in the second subparagraph of Article 20(13) of Regulation (EU) 2017/2402, it should be ensured that the entity providing the guarantee or the repurchase obligation of the assets securing the underlying exposures is not an empty-shell or defaulted entity, so that it has sufficient loss absorbency to exercise the guarantee of the repurchase of the assets.</p>			
	EBA Final non-ABCP STS Guidelines			

4.7 No Predominant dependence on the sale of assets

Predominant dependence on the sale of assets

48. For the purposes of Article 20(13) of Regulation (EU) 2017/2402, transactions where all of the following conditions apply, at the time of origination of the securitisation in cases of amortising securitisation or during the revolving period in cases of revolving securitisation, should be considered not predominantly dependent on the sale of assets securing the underlying exposures, and therefore allowed:

- (a) the contractually agreed outstanding principal balance, at contract maturity of the underlying exposures that depend on the sale of the assets securing those underlying exposures to repay the principal balance, corresponds to no more than 50% of the total initial exposure value of all securitisation positions of the securitisation;
- (b) the maturities of the underlying exposures referred to in point (a) are not subject to material concentrations and are sufficiently distributed across the life of the transaction;
- (c) the aggregate exposure value of all the underlying exposures referred to in point (a) to a single obligor does not exceed 2% of the aggregate exposure value of all underlying exposures in the securitisation.

49. Where there are no underlying exposures in the securitisation that depend on the sale of assets to repay their outstanding principal balance at contract maturity, the requirements in paragraph 48 should not apply.

Exemption provided in the second subparagraph of Article 20(13) of Regulation (EU) 2017/2402

50. The exemption referred to in the second subparagraph of Article 20(13) of Regulation (EU) 2017/2402 with regard to the repayment of holders of securitisation positions whose underlying exposures are secured by assets, the value of which is guaranteed or fully mitigated by a repurchase obligation of either the assets securing the underlying exposures or of the underlying exposures themselves by another third party or parties, the seller or the third parties should meet both of the following conditions:

- (a) they are not insolvent;
- (b) there is no reason to believe that the entity would not be able to meet its obligations under the guarantee or the repurchase obligation.

20.14. EBA, in close cooperation with ESMA and EIOPA, shall develop draft regulatory standards further specifying which underlying exposures referred to in paragraph 8 are deemed to be homogeneous. EBA shall submit those draft regulatory standards to the Commission by 18 July 2018.

The Commission is empowered to supplement this Regulation by adopting the regulatory technical standards referred to in this paragraph in accordance with the procedure laid down in Articles 10 to 14 of Regulation (EU) No 1093/2010.

33	Legislative text	
	Article 21 - Requirements relating to standardisation	
	21.1. The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.	
	STS criteria	
	33.The originator, sponsor or original lender shall satisfy the risk retention requirement in accordance with Article 6.	
	Article 43.3(a): requirements under 21.1 must be met “at the time of <i>issuance</i> ”.	Yes
	Verified?	
	PCS Comment	
	See statement contained in the last paragraph of page 4, confirming that <<At the Issue Date, such material <u>net economic interest shall be retained by each Seller, in accordance with option (d) of article 405 paragraph (1) of the Capital Requirements Regulations, article 51 paragraph (1) of Section 5, article 254(2) of the Solvency II Delegated Act and of <u>article 6(3) of the STS Regulation</u>, through the subscription of the Class B Notes in relation to the proportion of the total securitised exposures for which it is the originator.>></u>	
	In this respect we also note the statement contained in the Prospectus in “REGULATORY COMPLIANCE” – “RETENTION STATEMENT”, that <<Pursuant to the Class A Notes Subscription Agreement, <u>the Sellers have undertaken that, until redemption in full of the Class A Notes: (a) to retain a material net economic interest of not less than 5% in the securitisation in accordance with the provisions of article 405 paragraph (1) of the Capital Requirements Regulations, article 53 paragraph (1) of Section 5 implementing AIFM, article 254(2) of the Solvency II Delegated Act and <u>article 6 of the STS Regulation</u>, and therefore retain on an ongoing basis a material net economic interest which, in any event, shall not be less than 5 per cent. At the Issue Date, such material net economic interest <u>shall be retained by each Seller, as originator, in accordance with option (d) of article 405 paragraph (1) of the Capital Requirements Regulations, article 51 paragraph (1) of Section 5 implementing AIFM, article 254(2) of the Solvency II Delegated Act and <u>of article 6(3) of the STS Regulation</u>, through the subscription of the Class B Notes in relation to the proportion of the total securitised exposures for which it is the originator;</u></u> >>.	
EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>		
Risk retention (Article 21(1))		
47. The main objective of the risk retention criterion is to ensure an alignment between the originators'/sponsors'/original lenders' and investors' interests, and to avoid application of the originate-to-distribute model in securitisation.		
48. The content of the criterion is deemed sufficiently clear that no further guidance in addition to that provided by the Delegated Regulation further specifying the risk retention requirement in accordance with Article 6(7) of Regulation (EU) 2017/2402 is considered necessary.		
EBA Final non-ABCP STS Guidelines		

34	Legislative text
	Article 21 - Requirements relating to standardisation
	21.2. The interest rate and currency risks arising from the securitisation shall be appropriately mitigated and any measures taken to that effect shall be disclosed.
	STS criteria
	34. The interest rate [risks arising from the securitisation shall be appropriately mitigated].
	Article 43.3(b): requirements under 21.2 must be met “as of the time of notification ”.
	Verified?
	PCS Comment
	<p>See “Hedging Strategy” on page 81, stating that <<Hedging Strategy - In accordance with articles R.214-217-2° and R.214-224 of the French Monetary and Financial Code and pursuant to the terms of the Issuer Regulations, the hedging strategy (stratégie de couverture) of the Issuer is to enter into the Interest Rate Swap Agreement to hedge the mismatch between interest rates payable under the Purchased Home Loans and the floating rate payable on the Class A Notes (see the Section entitled “DESCRIPTION OF THE INTEREST RATE SWAP AGREEMENT”). Aside from the Interest Rate Swap Agreement, the Issuer shall not enter into derivative contracts.>></p> <p>See also “Risk Factors” – “Interest rate risk – Interest rate hedging” on page 124, where it is stated that <<The Purchased Home Loans bear a fixed interest rate but the Issuer will pay interest on the Class A Notes issued in connection with its acquisition of such Purchased Home Loans based on the EURIBOR. The Issuer will hedge this interest rate risk by entering into an Interest Rate Swap Agreement with the Interest Rate Swap Counterparty. The floating rate payments the Issuer will receive under the Interest Rate Swap Agreement are calculated, among other things, with respect to the Notional Amount on a Payment Date which is equal to the lesser of (i) the aggregate of the Principal Amount Outstanding of the Class A Notes on the immediately preceding Payment Date after giving effect to the applicable Priority of Payments (or the Issue Date in respect of the first Payment Date) as determined by the Management Company and (ii) the Outstanding Principal Balance of the Performing Home Loans on the Determination Date immediately preceding such Payment Date (or in case of the first Payment Date, the Selection Date).>>.</p> <p>See Schedule 6 (Characteristics of the Interest Rate Swap Agreement) of the Issuer Regulations, as amended, where it is stated that: <<FBF Master Agreement - On or prior to the Issuer Establishment Date, the Issuer, represented by the Management Company, will enter into an interest rate swap agreement to hedge in an appropriate manner the risk of a difference between the EURIBOR-based floating rate applicable for the relevant Interest Period (on each relevant Payment Date) with respect to the Class A Notes and the fixed interest rate payments received in respect of the Purchased Home Loans the floating interest rate on the Class A Notes (the “Interest Rate Swap Agreement”) with the Custodian and Natixis (the “Interest Rate Swap Counterparty”). The Interest Rate Swap Agreement is governed by the 2013 Fédération Bancaire Française (FBF) master agreement relating to transactions on forward financial instruments (convention-cadre FBF relative aux opérations sur instruments financiers à terme or the “FBF Master Agreement”) as amended by a supplementary schedule and collateral annex and confirmed by one written swap confirmation (the “Swap Confirmation”).>>.</p>
	EBA Final non-ABCP STS Guidelines – statements on background and rationale
	Appropriate mitigation of interest-rate and currency risks (Article 21 (2))
	49. The objective of this criterion is to reduce any payment risk arising from different interest-rate and currency profiles of assets and liabilities. Mitigating or hedging interest-rate and currency risks arising in the transaction enhances the simplicity of the transaction, since it helps investors to model those risks and their impact on the credit risk of the securitisation investment.
	50. It should be clarified that hedging (through derivative instruments) is only one possible way of addressing the risks mentioned. Whichever measure is applied for the risk mitigation, it should, however, be subject to specific conditions so that it can be considered to appropriately mitigate the risks mentioned.
	51. One of these conditions aims to prohibit derivatives that do not serve the purpose of hedging interest-rate or currency risk from being included in the pool of underlying exposures or entered into by the SSPE, given that derivatives add to the complexity of the transaction and to the complexity of the risk and due diligence analysis to be carried out by the investor. Derivatives hedging interest-rate or currency risk enhance the simplicity of the transaction, since hedged transactions do not require investors to engage in the modelling of currency and interest-rate risks.
	52. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:
	(a) conditions that the measures should comply with so that they can be considered to appropriately mitigate the interest-rate and currency risks;

<p>(b) clarification with respect to the scope of derivatives that should and should not be captured by this criterion;</p> <p>(c) clarification of the term 'common standards in international finance'.</p>
<p>EBA Final non-ABCP STS Guidelines</p> <p>5.1 Appropriate mitigation of interest-rate and currency risks (Article 21(2))</p> <p><i>Appropriate mitigation of interest-rate and currency risks</i></p> <p>51. For the purposes of Article 21(2) of Regulation (EU) 2017/2402 in order for the interest-rate and currency risks arising from the securitisation to be considered 'appropriately mitigated', it should be sufficient that a hedge or mitigation is in place, on condition that it is not unusually limited with the effect that it covers a major share of the respective interest-rate or currency risks under relevant scenarios, understood from an economic perspective. Such a mitigation may also be in the form of derivatives or other mitigating measures including reserve funds, over collateralisation, excess spread or other measures.</p> <p>52. Where the appropriate mitigation of interest-rate and currency risks is carried out through derivatives, all of the following requirements should apply:</p> <ul style="list-style-type: none"> (a) the derivatives should be used only for genuine hedging of asset and liability mismatches of interest rates and currencies, and should not be used for speculative purposes; (b) the derivatives should be based on commonly accepted documentation, including International Swaps or Derivatives Association (ISDA) or similar established national documentation standards; (c) the derivative documentation should provide, in the event of the loss of sufficient creditworthiness of the counterparty below a certain level, measured either on the basis of the credit rating or otherwise, that the counterparty is subject to collateralisation requirements or makes a reasonable effort for its replacement or guarantee by another counterparty. <p>53. Where the mitigation of interest-rate and currency risks referred to in Article 21(2) of Regulation (EU) 2017/2402 is carried out not through derivatives but by other risk-mitigating measures, those measures should be designed to be sufficiently robust. When such risk-mitigating measures are used to mitigate multiple risks at the same time, the disclosure required by Article 21(2) of Regulation (EU) 2017/2402 should include an explanation of how the measures hedge the interest-rate risks and currency risks on one hand, and other risks on the other hand.</p>

35	Legislative text
	Article 21 - Requirements relating to standardisation
	21.2. The interest rate and currency risks arising from the securitisation shall be appropriately mitigated and any measures taken to that effect shall be disclosed.
	STS criteria
	35. Currency risks arising from the securitisation shall be appropriately mitigated.
	Article 43.3(b): requirements under 21.2 must be met “as of the time of <i>notification</i> ”.
	Verified?
	PCS Comment
	<p>We note that since both the Home Loans and the Notes are denominated in Euros, there should not be any currency risk.</p> <p>See definition of “Home Loans”:</p> <p><<Home Loans means any and all <u>receivables arising from home loans denominated in euros</u> granted pursuant to the Home Loan Agreements entered into with Borrowers. [...]>>.</p>
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>
	Appropriate mitigation of interest-rate and currency risks (Article 21(2))
	<p>49. The objective of this criterion is to reduce any payment risk arising from different interest-rate and currency profiles of assets and liabilities. Mitigating or hedging interest-rate and currency risks arising in the transaction enhances the simplicity of the transaction, since it helps investors to model those risks and their impact on the credit risk of the securitisation investment.</p>
	<p>50. It should be clarified that hedging (through derivative instruments) is only one possible way of addressing the risks mentioned. Whichever measure is applied for the risk mitigation, it should, however, be subject to specific conditions so that it can be considered to appropriately mitigate the risks mentioned.</p>
	<p>51. One of these conditions aims to prohibit derivatives that do not serve the purpose of hedging interest-rate or currency risk from being included in the pool of underlying exposures or entered into by the SSPE, given that derivatives add to the complexity of the transaction and to the complexity of the risk and due diligence analysis to be carried out by the investor. Derivatives hedging interest-rate or currency risk enhance the simplicity of the transaction, since hedged transactions do not require investors to engage in the modelling of currency and interest-rate risks.</p>
	<p>52. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:</p> <p>(a) conditions that the measures should comply with so that they can be considered to appropriately mitigate the interest-rate and currency risks;</p> <p>(b) clarification with respect to the scope of derivatives that should and should not be captured by this criterion;</p> <p>(c) clarification of the term ‘common standards in international finance’.</p>
	EBA Final non-ABCP STS Guidelines
	5.1 Appropriate mitigation of interest-rate and currency risks (Article 21(2))
	Appropriate mitigation of interest - rate and currency risks
	<p>51. For the purposes of Article 21(2) of Regulation (EU) 2017/2402 in order for the interest-rate and currency risks arising from the securitisation to be considered ‘appropriately mitigated’, it should be sufficient that a hedge or mitigation is in place, on condition that it is not unusually limited with the effect that it covers a major share of the respective interest-rate or currency risks under relevant</p>

scenarios, understood from an economic perspective. Such a mitigation may also be in the form of derivatives or other mitigating measures including reserve funds, over collateralisation, excess spread or other measures.

52. Where the appropriate mitigation of interest-rate and currency risks is carried out through derivatives, all of the following requirements should apply:

- (a) the derivatives should be used only for genuine hedging of asset and liability mismatches of interest rates and currencies, and should not be used for speculative purposes;
- (b) the derivatives should be based on commonly accepted documentation, including International Swaps or Derivatives Association (ISDA) or similar established national documentation standards;
- (c) the derivative documentation should provide, in the event of the loss of sufficient creditworthiness of the counterparty below a certain level, measured either on the basis of the credit rating or otherwise, that the counterparty is subject to collateralisation requirements or makes a reasonable effort for its replacement or guarantee by another counterparty.

53. Where the mitigation of interest-rate and currency risks referred to in Article 21(2) of Regulation (EU) 2017/2402 is carried out not through derivatives but by other risk-mitigating measures, those measures should be designed to be sufficiently robust. When such risk-mitigating measures are used to mitigate multiple risks at the same time, the disclosure required by Article 21(2) of Regulation (EU) 2017/2402 should include an explanation of how the measures hedge the interest-rate risks and currency risks on one hand, and other risks on the other hand.

54. The measures referred to in paragraphs 52 and 53, as well as the reasoning supporting the appropriateness of the mitigation of the interest-rate and currency risks through the life of the transaction, should be disclosed.

36	Legislative text			
	Article 21 - Requirements relating to standardisation			
	21.2. The interest rate and currency risks arising from the securitisation shall be appropriately mitigated and any measures taken to that effect shall be disclosed.			
	STS criteria			
	36. Any measures taken to that effect shall be disclosed.			
	<table border="1"> <tr> <td data-bbox="210 403 1153 464">Article 43.3(b): requirements under 21.2 must be met “as of the time of <i>notification</i>”.</td><td data-bbox="1153 403 2119 464" rowspan="2">Yes</td></tr> <tr> <td data-bbox="210 464 1153 496">Verified?</td></tr> </table>	Article 43.3(b): requirements under 21.2 must be met “as of the time of <i>notification</i> ”.	Yes	Verified?
Article 43.3(b): requirements under 21.2 must be met “as of the time of <i>notification</i> ”.	Yes			
Verified?				
	PCS Comment			
	See the Section entitled " <i>DESCRIPTION OF THE INTEREST RATE SWAP AGREEMENT</i> ".			
	EBA Final non-ABCP STS Guidelines – statements on background and rationale			
	<p>Appropriate mitigation of interest-rate and currency risks (Article 21 (2))</p> <p>49. The objective of this criterion is to reduce any payment risk arising from different interest-rate and currency profiles of assets and liabilities. Mitigating or hedging interest-rate and currency risks arising in the transaction enhances the simplicity of the transaction, since it helps investors to model those risks and their impact on the credit risk of the securitisation investment.</p> <p>50. It should be clarified that hedging (through derivative instruments) is only one possible way of addressing the risks mentioned. Whichever measure is applied for the risk mitigation, it should, however, be subject to specific conditions so that it can be considered to appropriately mitigate the risks mentioned.</p> <p>51. One of these conditions aims to prohibit derivatives that do not serve the purpose of hedging interest-rate or currency risk from being included in the pool of underlying exposures or entered into by the SSPE, given that derivatives add to the complexity of the transaction and to the complexity of the risk and due diligence analysis to be carried out by the investor. Derivatives hedging interest-rate or currency risk enhance the simplicity of the transaction, since hedged transactions do not require investors to engage in the modelling of currency and interest-rate risks.</p> <p>52. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:</p> <p>(a) conditions that the measures should comply with so that they can be considered to appropriately mitigate the interest-rate and currency risks;</p> <p>(b) clarification with respect to the scope of derivatives that should and should not be captured by this criterion;</p> <p>(c) clarification of the term ‘common standards in international finance’.</p>			
	EBA Final non-ABCP STS Guidelines			
	<p>5.1 Appropriate mitigation of interest-rate and currency risks (Article 21 (2))</p> <p>54. The measures referred to in paragraphs 52 and 53, as well as the reasoning supporting the appropriateness of the mitigation of the interest-rate and currency risks through the life of the transaction, should be disclosed.</p>			

37	Legislative text			
	Article 21 - Requirements relating to standardisation			
	<p>21.2 [...] Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and shall ensure that the pool of underlying exposures does not include derivatives.</p> <p>Those derivatives shall be underwritten and documented according to common standards in international finance.</p>			
	STS criteria			
	37. Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and...			
	<table border="1"> <tr> <td data-bbox="210 475 1151 531">Article 43.3(b): requirements under 21.2 must be met "as of the time of notification".</td><td data-bbox="1151 475 2119 531" rowspan="2">Yes</td></tr> <tr> <td data-bbox="210 531 1151 563">Verified?</td></tr> </table>	Article 43.3(b): requirements under 21.2 must be met "as of the time of notification ".	Yes	Verified?
Article 43.3(b): requirements under 21.2 must be met "as of the time of notification ".	Yes			
Verified?				
	PCS Comment			
	<p>See "Hedging Strategy" where it is stated that <<<i>Aside from the Interest Rate Swap Agreement, the Issuer shall not enter into derivative contracts.</i>>>.</p> <p>See also the definition of "Eligible Investments" §(iii) which requires that <<<i>the investment cannot be made in tranches of other asset-backed securities, securities indexed to a credit risk, <u>swaps</u> or other derivative instruments, synthetic securities or similar receivables</i>>>.</p>			
	EBA Final non-ABCP STS Guidelines – statements on background and rationale			
	<p>Appropriate mitigation of interest-rate and currency risks (Article 21 (2))</p> <p>49. The objective of this criterion is to reduce any payment risk arising from different interest-rate and currency profiles of assets and liabilities. Mitigating or hedging interest-rate and currency risks arising in the transaction enhances the simplicity of the transaction, since it helps investors to model those risks and their impact on the credit risk of the securitisation investment.</p> <p>50. It should be clarified that hedging (through derivative instruments) is only one possible way of addressing the risks mentioned. Whichever measure is applied for the risk mitigation, it should, however, be subject to specific conditions so that it can be considered to appropriately mitigate the risks mentioned.</p> <p>51. One of these conditions aims to prohibit derivatives that do not serve the purpose of hedging interest-rate or currency risk from being included in the pool of underlying exposures or entered into by the SSPE, given that derivatives add to the complexity of the transaction and to the complexity of the risk and due diligence analysis to be carried out by the investor. Derivatives hedging interest-rate or currency risk enhance the simplicity of the transaction, since hedged transactions do not require investors to engage in the modelling of currency and interest-rate risks.</p> <p>52. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:</p> <p>(a) conditions that the measures should comply with so that they can be considered to appropriately mitigate the interest-rate and currency risks;</p> <p>(b) clarification with respect to the scope of derivatives that should and should not be captured by this criterion;</p> <p>(c) clarification of the term 'common standards in international finance'.</p>			
	EBA Final non-ABCP STS Guidelines			

5.1 Appropriate mitigation of interest-rate and currency risks (Article 21 (2))

Derivatives

55. For the purpose of Article 21(2) of Regulation (EU) 2017/2402, exposures in the pool of underlying exposures that merely contain a derivative component exclusively serving the purpose of directly hedging the interest-rate or currency risk of the respective underlying exposure itself, which are not themselves derivatives, should not be understood to be prohibited.

38	Legislative text
	Article 21 - Requirements relating to standardisation
	<p>21.2 [...] Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and shall ensure that the pool of underlying exposures does not include derivatives.</p> <p>Those derivatives shall be underwritten and documented according to common standards in international finance.</p>
	STS criteria
	38. ...Shall ensure that the pool of underlying exposures does not include derivatives.
	<p>Article 43.3(b): requirements under 21.2 must be met “as of the time of <i>notification</i>”.</p>
	Yes
	Verified?
	PCS Comment
	See statement in Home Loan Eligibility Criteria: <<[...] the Home Loans do not include transferable securities, as defined in point (44) of Article 4(1) of Directive 2014/65/EU nor any securitisation position nor any derivatives.>>.
	EBA Final non-ABCP STS Guidelines – statements on background and rationale
	<p>Appropriate mitigation of interest-rate and currency risks (Article 21 (2))</p> <p>49. The objective of this criterion is to reduce any payment risk arising from different interest-rate and currency profiles of assets and liabilities. Mitigating or hedging interest-rate and currency risks arising in the transaction enhances the simplicity of the transaction, since it helps investors to model those risks and their impact on the credit risk of the securitisation investment.</p> <p>50. It should be clarified that hedging (through derivative instruments) is only one possible way of addressing the risks mentioned. Whichever measure is applied for the risk mitigation, it should, however, be subject to specific conditions so that it can be considered to appropriately mitigate the risks mentioned.</p> <p>51. One of these conditions aims to prohibit derivatives that do not serve the purpose of hedging interest-rate or currency risk from being included in the pool of underlying exposures or entered into by the SSPE, given that derivatives add to the complexity of the transaction and to the complexity of the risk and due diligence analysis to be carried out by the investor. Derivatives hedging interest-rate or currency risk enhance the simplicity of the transaction, since hedged transactions do not require investors to engage in the modelling of currency and interest-rate risks.</p> <p>52. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:</p> <p>(a) conditions that the measures should comply with so that they can be considered to appropriately mitigate the interest-rate and currency risks;</p> <p>(b) clarification with respect to the scope of derivatives that should and should not be captured by this criterion;</p> <p>(c) clarification of the term ‘common standards in international finance’.</p>
	EBA Final non-ABCP STS Guidelines
	5.1 Appropriate mitigation of interest-rate and currency risks (Article 21 (2))

Derivatives

55. For the purpose of Article 21(2) of Regulation (EU) 2017/2402, exposures in the pool of underlying exposures that merely contain a derivative component exclusively serving the purpose of directly hedging the interest-rate or currency risk of the respective underlying exposure itself, which are not themselves derivatives, should not be understood to be prohibited.

39	Legislative text			
	Article 21 - Requirements relating to standardisation			
	<p>21.2 [...] Except for the purpose of hedging currency risk or interest rate risk, the SSPE shall not enter into derivative contracts and shall ensure that the pool of underlying exposures does not include derivatives.</p> <p>Those derivatives shall be underwritten and documented according to common standards in international finance.</p>			
	STS criteria			
	39. Those derivatives shall be underwritten and documented according to common standards in international finance.			
	<table border="1"> <tr> <td data-bbox="210 464 1151 528">Article 43.3(b): requirements under 21.2 must be met “as of the time of <i>notification</i>”.</td><td data-bbox="1151 464 2119 528" rowspan="2">Yes</td></tr> <tr> <td data-bbox="210 528 1151 552">Verified?</td></tr> </table>	Article 43.3(b): requirements under 21.2 must be met “as of the time of <i>notification</i> ”.	Yes	Verified?
Article 43.3(b): requirements under 21.2 must be met “as of the time of <i>notification</i> ”.	Yes			
Verified?				
	PCS Comment			
	<p>The Interest Rate Swap Agreement is entered into in accordance with the FBF master agreement (<i>convention-cadre relative aux operations sur instruments financiers à terme</i>).</p> <p>PCS has reviewed the relevant documentation and it is prepared to consider this point verified.</p>			
	EBA Final non-ABCP STS Guidelines – statements on background and rationale			
	<p>Appropriate mitigation of interest-rate and currency risks (Article 21 (2))</p> <p>49. The objective of this criterion is to reduce any payment risk arising from different interest-rate and currency profiles of assets and liabilities. Mitigating or hedging interest-rate and currency risks arising in the transaction enhances the simplicity of the transaction, since it helps investors to model those risks and their impact on the credit risk of the securitisation investment.</p> <p>50. It should be clarified that hedging (through derivative instruments) is only one possible way of addressing the risks mentioned. Whichever measure is applied for the risk mitigation, it should, however, be subject to specific conditions so that it can be considered to appropriately mitigate the risks mentioned.</p> <p>51. One of these conditions aims to prohibit derivatives that do not serve the purpose of hedging interest-rate or currency risk from being included in the pool of underlying exposures or entered into by the SSPE, given that derivatives add to the complexity of the transaction and to the complexity of the risk and due diligence analysis to be carried out by the investor. Derivatives hedging interest-rate or currency risk enhance the simplicity of the transaction, since hedged transactions do not require investors to engage in the modelling of currency and interest-rate risks.</p> <p>52. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:</p> <p>(a) conditions that the measures should comply with so that they can be considered to appropriately mitigate the interest-rate and currency risks;</p> <p>(b) clarification with respect to the scope of derivatives that should and should not be captured by this criterion;</p> <p>(c) clarification of the term ‘common standards in international finance’.</p>			
	EBA Final non-ABCP STS Guidelines			

5.1 Appropriate mitigation of interest-rate and currency risks (Article 21 (2))**Common standards in international finance**

56. For the purposes of Article 21(2) of Regulation (EU) 2017/2402, common standards in international finance should include ISDA or similar established national documentation standards.

40	Legislative text			
	Article 21 - Requirements relating to standardisation			
	21.3. Any referenced interest payments under the securitisation assets and liabilities shall be based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds, and shall not reference complex formulae or derivatives.			
	STS criteria			
	40. Any referenced interest payments under the securitisation assets and liabilities shall be based on generally used market interest rates, or generally used sectoral rates reflective of the cost of funds and shall not reference complex formulae or derivatives.			
	<table border="1"> <tr> <td data-bbox="210 456 1151 512">Article 43.3(a): requirements under 21.3 must be met “at the time of <i>issuance</i>”.</td><td data-bbox="1151 456 2119 512" rowspan="2">Yes</td></tr> <tr> <td data-bbox="210 512 1151 544">Verified?</td></tr> </table>	Article 43.3(a): requirements under 21.3 must be met “at the time of <i>issuance</i> ”.	Yes	Verified?
Article 43.3(a): requirements under 21.3 must be met “at the time of <i>issuance</i> ”.	Yes			
Verified?				
	PCS Comment			
	<p>As for assets: see “<i>Home Loan Eligibility Criteria</i>”, §(cc) requiring that <<the Home Loan bears a <u>fixed interest rate equal to or greater than two per cent (2.0%) per annum (excluding insurance premia)</u>>>.</p> <p>As for liabilities:</p> <ul style="list-style-type: none"> the Class A Notes bear an Euribor based interest rate (<<The rate of interest applicable to the Class A Notes (the “Class A Notes Interest Rate”) will be equal to <u>the aggregate of EURIBOR plus the Class A Margin</u> provided that, if EURIBOR plus the Class A Margin is less than zero (0), the Class A Notes Interest Rate will be deemed to be zero (0)>>). the Class B Notes bear a fixed rate of interest (<<The rate of interest applicable to the Class B Notes (the “Class B Notes Interest Rate”) in respect of any Interest Period will be a <u>fixed rate of 0.50% per annum</u>.>>). 			
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>			
	<p>Referenced interest payments (Article 21 (3))</p> <p>53. The objective of this criterion is to prevent securitisations from making reference to interest rates that cannot be observed in the commonly accepted market practice. The credit risk and cash flow analysis that investors must be able to carry out should not involve atypical, complex or complicated rates or variables that cannot be modelled on the basis of market experience and practice.</p> <p>54. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(a) the scope of the criterion (by specifying the common types and examples of interest rates captured by this criterion);</p> <p>(b) the term ‘complex formulae or derivatives’.</p>			
	EBA Final non-ABCP STS Guidelines			

5.2 Referenced interest payments (Article 21 (3))

Referenced rates

57. For the purposes of Article 21(3) of Regulation (EU) 2017/2402, interest rates that should be considered to be an adequate reference basis for referenced interest payments should include all of the following:

- (a) interbank rates including the Libor, Euribor and other recognised benchmarks;
- (b) rates set by monetary policy authorities, including FED funds rates and central banks' discount rates;
- (c) sectoral rates reflective of a lender's cost of funds, including standard variable rates and internal interest rates that directly reflect the market costs of funding of a bank or a subset of institutions, to the extent that sufficient data are provided to investors to allow them to assess the relation of the sectoral rates to other market rates.

Complex formulae or derivatives

58. For the purposes of Article 21(3) of Regulation (EU) 2017/2402, a formula should be considered to be complex when it meets the definition of an exotic instrument by the Global Association of Risk Professionals (GARP), which is a financial asset or instrument with features that make it more complex than simpler, plain vanilla, products. A complex formula or derivative should not be deemed to exist in the case of the mere use of interest-rate caps or floors.

41	Legislative text
	Article 21 - Requirements relating to standardisation
	<p>21.4. Where an enforcement or an acceleration notice has been delivered:</p> <p>(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures; [...]</p>
	STS criteria
	<p>41. Where an enforcement or an acceleration notice has been delivered:</p> <p>(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;</p>
	<p>Article 43.3(b): requirements under 21.4 must be met “as of the time of notification”.</p>
	Yes
	Verified?
	PCS Comment
	<p>As stated in the Issuer Regulations (as amended), during the Accelerated Amortisation Period, no amount of cash shall be trapped in the Issuer beyond what is necessary to ensure the payment of expenses or the orderly repayment under the applicable order of priority. In particular, although a General Reserve will be maintained, its purpose will be to ensure the operational functioning of the Issuer and, ultimately, the orderly repayment of the Class A Noteholders in accordance with the Terms and Conditions of the Notes.</p> <p>Further, the Issuer Regulations expressly allow the Management Company to take the required steps to obtain the consents and agreements to release part or all of the General Reserve prior to the General Reserve Final Utilisation Date, at its own discretion. Therefore, no amount can be considered for ever trapped on the accounts of the Issuer.</p> <p>In this respect, see Clause 44.2.2 (Purpose of the General Reserve) of the Issuer Regulations, as amended:</p> <p><i><<The amount standing to the credit of the General Reserve Account aims to provide liquidity and a protection to the Issuer as may be necessary (but always within the limit of the amount standing to the credit thereof), in case of weak performance of the Purchased Home Loans, to ensure the operational functioning of the Issuer and, ultimately, the orderly repayment of the Class A Noteholders in accordance with the Terms and Conditions of the Notes, taking into account the amounts payable in priority thereto pursuant to the Priorities of Payments) [...]>>.</i></p> <p>See also Clause 44.2.4 (Release of the General Reserve) of the Issuer Regulations, as amended:</p> <p><i><<At any time during the Accelerated Amortisation Period, the Management Company may, at its discretion, organise discussions and consultations (as are necessary to seek the required consents and agreements), in order to amend the rules governing the replenishment of the General Reserve and release part or all of the General Reserve prior to the General Reserve Final Utilisation Date.>>.</i></p>
	EBA Final non-ABCP STS Guidelines – statements on background and rationale
	Requirements in case of enforcement or delivery of an acceleration notice (Article 21(4))
	<p>55. The objective of this criterion is to prevent investors from being subjected to unexpected repayment profiles and to provide appropriate legal comfort regarding their enforceability, for instances where an enforcement or an acceleration notice has been delivered.</p> <p>56. STS securitisations should be such that the required investor's risk analysis and due diligence do not have to factor in complex structures of the payment priority that are difficult to model, nor should the investor be exposed to complex changes in such structures throughout the life of the transaction. Therefore, it should be ensured that junior noteholders do not have inappropriate payment preference over senior noteholders that are due and payable.</p> <p>57. In addition, taking into account that market risk on the underlying collateral constitutes an element of complexity in the risk and due diligence analysis to be carried out by investors, the objective is also to ensure that the performance of STS securitisations does not rely, due to contractual triggers, on the automatic liquidation at market price of the underlying collateral.</p>

58. To facilitate consistent interpretation of this criterion, the scope and operational functioning of conditions specified under letters (a), (b) and (d) of Article 21(4) should be specified further.

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5.3 Requirements in the event of enforcement or delivery of an acceleration notice (Article 21(4))

Exceptional circumstances

59. For the purposes of Article 21(4)(a) of Regulation (EU) 2017/2402, a list of 'exceptional circumstances' should, to the extent possible, be included in the transaction documentation.

60. Given the nature of 'exceptional circumstances' and in order to allow some flexibility with respect to potential unusual circumstances requiring that cash be trapped in the SSPE in the best interests of investors, where a list of 'exceptional circumstances' is included in the transaction documentation in accordance with paragraph 59, such a list should be non-exhaustive.

Amount trapped in the SSPE in the best interests of investors

61. For the purposes of Article 21(4)(a) of Regulation (EU) 2017/2402, the amount of cash to be considered as trapped in the SSPE should be that agreed by the trustee or other representative of the investors who is legally required to act in the best interests of the investors, or by the investors in accordance with the voting provisions set out in the transaction documentation.

62. For the purposes of Article 21(4)(a) of Regulation (EU) 2017/2402, it should be permissible to trap the cash in the SSPE in the form of a reserve fund for future use, as long as the use of the reserve fund is exclusively limited to the purposes set out in Article 21(4)(a) of Regulation (EU) 2017/2402 or to orderly repayment to the investors.

42	Legislative text
	Article 21 - Requirements relating to standardisation
	<p>21.4. Where an enforcement or an acceleration notice has been delivered:</p> <p>(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;</p> <p>(b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position; [...]</p>
	STS criteria
	42. Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;
	<p>Article 43.3(b): requirements under 21.4 must be met "as of the time of notification".</p>
	Yes
	Verified?
	PCS Comment
	The post enforcement PoP provides a sequential amortisation.
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>
	Requirements in case of enforcement or delivery of an acceleration notice (Article 21(4))
	<p>55. The objective of this criterion is to prevent investors from being subjected to unexpected repayment profiles and to provide appropriate legal comfort regarding their enforceability, for instances where an enforcement or an acceleration notice has been delivered.</p>
	<p>56. STS securitisations should be such that the required investor's risk analysis and due diligence do not have to factor in complex structures of the payment priority that are difficult to model, nor should the investor be exposed to complex changes in such structures throughout the life of the transaction. Therefore, it should be ensured that junior noteholders do not have inappropriate payment preference over senior noteholders that are due and payable.</p>
	<p>57. In addition, taking into account that market risk on the underlying collateral constitutes an element of complexity in the risk and due diligence analysis to be carried out by investors, the objective is also to ensure that the performance of STS securitisations does not rely, due to contractual triggers, on the automatic liquidation at market price of the underlying collateral.</p>
	58. To facilitate consistent interpretation of this criterion, the scope and operational functioning of conditions specified under letters (a), (b) and (d) of Article 21(4) should be specified further.
	EBA Final non-ABCP STS Guidelines
	5.3 Requirements in the event of enforcement or delivery of an acceleration notice (Article 21(4))
	Repayment
	63. The requirements in Article 21(4)(b) of Regulation (EU) 2017/2402 should be understood as covering only the repayment of the principal, without covering the repayment of interest.

	64. For the purposes of Article 21(4)(b) of Regulation (EU) 2017/2402, non-sequential payments of principal in a situation where an enforcement or an acceleration notice has been delivered should be prohibited. Where there is no enforcement or acceleration event, principal receipts could be allowed for replenishment purposes pursuant to Article 20(12) of that Regulation.
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43	Legislative text	
	Article 21 - Requirements relating to standardisation	
	21.4. Where an enforcement or an acceleration notice has been delivered: (a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures; (b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position; (c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and	
	STS criteria	
	43. Repayment of the securitisation positions shall not be reversed with regard to their seniority; and	
	Article 43.3(b): requirements under 21.4 must be met “as of the time of <i>notification</i> ”.	Yes
	Verified?	
	PCS Comment	
	The post enforcement PoP provides a sequential amortisation.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
EBA Final non-ABCP STS Guidelines		

44	Legislative text
	Article 21 - Requirements relating to standardisation
	<p>21.4. Where an enforcement or an acceleration notice has been delivered:</p> <p>(a) no amount of cash shall be trapped in the SSPE beyond what is necessary to ensure the operational functioning of the SSPE or the orderly repayment of investors in accordance with the contractual terms of the securitisation, unless exceptional circumstances require that amount is trapped in order to be used, in the best interests of investors, for expenses in order to avoid the deterioration in the credit quality of the underlying exposures;</p> <p>(b) Principal receipts from the underlying exposures shall be passed to investors via sequential amortisation of the securitisation positions, as determined by the seniority of the securitisation position;</p> <p>(c) Repayment of the securitisation positions shall not be reversed with regard to their seniority; and</p> <p>(d) No provisions shall require automatic liquidation of the underlying exposures at market value.</p>
	STS criteria
	44. No provisions shall require automatic liquidation of the underlying exposures at market value.
	<p>Article 43.3(b): requirements under 21.4 must be met “as of the time of notification”.</p>
	Yes
	Verified?
	PCS Comment
	<p>The liquidation of the underlying exposures is not subject to any automatic mechanism, but takes place when decided by the Management Company upon certain liquidation events:</p> <p>See in particular, Issuer Liquidation Event - Clean-up offer:</p> <p><i><<Pursuant to the Issuer Regulations, the Management Company may decide to declare the dissolution of the Issuer and liquidate the Issuer in one single transaction in case of the occurrence of any of the following events, provided that the Management Company shall not declare any such event to have occurred unless it has found an entity agreeing to purchase the then outstanding Purchased Home Loans under the conditions set out hereinafter (each a “Issuer Liquidation Event”): [...]>>.</i></p> <p>It is also specified that <i><<The purchase price of the Home Loans proposed by the Management Company to each Seller shall be based on the fair market value of assets having similar characteristics to the Home Loans having regard to the sum of the Outstanding Principal Balances of those Home Loans on the preceding Determination Date. In addition, the purchase price of the Home Loans, taking into account for this purpose the Issuer Cash, excluding the amount of the Commingling Reserve, must be sufficient to enable the Issuer to repay in full all amounts outstanding in respect of the Notes after payment of all other amounts due by the Issuer and ranking senior to the Notes in accordance with the Accelerated Priority of Payments.>>.</i></p>
	EBA Final non-ABCP STS Guidelines – statements on background and rationale
	EBA Final non-ABCP STS Guidelines
	<p>5.3 Requirements in the event of enforcement or delivery of an acceleration notice (Article 21(4))</p> <p>Liquidation of the underlying exposures at market value</p> <p>65. For the purposes of Article 21(4)(d) of Regulation (EU) 2017/2402, the investors' decision to liquidate the underlying exposures at market value should not be considered to constitute an automatic liquidation of the underlying exposures at market value.</p>

45	Legislative text			
	Article 21 - Requirements relating to standardisation			
	21.5. Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a pre-determined threshold.			
	STS criteria			
	45. Transactions which feature non-sequential priority of payments shall include triggers relating to the performance of the underlying exposures resulting in the priority of payments reverting to sequential payments in order of seniority. Such performance-related triggers shall include at least the deterioration in the credit quality of the underlying exposures below a pre-determined threshold.			
	<table border="1"> <tr> <td data-bbox="210 450 1153 513">Article 43.3(b): requirements under 21.5 must be met “as of the time of <i>notification</i>”.</td><td data-bbox="1153 450 2119 513" rowspan="2">Yes</td></tr> <tr> <td data-bbox="210 513 1153 545">Verified?</td></tr> </table>	Article 43.3(b): requirements under 21.5 must be met “as of the time of <i>notification</i> ”.	Yes	Verified?
Article 43.3(b): requirements under 21.5 must be met “as of the time of <i>notification</i> ”.	Yes			
Verified?				
	PCS Comment			
	This requirement does not apply. This transaction contemplates only sequential waterfalls. See “Application of Funds” on page 154-156.			
	EBA Final non-ABCP STS Guidelines – statements on background and rationale			
	Non-sequential priority of payments (Article 21(5))			
	<p>59. The objective of this criterion is to ensure that non-sequential (pro rata) amortisation should be used only in conjunction with clearly specified contractual triggers that determine the switch of the amortisation scheme to a sequential priority, safeguarding the transaction from the possibility that credit enhancement is too quickly amortised as the credit quality of the transaction deteriorates, thereby exposing senior investors to a decreasing amount of credit enhancement.</p> <p>60. To facilitate consistent interpretation of this criterion, a non-exhaustive list of examples of performance-related triggers that may be included is provided in the guidance.</p>			
	EBA Final non-ABCP STS Guidelines			
	5.4 Non-sequential priority of payments (Article 21(5))			
	Performance-related triggers			
	<p>66. For the purposes of Article 21(5) of Regulation (EU) 2017/2402, the triggers related to the deterioration in the credit quality of the underlying exposures may include the following:</p> <p>(a) with regard to underlying exposures for which a regulatory expected loss (EL) can be determined in accordance with Regulation (EU) 575/2013 or other relevant EU regulation, cumulative losses that are higher than a certain percentage of the regulatory one-year EL on the underlying exposures and the weighted average life of the transaction;</p> <p>(b) cumulative non-matured defaults that are higher than a certain percentage of the sum of the outstanding nominal amount of tranche held by the investors and the tranches that are subordinated to them;</p> <p>(c) the weighted average credit quality in the portfolio decreasing below a given pre-specified level or the concentration of exposures in high credit risk (probability of default) buckets increasing above a pre-specified level.</p>			

46	Legislative text	
	Article 21 - Requirements relating to standardisation	
	21.6. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:	
	STS criteria	
	46. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:	
	Article 43.3(b): requirements under 21.6 must be met “as of the time of <i>notification</i> ”.	Yes
	Verified?	
	PCS Comment	
	No revolving period is contemplated. This requirement does not apply.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	

Early amortisation provisions/triggers for termination of the revolving period (Article 21 (6))	
61. The objective of this criterion is to ensure that, in the presence of a revolving period mechanism, investors are sufficiently protected from the risk that principal amounts may not be fully repaid. In all such transactions, irrespective of the nature of the revolving mechanism, investors should be protected by a minimum set of early amortisation triggers or triggers for the termination of the revolving period that should be included in the transaction documentation.	
62. In order to facilitate the consistent interpretation of this criterion, interactions of this criterion with the criterion under Article 21(7)(b) with respect to the insolvency-related event with respect to the servicer should be further clarified.	
EBA Final non-ABCP STS Guidelines	
5.5 Early amortisation provisions/triggers for termination of the revolving period (Article 21 (6))	
Insolvency-related event with regard to the servicer	
67. For the purposes of Article 21(6)(b) of Regulation (EU) 2017/2402, an insolvency-related event with respect to the servicer should lead to both of the following:	
(a) it should enable the replacement of the servicer in order to ensure continuation of the servicing;	
(b) it should trigger the termination of the revolving period.	

47	Legislative text	
	Article 21 - Requirements relating to standardisation	
	21.6. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following: (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;	
	STS criteria	
	47. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following: (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;	
	Article 43.3(b): requirements under 21.6 must be met “as of the time of <i>notification</i> ”.	Yes
	Verified?	
	PCS Comment	
	No revolving period is contemplated. This requirement does not apply.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
Early amortisation provisions/triggers for termination of the revolving period (Article 21(6))		
61. The objective of this criterion is to ensure that, in the presence of a revolving period mechanism, investors are sufficiently protected from the risk that principal amounts may not be fully repaid. In all such transactions, irrespective of the nature of the revolving mechanism, investors should be protected by a minimum set of early amortisation triggers or triggers for the termination of the revolving period that should be included in the transaction documentation.		
62. In order to facilitate the consistent interpretation of this criterion, interactions of this criterion with the criterion under Article 21(7)(b) with respect to the insolvency-related event with respect to the servicer should be further clarified.		
EBA Final non-ABCP STS Guidelines		

48	Legislative text
	Article 21 - Requirements relating to standardisation
	<p>21.6. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <p>(a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;</p> <p>(b) the occurrence of an insolvency-related event with regard to the originator or the servicer;</p>
	STS criteria
	<p>48. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <p>(a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold;</p> <p>(b) the occurrence of an insolvency-related event with regard to the originator or the servicer;</p>
	<p>Article 43.3(b): requirements under 21.6 must be met “as of the time of <i>notification</i>”.</p>
	<p>Verified?</p>
	<p>PCS Comment</p>
	<p>No revolving period is contemplated. This requirement does not apply.</p>
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>
	Early amortisation provisions/triggers for termination of the revolving period (Article 21(6))
	<p>61. The objective of this criterion is to ensure that, in the presence of a revolving period mechanism, investors are sufficiently protected from the risk that principal amounts may not be fully repaid. In all such transactions, irrespective of the nature of the revolving mechanism, investors should be protected by a minimum set of early amortisation triggers or triggers for the termination of the revolving period that should be included in the transaction documentation.</p> <p>62. In order to facilitate the consistent interpretation of this criterion, interactions of this criterion with the criterion under Article 21(7)(b) with respect to the insolvency-related event with respect to the servicer should be further clarified.</p>
	EBA Final non-ABCP STS Guidelines
	5.5 Early amortisation provisions/triggers for termination of the revolving period (Article 21(6))
	<i>Insolvency-related event with regard to the servicer</i>
	<p>67. For the purposes of Article 21(6)(b) of Regulation (EU) 2017/2402, an insolvency-related event with respect to the servicer should lead to both of the following:</p> <p>(a) it should enable the replacement of the servicer in order to ensure continuation of the servicing;</p> <p>(b) it should trigger the termination of the revolving period.</p>

49	Legislative text
	Article 21 - Requirements relating to standardisation
	<p>21.6. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <ul style="list-style-type: none"> (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold; (b) the occurrence of an insolvency-related event with regard to the originator or the servicer; (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);
	STS criteria
	<p>49. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <ul style="list-style-type: none"> (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold; (b) the occurrence of an insolvency-related event with regard to the originator or the servicer; (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event);
	<p>Article 43.3(b): requirements under 21.6 must be met “as of the time of <i>notification</i>”.</p>
	Yes
	Verified?
	PCS Comment
	No revolving period is contemplated. This requirement does not apply.
EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
Early amortisation provisions/triggers for termination of the revolving period (Article 21(6))	
<p>61. The objective of this criterion is to ensure that, in the presence of a revolving period mechanism, investors are sufficiently protected from the risk that principal amounts may not be fully repaid. In all such transactions, irrespective of the nature of the revolving mechanism, investors should be protected by a minimum set of early amortisation triggers or triggers for the termination of the revolving period that should be included in the transaction documentation.</p> <p>62. In order to facilitate the consistent interpretation of this criterion, interactions of this criterion with the criterion under Article 21(7)(b) with respect to the insolvency-related event with respect to the servicer should be further clarified.</p>	
EBA Final non-ABCP STS Guidelines	

50	Legislative text
	Article 21 - Requirements relating to standardisation
	<p>21.6. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <ul style="list-style-type: none"> (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold; (b) the occurrence of an insolvency-related event with regard to the originator or the servicer; (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event); (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).
	STS criteria
	<p>50. The transaction documentation shall include appropriate early amortisation provisions or triggers for termination of the revolving period where the securitisation is a revolving securitisation, including at least the following:</p> <ul style="list-style-type: none"> (a) a deterioration in the credit quality of the underlying exposures to or below a pre-determined threshold; (b) the occurrence of an insolvency-related event with regard to the originator or the servicer; (c) the value of the underlying exposures held by the SSPE falls below a pre-determined threshold (early amortisation event); (d) a failure to generate sufficient new underlying exposures that meet the pre-determined credit quality (trigger for termination of the revolving period).
	<p>Article 43.3(b): requirements under 21.6 must be met “as of the time of <i>notification</i>”.</p>
	Yes
	Verified?
	PCS Comment
	No revolving period is contemplated. This requirement does not apply.
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>
	Early amortisation provisions/triggers for termination of the revolving period (Article 21(6))
	<p>61. The objective of this criterion is to ensure that, in the presence of a revolving period mechanism, investors are sufficiently protected from the risk that principal amounts may not be fully repaid. In all such transactions, irrespective of the nature of the revolving mechanism, investors should be protected by a minimum set of early amortisation triggers or triggers for the termination of the revolving period that should be included in the transaction documentation.</p>
	<p>62. In order to facilitate the consistent interpretation of this criterion, interactions of this criterion with the criterion under Article 21(7)(b) with respect to the insolvency-related event with respect to the servicer should be further clarified.</p>
	EBA Final non-ABCP STS Guidelines

51	Legislative text	
	Article 21 - Requirements relating to standardisation	
	21.7. The transaction documentation shall clearly specify: (a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;	
	STS criteria	
	51. The transaction documentation shall clearly specify: (a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;	
	Article 43.3(b): requirements under 21.7 must be met “as of the time of <i>notification</i> ”.	Yes
	Verified?	
	PCS Comment	
	See “ <i>Description of the relevant Entities</i> ” and, in particular, the section “ <i>The Servicers</i> ”, on page 91, and “ <i>The Management Company</i> ”, on page 83. For the duties of the Servicer, see also “ <i>Servicing of the Home Loans</i> ” – “ <i>Duties of the Servicers</i> ” on page 195 and onwards.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
Transaction Documentation (Article 21 (7)) 63. The objective of this criterion is to help provide full transparency to investors, assist investors in the conduct of their due diligence and prevent investors from being subject to unexpected disruptions in cash flow collections and servicing, as well as to provide investors with certainty about the replacement of counterparties involved in the securitisation transaction. 64. This criterion is considered sufficiently clear and no further guidance is considered necessary.		
EBA Final non-ABCP STS Guidelines		

52	Legislative text
	Article 21 - Requirements relating to standardisation
	<p>21.7. The transaction documentation shall clearly specify:</p> <p>(a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers;</p> <p>(b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and</p>
	STS criteria
	52. (b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and
	<p>Article 43.3(b): requirements under 21.7 must be met “as of the time of notification”.</p>
	Yes
	Verified?
	<p>PCS Comment</p> <p>See “Termination of the servicing mandate” on page 203. In particular,</p> <p><u>Following the occurrence of an Individual Servicer Termination Event, the Management Company shall:</u></p> <p>(i) immediately send a Notification of Control to the Specially Dedicated Account Bank with the effect of preventing it from implementing any further debit instruction from such Servicer with respect to its Specially Dedicated Bank Account; and</p> <p>(ii) within a period of thirty (30) calendar days and with the prior approval of the Custodian (such approval not to be unreasonably withheld or delayed, and provided that, if the Management Company considers, having regards to the interest of the Noteholders and Residual Unitholders, that the Custodian is holding or delaying its consent unreasonably, the Management Company shall be entitled to set aside the opinion of the Custodian), <u>replace the Servicer with any entity fit for that purpose</u> (such replacement servicer being appointed with respect to the Purchased Home Loans whose servicing is the responsibility of such Servicer only), in accordance with article L. 214-172 of the French Monetary and Financial Code, it being provided that any other Servicer in respect of which no Individual Servicer Termination Event and no event which could, through the passage of time or the giving of a notice, become an Individual Servicer Termination Event, has occurred, may be appointed as a replacement servicer.</p> <p>Further, see also the continuity provisions described in section “Description of the Home Loans Purchase and Servicing Agreement and the Reserves Cash Deposit Agreement”, sub-section “Servicing of the home Loans”: where it is stated that <<<u>The entity(ies) appointed pursuant to the two paragraphs (ii) above, whether relating to an Individual Servicer Termination Event or a Master Servicer Termination Event, will be referred to as the “New Servicer(s)”.</u> <u>The termination of the appointment of any Servicer will become effective as soon as any New Servicer has effectively started to carry out its duties.</u>>>.</p> <p><u>Following the occurrence of a Master Servicer Termination Event, the Management Company shall:</u></p> <p>(i) immediately send a Notification of Control to the Specially Dedicated Account Bank with the effect of preventing it from implementing any further debit instruction from all Servicers with respect to their respective Specially Dedicated Bank Accounts; and</p> <p>(ii) within a period of thirty (30) calendar days and with the prior approval of the Custodian (such approval not to be unreasonably withheld or delayed, and provided that, if the Management Company considers, having regards to the interest of the Noteholders and Residual Unitholders, that the Custodian is holding or delaying its consent unreasonably, the Management Company shall be entitled to set aside the opinion of the Custodian), <u>replace all Servicers with any entity or entities fit for that purpose</u>, in accordance with article L. 214-172 of the French Monetary and Financial Code.</p> <p>In this respect we notice that the occurrence of a “Master Servicer Termination Event” allows the termination of the appointment of all Servicers and their replacement with New Servicers. In such cases the above-mentioned continuity provisions will apply and, therefore, <u>“the termination of the appointment of any Servicer will become effective as soon as any New Servicer has effectively started to carry out its duties”</u>.</p>

	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>
	<p>Transaction Documentation (Article 21 (7))</p> <p>63. The objective of this criterion is to help provide full transparency to investors, assist investors in the conduct of their due diligence and prevent investors from being subject to unexpected disruptions in cash flow collections and servicing, as well as to provide investors with certainty about the replacement of counterparties involved in the securitisation transaction.</p> <p>64. This criterion is considered sufficiently clear and no further guidance is considered necessary.</p>
	EBA Final non-ABCP STS Guidelines

53	Legislative text
	Article 21 - Requirements relating to standardisation
	<p>21.7. The transaction documentation shall clearly specify:</p> <ul style="list-style-type: none"> (a) the contractual obligations, duties and responsibilities of the servicer and the trustee, if any, and other ancillary service providers; (b) the processes and responsibilities necessary to ensure that a default by or an insolvency of the servicer does not result in a termination of servicing, such as a contractual provision which enables the replacement of the servicer in such cases; and (c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable.
	STS criteria
	53. (c) provisions that ensure the replacement of derivative counterparties, liquidity providers and the account bank in the case of their default, insolvency, and other specified events, where applicable.
	<div> <div data-bbox="210 624 1151 667"> Article 43.3(b): requirements under 21.7 must be met “as of the time of <i>notification</i>”. </div> <div data-bbox="1151 624 2119 667">Yes</div> </div>
	Verified?
	PCS Comment
<p>As for the Swap Counterparty, see “<i>Description of the Interest Rate Swap Agreement</i>”. See also the Issuer Regulations, as amended, which on §(n) provide that <<<i>Pursuant to the provisions of these Issuer Regulations, the Management Company is specifically in charge of: [...] (n) replacing (and for this purpose endeavoring to find a replacement entity for), if applicable, the Cash Manager, the Paying Agent, the Listing Agent, the Specially Dedicated Account Bank, the Interest Rate Swap Counterparty, the Data Protection Agent and/or any Servicer under the terms and conditions provided by applicable laws at the time of such replacement and the terms of the relevant Transaction Documents; [...]>></i></p> <p>As for the Account Bank, see the obligation of the Custodian in “The Custodian” §(g), to replace the Account Bank: in particular, it is stated that <<<i>pursuant to the provisions of Issuer Regulations, the Custodian shall: [...] (g) replace, if applicable, the Account Bank under the terms and conditions provided by applicable laws at the time of such replacement and by the Account Bank and Cash Management Agreement;>></i>. See also the undertaking of the Management Company, pursuant to §(n) mentioned above.</p> <p>No liquidity provider is contemplated for this transaction.</p>	
EBA Final non-ABCP STS Guidelines – statements on background and rationale	
Transaction Documentation (Article 21 (7))	
<p>63. The objective of this criterion is to help provide full transparency to investors, assist investors in the conduct of their due diligence and prevent investors from being subject to unexpected disruptions in cash flow collections and servicing, as well as to provide investors with certainty about the replacement of counterparties involved in the securitisation transaction.</p> <p>64. This criterion is considered sufficiently clear and no further guidance is considered necessary.</p>	
EBA Final non-ABCP STS Guidelines	

54	Legislative text
	Article 21 - Requirements relating to standardisation
	21.8. The servicer shall have expertise in servicing exposures of a similar nature to those securitised and shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.
	STS criteria
	54. The servicer shall have expertise in servicing exposures of a similar nature to those securitised
	Article 43.3(b): requirements under 21.8 must be met “as of the time of <i>notification</i> ”.
	Verified?
	PCS Comment
	See the prospectus, in section “Description of the Home Loans Purchase and Servicing Agreement and the Reserves Cash Deposit Agreement”, sub-section “Servicing of the home Loans”, on page 195, where it is stated that: <<[...] pursuant to the provisions of the Home Loans Purchase and Servicing Agreement, each Servicer has represented and warranted that its business has included the servicing of receivables of a nature similar to the Purchased Home Loans transferred by it to the Issuer in its capacity as Seller, for at least five (5) years prior to the Issuer Establishment Date.>>.
	EBA Final non-ABCP STS Guidelines – statements on background and rationale
	Expertise of the Servicer (Article 21 (8))
	65. The objective of this criterion is to ensure that all the conditions are in place for the proper functioning of the servicing function, taking into account the crucial importance of servicing in securitisation and the central nature of this function within any securitisation transaction.
	66. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:
	(a) criteria for determining the expertise of the servicer;
	(b) criteria for determining well-documented and adequate policies, procedures and risk management controls of the servicer.
	67. The criteria for the expertise of the servicer should correspond to those for the expertise of the originator or the original lender. Newly established entities should be allowed to perform the tasks of servicing, as long as the back-up servicer has the appropriate experience. It is expected that information on the assessment of the expertise is provided in sufficient detail in the STS notification.
	EBA Final non-ABCP STS Guidelines
	5.8 Expertise of the servicer (Article 21 (8))
	Criteria for determining the expertise of the servicer
	68. For the purposes of determining whether a servicer has expertise in servicing exposures of a similar nature to those securitised in accordance with Article 21(8) of Regulation (EU) 2017/2402, both of the following should apply:
	(a) the members of the management body of the servicer and the senior staff, other than members of the management body, responsible for servicing exposures of a similar nature to those securitised should have adequate knowledge and skills in the servicing of exposures similar to those securitised;
	(b) any of the following principles on the quality of the expertise should be taken into account in the determination of the expertise:
	(i) the role and duties of the members of the management body and the senior staff and the required capabilities should be adequate;
	(ii) the experience of the members of the management body and the senior staff gained in previous positions, education and training should be sufficient;
	(iii) the involvement of the members of the management body and the senior staff within the governance structure of the function of servicing the exposures should be appropriate;
	(iv) in the case of a prudentially regulated entity, the regulatory authorisations or permissions held by the entity should be deemed relevant to the servicing of similar exposures to those securitised.

69. A servicer should be deemed to have the required expertise where either of the following applies:
- (a) the business of the entity, or of the consolidated group, to which the entity belongs, for accounting or prudential purposes, has included the servicing of exposures of a similar nature to those securitised, for at least five years;
 - (b) where the requirement referred to in point (a) is not met, the servicer should be deemed to have the required expertise where they comply with both of the following:
 - (i) at least two of the members of its management body have relevant professional experience in the servicing of exposures of a similar nature to those securitised, at personal level, of at least five years;
 - (ii) senior staff, other than members of the management body, who are responsible for managing the entity's servicing of exposures of a similar nature to those securitised, have relevant professional experience in the servicing of exposures of a similar nature to those securitised, at a personal level, of at least five years;
 - (iii) the servicing function of the entity is backed by the back-up servicer compliant with point (a).
70. For the purpose of demonstrating the number of years of professional experience, the relevant expertise should be disclosed in sufficient detail and in accordance with the applicable confidentiality requirements to permit investors to carry out their obligations under Article 5(3)(c) of Regulation (EU) 2017/2402.
- Exposures of similar nature**
71. For the purposes of Article 21(8) of Regulation (EU) 2017/2402, interpretation of the term 'exposures of similar nature' should follow the interpretation provided in paragraph 23 above.

55	Legislative text			
	Article 21 - Requirements relating to standardisation			
	21.8. The servicer shall have expertise in servicing exposures of a similar nature to those securitised and shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.			
	STS criteria			
	55. And shall have well documented and adequate policies, procedures and risk management controls relating to the servicing of exposures.			
	<table border="1"> <tr> <td data-bbox="210 424 1151 488">Article 43.3(b): requirements under 21.8 must be met “as of the time of <i>notification</i>”.</td><td data-bbox="1151 424 2119 488" rowspan="2">Yes</td></tr> <tr> <td data-bbox="210 488 1151 520">Verified?</td></tr> </table>	Article 43.3(b): requirements under 21.8 must be met “as of the time of <i>notification</i> ”.	Yes	Verified?
Article 43.3(b): requirements under 21.8 must be met “as of the time of <i>notification</i> ”.	Yes			
Verified?				
	PCS Comment			
	<p>The Servicers are French entities licensed as credit institutions (<i>établissement de credit</i>) – see “The Sellers” and “The Servicers” on pages 89 and 91.</p> <p>As such, given that they are subject to prudential and capital regulation and supervision in France, pursuant to the EBA guidelines they should be considered to have well documented and adequate policies, procedures and risk management controls relating to servicing of exposures.</p>			
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>			
	<p>Expertise of the Servicer (Article 21 (8))</p> <p>65. The objective of this criterion is to ensure that all the conditions are in place for the proper functioning of the servicing function, taking into account the crucial importance of servicing in securitisation and the central nature of this function within any securitisation transaction.</p> <p>66. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(a) criteria for determining the expertise of the servicer;</p> <p>(b) criteria for determining well-documented and adequate policies, procedures and risk management controls of the servicer.</p> <p>67. The criteria for the expertise of the servicer should correspond to those for the expertise of the originator or the original lender. Newly established entities should be allowed to perform the tasks of servicing, as long as the back-up servicer has the appropriate experience. It is expected that information on the assessment of the expertise is provided in sufficient detail in the STS notification.</p>			
	EBA Final non-ABCP STS Guidelines			
	<p>Expertise of the Servicer (Article 21 (8))</p> <p><i>Well-documented and adequate policies, procedures and risk management controls</i></p> <p>72. For the purposes of Article 21(8) of Regulation (EU) 2017/2402, the servicer should be considered to have well documented and adequate policies, procedures and risk management controls relating to servicing of exposures’ where either of the following conditions is met:</p> <p>(a) The servicer is an entity that is subject to prudential and capital regulation and supervision in the Union and such regulatory authorisations or permissions are deemed relevant to the servicing;</p> <p>(b) The servicer is an entity that is not subject to prudential and capital regulation and supervision in the Union, and a proof of existence of well-documented and adequate policies and risk management controls is provided that also includes a proof of adherence to good market practices and reporting capabilities. The proof should be substantiated by an appropriate third party review, such as by a credit rating agency or external auditor.</p>			

56	Legislative text	
	Article 21 - Requirements relating to standardisation	
	21.9. The transaction documentation shall set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.	
	STS criteria	
	56. The transaction documentation shall set out in clear and consistent terms definitions	
	Article 43.3(b): requirements under 21.9 must be met “as of the time of <i>notification</i> ”.	Yes
	Verified?	
	PCS Comment	
	See “ <i>Servicing of the Home Loans</i> ” on page 195 and onwards.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
Remedies and actions related to delinquency and default of debtor (Article 21 (9))		
68. Investors should be in a position to know, when they receive the transaction documentation, what procedures and remedies are planned in the event that adverse credit events affect the underlying exposures of the securitisation. Transparency of remedies and procedures, in this respect, allows investors to model the credit risk of the underlying exposures with less uncertainty. In addition, clear, timely and transparent information on the characteristics of the waterfall determining the payment priorities is necessary for the investor to correctly price the securitisation position.		
69. To facilitate consistent interpretation of this criterion, the terms ‘in clear and consistent terms’ and ‘clearly specify’ should be further clarified.		
EBA Final non-ABCP STS Guidelines		
5.7 Remedies and actions related to delinquency and default of debtor (Article 21 (9))		
Clear and consistent terms		
For the purposes of Article 21(9) of Regulation (EU) 2017/2402, to ‘set out clear and consistent terms’ and to ‘clearly specify’ should be understood as requiring that the same precise terms are used throughout the transaction documentation in order to facilitate the work of investors.		

57	Legislative text	
	Article 21 - Requirements relating to standardisation	
	21.9. The transaction documentation shall set out in clear and consistent terms definitions, remedies and actions relating to delinquency and default of debtors, debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.	
	STS criteria	
	57. The transaction documentation shall set out in clear and consistent terms, remedies and actions relating to delinquency and default of debtors debt restructuring, debt forgiveness, forbearance, payment holidays, losses, charge offs, recoveries and other asset performance remedies.	
	Article 43.3(b): requirements under 21.9 must be met “as of the time of <i>notification</i> ”.	Yes
	Verified?	
	PCS Comment	
	See “ <i>Servicing of the Home Loans</i> ” on page 195 and onwards.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
Remedies and actions related to delinquency and default of debtor (Article 21 (9))		
68. Investors should be in a position to know, when they receive the transaction documentation, what procedures and remedies are planned in the event that adverse credit events affect the underlying exposures of the securitisation. Transparency of remedies and procedures, in this respect, allows investors to model the credit risk of the underlying exposures with less uncertainty. In addition, clear, timely and transparent information on the characteristics of the waterfall determining the payment priorities is necessary for the investor to correctly price the securitisation position.		
69. To facilitate consistent interpretation of this criterion, the terms ‘in clear and consistent terms’ and ‘clearly specify’ should be further clarified.		
EBA Final non-ABCP STS Guidelines		
5.7 Remedies and actions related to delinquency and default of debtor (Article 21 (9))		
Clear and consistent terms		
For the purposes of Article 21(9) of Regulation (EU) 2017/2402, to ‘set out clear and consistent terms’ and to ‘clearly specify’ should be understood as requiring that the same precise terms are used throughout the transaction documentation in order to facilitate the work of investors.		

58	Legislative text	
	Article 21 - Requirements relating to standardisation	
	21.9 ...The transaction documentation shall clearly specify the priorities of payment, events which trigger changes in such priorities of payment as well as the obligation to report such events. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.	
	STS criteria	
	58. The transaction documentation shall clearly specify the priorities of payment,	
	Article 43.3(b): requirements under 21.9 must be met “as of the time of <i>notification</i> ”.	Yes
	Verified?	
	PCS Comment	
	See “Priority of Payments during the Amortisation Period (Normal Priority of Payments)” and “Priority of Payments during the Accelerated Amortisation Period and on the Issuer Liquidation Date (Accelerated Priority of Payments)” on pages 68-70.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
EBA Final non-ABCP STS Guidelines		

59	Legislative text			
	Article 21 - Requirements relating to standardisation			
	<p>21.9 [...] The transaction documentation shall clearly specify the priorities of payment, events which trigger changes in such priorities of payment as well as the obligation to report such events. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.</p>			
	STS criteria			
	<p>59. The transaction documentation shall clearly specify the events which trigger changes in such priorities of payment.</p>			
	<table border="1"> <tr> <td data-bbox="210 472 1151 528">Article 43.3(b): requirements under 21.9 must be met “as of the time of <i>notification</i>”.</td><td data-bbox="1151 472 2119 528" rowspan="2">Yes</td></tr> <tr> <td data-bbox="210 528 1151 568">Verified?</td></tr> </table>	Article 43.3(b): requirements under 21.9 must be met “as of the time of <i>notification</i> ”.	Yes	Verified?
Article 43.3(b): requirements under 21.9 must be met “as of the time of <i>notification</i> ”.	Yes			
Verified?				
	PCS Comment			
	<p>The priority of payments is changed following the occurrence of an Accelerated Amortisation Event.</p> <p>See and “<i>Priority of Payments during the Accelerated Amortisation Period and on the Issuer Liquidation Date (Accelerated Priority of Payments)</i>” on page 69, specifying that such PoP applies starting from the Payment Date falling within the Accelerated Amortisation Period, and on the Issuer Liquidation Date.</p> <p>See below the definitions of Accelerated Amortisation Period and Accelerated Amortisation Event:</p> <p>Accelerated Amortisation Event means the following event which can occur during the Amortisation Period: any amount of interest due and payable on the Class A Notes remains partially or totally unpaid after five (5) Business Days following the relevant Payment Date.</p> <p>Accelerated Amortisation Period means the period beginning on the Payment Date (included) falling on or after the occurrence of an Accelerated Amortisation Event and ending on the Issuer Liquidation Date (included).</p>			
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>			
	EBA Final non-ABCP STS Guidelines			

60	Legislative text
	Article 21 - Requirements relating to standardisation
	21.9 [...] The transaction documentation shall clearly specify the priorities of payment, events which trigger changes in such priorities of payment as well as the obligation to report such events. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.
	STS criteria
	60. The transaction documentation shall clearly specify the obligation to report such events.
	Article 43.3(b): requirements under 21.9 must be met “as of the time of <i>notification</i> ”.
	Verified?
	PCS Comment
	<p>See subparagraph (c) of Clause 7.1 (<i>Role of the Management Company</i>) of the Issuer Regulations, as amended, where it is provided that <<Pursuant to the provisions of these Issuer Regulations, the Management Company is specifically in charge of: [...] (c) determining, and giving effect to, the occurrence of an Accelerated Amortisation Event, an Issuer Liquidation Event or a Servicer Termination Event and informing the Noteholders of the occurrence of any such event on the immediately following Investor Reporting Date (provided that such information shall be reported prior to such date, if necessary to make sure that such information is reported to investors without undue delay);>>.</p> <p>See also Clause 54.3 (Additional Information and Transparency Requirements) of the Issuer Regulations, as amended, where it is provided that: <<[...] on each Investor Reporting Date, the Management Company shall publish the relevant Investor Report and any additional documents attached to it, as required by and in accordance with Article 7(1)(e) of the STS Regulation, setting out: [...] information on events which trigger changes in the applicable Priority of Payments or (provided that such information shall be reported on a date other than an Investor Reporting Date, if necessary to make sure that such information is reported to investors without undue delay) the replacement of any party to the Transaction Documents, and data on the cash flows generated by the Purchased Home Loans and by the Notes and Residual Units;>>.</p>
	EBA Final non-ABCP STS Guidelines – statements on background and rationale
	EBA Final non-ABCP STS Guidelines

61	Legislative text	
	Article 21 - Requirements relating to standardisation	
	21.9 [...] The transaction documentation shall clearly specify the priorities of payment, events which trigger changes in such priorities of payment as well as the obligation to report such events. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.	
	STS criteria	
	61. Any change in the priorities of payments which will materially adversely affect the repayment of the securitisation position shall be reported to investors without undue delay.	
	Article 43.3(b): requirements under 21.9 must be met “as of the time of notification ”.	Yes
	Verified?	
	PCS Comment	
	See Clause 54.3 (Additional Information and Transparency Requirements) of the Issuer Regulations, <u>as amended</u> , where it is provided that: <<[...] The Management Company shall publish on its internet website, or through any other means that it deems appropriate, any information regarding the Sellers, the Servicers, the Purchased Home Loans, the Notes and the management of the Issuer which it considers significant in order to ensure adequate and accurate information for the Noteholders. In addition, for the purposes of article 7(2) of STS Regulation, the Sellers, the Transaction Agent and the Management Company on behalf of the Issuer have agreed in the Home Loans Purchase and Servicing Agreement that the Issuer shall be in charge of fulfilling the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 7(1) of STS Regulation. In each case, <u>information shall be made available by the Management Company on behalf of the Issuer to the Noteholders, the competent authorities referred to in article 29 of the STS Regulations, and, upon request, to potential investors and shall be published on the EDW Website, as follows [...] (iv) the Management Company shall publish without delay, in accordance with Article 7(1)(g)(v) of the STS Regulation, any material amendment to any Transaction Documents (provided that, as indicated in Section “MODIFICATIONS TO THE TRANSACTION”, any amendments to the Issuer Regulations shall be notified to the Noteholders and the Residual Unitholder(s), it being specified that such amendments shall be, automatically and without any further formalities (de plein droit), enforceable as against such Noteholders and Residual Unitholder(s) within three Business Days after they have been notified thereof);>>.</u> See also the section “MODIFICATIONS TO THE TRANSACTION” – “Modification of the elements contained in the Prospectus” where it is stated that <<The Management Company and the Custodian may agree to any modification of the elements contained in the Prospectus, except in the case of a transfer of the management further to a withdrawal of the licence of the Management Company, in respect of which the decision is taken solely by the Custodian. After the listing of the Class A Notes on the Paris Stock Exchange (Eurolist by Euronext Paris S.A.), any event which may have an impact on the Class A Notes and any modification of characteristic elements (éléments caractéristiques) contained in the Prospectus shall be made public in accordance with article 223-21 of the AMF General Regulations (Règlement Général de l’Autorité des Marchés Financiers). Any new facts or any error or inaccuracy relating to the information contained in the Prospectus which may have a material impact on the valuation of the Class A Notes and which occurs or is observed on a date falling between the date of the visa granted by the AMF in relation to the Prospectus and the Issue Date, shall be mentioned in a complementary information note (note complémentaire) which, prior to its diffusion, is submitted to the approval of the Autorité des Marchés Financiers.>>.	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
EBA Final non-ABCP STS Guidelines		

62	Legislative text
	Article 21 - Requirements relating to standardisation
	<p>21.10. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.</p>
	STS criteria
	<p>62. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders</p>
	<p>Article 43.3(b): requirements under 21.10 must be met “as of the time of <i>notification</i>”.</p>
	Yes
	Verified?
	PCS Comment
<p>See “Representation and voting rules” set out on page 50 and onwards. See in particular:</p> <p><u>(a) the method for calling meetings:</u> “Convocation of a Noteholders’ Meetings” on page 51. <<Notice of the date, hour, place, agenda and quorum requirements of any Noteholders’ Meeting will be notified as provided in the Terms and Conditions not less than fifteen (15) calendar days prior to the date of the relevant Noteholders’ Meeting for the first convocation and not less than ten (10) calendar days in the case of a second convocation prior to the date of the reconvened Noteholders’ Meeting.>>.</p> <p><u>(b) the maximum timeframe for setting up a meeting:</u> “Convocation of a Noteholders’ Meetings” on page 51. <<General meeting (assemblée générale) of the Noteholders of a class of Notes (each a “Noteholders’ Meeting”) shall be held in France and at any time, upon convocation by the relevant Noteholder Representative or, as the case may be, by the Management Company. One or more Noteholders of the relevant class of Notes holding at least one-thirtieth of the outstanding Notes of that Class may address to the relevant Noteholder Representative with a copy to the Management Company, a demand for convocation of a Noteholders’ Meeting in respect of that class of Notes. <u>If such Noteholders’ Meeting has not been convened within two (2) months from such demand, the Noteholders of the relevant class of Notes may commission one of them to petition the competent court in Paris to appoint an agent (mandataire) who will call the Noteholders’ Meeting.>>.</u></p> <p><u>(c) the required quorum:</u> see on page 52 “Quorum and majority rules”, providing that <<Noteholders’ Meetings may deliberate validly on first convocation <u>only if the Noteholders of the relevant class of Notes present or represented hold at least one fifth of the principal amount outstanding the Notes of that Class. On second convocation, no quorum shall be required. [...]>>.</u></p> <p><u>(d) the minimum threshold of votes</u> to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision; see on page 52 <<Decisions at Noteholders’ Meetings shall be taken at a two-third majority of votes cast by the Noteholders of the relevant class of Notes attending, or represented at, such Noteholders’ Meeting.>>.</p> <p><u>(e) where applicable, a location for the meetings</u> which should be in the EU: The location shall be in France. See: “Convocation of a Noteholders’ Meetings” on page 51. <<General meeting (assemblée générale) of the Noteholders of a class of Notes (each a “Noteholders’ Meeting”) shall be held in France [...]>>.</p> <p>Although the wording of the Regulation as to what constitutes the “facilitation of timely resolution of conflicts” is very vague, the EBA Guidelines have helpfully set out the five minimum requirements that the documents should contain to meet this criterion.</p> <p>PCS has reviewed the documents to ascertain that all the five requirements above are indeed present.</p>	
EBA Final non-ABCP STS Guidelines – statements on background and rationale	
Resolution of conflicts between different classes of investors	
<p>70. The objective of this criterion is to help ensure clarity for securitisation noteholders of their rights and ability to control and enforce on the underlying credit claims or receivables. This should make the decision-making process more effective, for instance in circumstances where enforcement rights on the underlying assets are being exercised.</p>	
<p>71. To facilitate consistent interpretation of this criterion, the term ‘clear provisions that facilitate the timely resolution of conflicts between different classes of investors’ should be further interpreted.</p>	

EBA Final non-ABCP STS Guidelines**5.8 Resolution of conflicts between different classes of investors (Article 20 (10))*****Clear provisions facilitating the timely resolution of conflicts between different classes of investors***

73. For the purposes of Article 21(10) of Regulation (EU) 2017/2402, provisions of the transaction documentation that 'facilitate the timely resolution of conflicts between different classes of investors', should include provisions with respect to all of the following:

- (a) the method for calling meetings or arranging conference calls;
- (b) the maximum timeframe for setting up a meeting or conference call;
- (c) the required quorum;
- (d) the minimum threshold of votes to validate such a decision, with clear differentiation between the minimum thresholds for each type of decision;
- (e) where applicable, a location for the meetings which should be in the Union.

74. For the purposes of Article 21(10) of Regulation (EU) 2017/2402, where mandatory statutory provisions exist in the applicable jurisdiction that set out how conflicts between investors have to be resolved, the transaction documentation may refer to these provisions.

63	Legislative text	
	Article 21 - Requirements relating to standardisation	
	21.10. The transaction documentation shall include clear provisions that facilitate the timely resolution of conflicts between different classes of investors, voting rights shall be clearly defined and allocated to bondholders and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.	
	STS criteria	
	63. and the responsibilities of the trustee and other entities with fiduciary duties to investors shall be clearly identified.	
	Article 43.3(b): requirements under 21.10 must be met “as of the time of <i>notification</i> ”.	Yes
	Verified?	
	PCS Comment	
	The entity that performs fiduciary duties to investors in this transaction is the Management Company. See the section of Prospectus headed “DESCRIPTION OF THE RELEVANT ENTITIES” – “The Management Company” – “Role of the Management Company” on page 83 and onwards and the relevant amendments to Clause 7.1 of the Issuer Regulations. See also the relevant amendments to certain roles and activities of the Management Company as made to the Issuer Regulations, as set out in the section of the Notice headed “FURTHER AMENDMENTS TO THE ISSUER REGULATIONS”.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
Resolution of conflicts between different classes of investors (Article 20 (10)) 70. The objective of this criterion is to help ensure clarity for securitisation noteholders of their rights and ability to control and enforce on the underlying credit claims or receivables. This should make the decision-making process more effective, for instance in circumstances where enforcement rights on the underlying assets are being exercised. 71. To facilitate consistent interpretation of this criterion, the term ‘clear provisions that facilitate the timely resolution of conflicts between different classes of investors’ should be further interpreted.		
EBA Final non-ABCP STS Guidelines		

64	Legislative text	
	Article 22 - Requirements relating to transparency	
	22.1. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, to potential investors before pricing. Those data shall cover a period no shorter than five years.	
	STS criteria	
	64. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised,	
	Article 43.3(b): requirements under 22.1 must be met “as of the time of <i>notification</i> ”.	Yes
	Verified?	
	PCS Comment	
	See the Notice, section headed “ADDITIONAL HISTORICAL PERFORMANCE DATA”.	
	See also the statement in this respect contained in the subsection “General” of the above-mentioned section, that such section contains information prepared based on BPCE’s internal records and which provide historical performances based on both static and dynamic formats covering a period of at least (5) years for substantially similar home loans receivables than to those being securitised by means of the securitisation transaction.	
EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>		
Data on historical default and loss performance (Article 22(1))		
72. The objective is to provide investors with sufficient information on an asset class to conduct appropriate due diligence and to provide access to a sufficiently rich data set to enable a more accurate calculation of expected loss in different stress scenarios. These data are necessary for investors to carry out proper risk analysis and due diligence, and they contribute to building confidence and reducing uncertainty regarding the market behaviour of the underlying asset class. New asset classes entering the securitisation market, for which a sufficient track record of performance has not yet been built up, may not be considered transparent in that they cannot ensure that investors have the appropriate tools and knowledge to carry out proper risk analysis.		
73. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:		
(a) its application to external data;		
(b) the term ‘substantially similar exposures’.		
EBA Final non-ABCP STS Guidelines		

6.1 Data on historical default and loss performance (Article 22(1))

Data

75. For the purposes of Article 22(1) of Regulation (EU) 2017/2402, where the seller cannot provide data in line with the data requirements contained therein, external data that are publicly available or are provided by a third party, such as a rating agency or another market participant, may be used, provided that all of the other requirements of that article are met.

Substantially similar exposures

76. For the purposes of Article 22(1) of Regulation (EU) 2017/2402, the term 'substantially similar exposures' should be understood as referring to exposures for which both of the following conditions are met:

- (a) the most relevant factors determining the expected performance of the underlying exposures are similar;
- (b) as a result of the similarity referred to in point (a) it could reasonably have been expected, on the basis of indications such as past performance or applicable models, that, over the life of the transaction, or over a maximum of four years, where the life of the transaction is longer than four years, their performance would not be significantly different.

77. The substantially similar exposures should not be limited to exposures held on the balance sheet of the originator.

65	Legislative text
	Article 22 - Requirements relating to transparency
	<p>22.1. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, to potential investors before pricing. Those data shall cover a period no shorter than five years.</p>
	STS criteria
	<p>65. and the sources of those data and the basis for claiming similarity, to potential investors before pricing.</p>
	<p>Article 43.3(b): requirements under 22.1 must be met “as of the time of <i>notification</i>”.</p>
	<p>Verified?</p>
	<p>PCS Comment</p>
	<p>See point 64 above. See also “Information” sub-section under “SERVICING THE HOME LOANS” on page 197 of the Prospectus where it is stated that prior to the Issue Date, the Transaction Agent on behalf of the Sellers has made available (i) in relation to <u>exposures substantially similar to those of the pool of Home Loans to be offered to the Issuer on the Purchase Date</u>, historical data covering a period of at least five (5) years on static and/or dynamic format including default recovery performance, including delinquency and default data).</p> <p>See also the updated historical data contained in “ADDITIONAL HISTORICAL PERFORMANCE DATA” as set out in the Notice.</p>
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>
	Data on historical default and loss performance (Article 22(1))
	<p>72. The objective is to provide investors with sufficient information on an asset class to conduct appropriate due diligence and to provide access to a sufficiently rich data set to enable a more accurate calculation of expected loss in different stress scenarios. These data are necessary for investors to carry out proper risk analysis and due diligence, and they contribute to building confidence and reducing uncertainty regarding the market behaviour of the underlying asset class. New asset classes entering the securitisation market, for which a sufficient track record of performance has not yet been built up, may not be considered transparent in that they cannot ensure that investors have the appropriate tools and knowledge to carry out proper risk analysis.</p> <p>73. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(a) its application to external data;</p> <p>(b) the term ‘substantially similar exposures’.</p>
	EBA Final non-ABCP STS Guidelines

6.1 Data on historical default and loss performance (Article 22(1))

Data

75. For the purposes of Article 22(1) of Regulation (EU) 2017/2402, where the seller cannot provide data in line with the data requirements contained therein, external data that are publicly available or are provided by a third party, such as a rating agency or another market participant, may be used, provided that all of the other requirements of that article are met.

Substantially similar exposures

76. For the purposes of Article 22(1) of Regulation (EU) 2017/2402, the term 'substantially similar exposures' should be understood as referring to exposures for which both of the following conditions are met:

- (a) the most relevant factors determining the expected performance of the underlying exposures are similar;
- (b) as a result of the similarity referred to in point (a) it could reasonably have been expected, on the basis of indications such as past performance or applicable models, that, over the life of the transaction, or over a maximum of four years, where the life of the transaction is longer than four years, their performance would not be significantly different.

77. The substantially similar exposures should not be limited to exposures held on the balance sheet of the originator.

66	Legislative text
	Article 22 - Requirements relating to transparency
	<p>22.1. The originator and the sponsor shall make available data on static and dynamic historical default and loss performance, such as delinquency and default data, for substantially similar exposures to those being securitised, and the sources of those data and the basis for claiming similarity, to potential investors before pricing. Those data shall cover a period no shorter than five years.</p>
	STS criteria
	<p>66. Those data shall cover a period no shorter than five years.</p>
	<p>Article 43.3(b): requirements under 22.1 must be met “as of the time of <i>notification</i>”.</p>
	Verified?
	PCS Comment
	<p>See “Information” Sub-section of the Section entitled “SERVICING THE HOME LOANS” on page 197 where it is stated that prior to the Issue Date, the Transaction Agent on behalf of the Sellers has made available (i) in relation to exposures substantially similar to those of the pool of Home Loans to be offered to the Issuer on the Purchase Date, historical data <u>covering a period of at least five (5) years</u> on static and/or dynamic format including default recovery performance, including delinquency and default data).</p> <p>See also the updated historical data contained in “ADDITIONAL HISTORICAL PERFORMANCE DATA” as set out in the Notice.</p>
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>
	<p>72. The objective is to provide investors with sufficient information on an asset class to conduct appropriate due diligence and to provide access to a sufficiently rich data set to enable a more accurate calculation of expected loss in different stress scenarios. These data are necessary for investors to carry out proper risk analysis and due diligence, and they contribute to building confidence and reducing uncertainty regarding the market behaviour of the underlying asset class. New asset classes entering the securitisation market, for which a sufficient track record of performance has not yet been built up, may not be considered transparent in that they cannot ensure that investors have the appropriate tools and knowledge to carry out proper risk analysis.</p> <p>73. To facilitate consistent interpretation of this criterion, the following aspects should be further clarified:</p> <p>(a) its application to external data;</p> <p>(b) the term ‘substantially similar exposures’.</p>
	EBA Final non-ABCP STS Guidelines
	6.1 Data on historical default and loss performance (Article 22(1))
	Data
	<p>75. For the purposes of Article 22(1) of Regulation (EU) 2017/2402, where the seller cannot provide data in line with the data requirements contained therein, external data that are publicly available or are provided by a third party, such as a rating agency or another market participant, may be used, provided that all of the other requirements of that article are met.</p>
	Substantially similar exposures
	<p>76. For the purposes of Article 22(1) of Regulation (EU) 2017/2402, the term ‘substantially similar exposures’ should be understood as referring to exposures for which both of the following conditions are met:</p>
	<p>(a) the most relevant factors determining the expected performance of the underlying exposures are similar;</p>

(b) as a result of the similarity referred to in point (a) it could reasonably have been expected, on the basis of indications such as past performance or applicable models, that, over the life of the transaction, or over a maximum of four years, where the life of the transaction is longer than four years, their performance would not be significantly different.

77. The substantially similar exposures should not be limited to exposures held on the balance sheet of the originator.

67	Legislative text
	Article 22 - Requirements relating to transparency
	<p>22.2. A sample of the underlying exposures shall be subject to external verification prior to issuance prior to notification under Article 27(1) of the securities resulting from the securitisation by an appropriate and independent party, including verification that the data disclosed in respect of the underlying exposures is accurate.</p>
	STS criteria
	<p>67. A sample of the underlying exposures shall be subject to external verification prior to issuance prior to notification under Article 27(1) of the securities resulting from the securitisation by an appropriate and independent party,</p>
	<p>Article 43.3(b): requirements under 22.2 must be met “as of the time of <i>notification</i>”.</p> <p>Article 43.4: For the purposes of point (b) of paragraph 3, the following shall apply: (a) in Article 22(2), ‘prior to issuance’ shall be deemed to read ‘prior to notification under Article 27(1)’; [...]</p>
	Verified?
	PCS Comment
	<p>This is not a revolving transaction. Therefore, this requirement must be considered met if the external verification is made prior to the issuance, as in this case.</p> <p>We note however the presence of R&W confirming the following:</p> <p>See Clause 31 (Representations and Warranties) of the Home Loans Purchase and Servicing Agreement, as amended, and in particular the newly added paragraphs 31.7 as detailed in the Notice and as follows:</p> <p><<31.7 <i>In relation to the agreed upon procedures performed by an independent third party on a statistical sample randomly selected out of the Sellers eligible home loans pool (in existence on 30 June 2018) in the framework of the issuance implemented pursuant to the Transaction Documents, and the other securitisation transactions of Groupe BPCE, which is described in the risk factor entitled “No independent investigation – Representation and Warranties” of the Prospectus, and which assessed the compliance with certain eligibility criteria and also with the consistency in data as registered in the systems of the Sellers with the data as provided for in the physical home loan files, each Seller hereby confirms that no significant adverse findings have been found by such third party during its reviews.>>.</i></p>
	EBA Final non-ABCP STS Guidelines – statements on background and rationale
	<p>Verification of a sample of the underlying exposures (Article 22 (2))</p> <p>74. The objective of the criterion is to provide a level of assurance that the data on and reporting of the underlying credit claims or receivables is accurate and that the underlying exposures meet the eligibility criteria, by ensuring checks on the data to be disclosed to the investors by an external entity not affected by a potential conflict of interest within the transaction.</p> <p>75. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:</p> <p>(a) requirements on the sample of the underlying exposures subject to external verification;</p> <p>(b) requirements on the party executing the verification;</p> <p>(c) scope of the verification;</p> <p>(d) requirement on the confirmation of the verification.</p>
	EBA Final non-ABCP STS Guidelines

6.2 Verification of a sample of the underlying exposures (Article 22 (2))

Sample of the underlying exposures subject to external verification

78. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, the underlying exposures that should be subject to verification prior to the issuance should be a representative sample of the provisional portfolio from which the securitised pool is extracted and which is in a reasonably final form before issuance.

Party executing the verification

79. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, an appropriate and independent party should be deemed to be a party that meets both of the following conditions:

- (a) it has the experience and capability to carry out the verification;
- (b) it is none of the following:
 - (i) a credit rating agency;
 - (ii) a third party verifying STS compliance in accordance with Article 28 of Regulation (EU) 2017/2402;
 - (iii) an entity affiliated to the originator.

Scope of the verification

80. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, the verification to be carried out based on the representative sample, applying a confidence level of at least 95%, should include both of the following:

- (a) verification of the compliance of the underlying exposures in the provisional portfolio with the eligibility criteria that are able to be tested prior to issuance;
- (b) verification of the fact that the data disclosed to investors in any formal offering document in respect of the underlying exposures is accurate.

Confirmation of the verification

81. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, confirmation that this verification has occurred and that no significant adverse findings have been found should be disclosed.

68	Legislative text
	Article 22 - Requirements relating to transparency
	<p>22.2. A sample of the underlying exposures shall be subject to external verification prior to issuance prior to notification under Article 27(1) of the securities resulting from the securitisation by an appropriate and independent party, including verification that the data disclosed in respect of the underlying exposures is accurate.</p>
	STS criteria
	68. [...] including verification that the data disclosed in respect of the underlying exposures is accurate.
	<p>Article 43.3(b): requirements under 22.2 must be met “as of the time of notification”.</p> <p>Article 43.4: For the purposes of point (b) of paragraph 3, the following shall apply: (a) in Article 22(2), ‘prior to issuance’ shall be deemed to read ‘prior to notification under Article 27(1)’; [...]</p>
	Verified?
	PCS Comment
	<p>See the representation in Clause 31 (Representations and Warranties) of the Home Loans Purchase and Servicing Agreement, as amended:</p> <p><<31.7 In relation to the agreed upon procedures performed by an independent third party on a statistical sample randomly selected out of the Sellers eligible home loans pool (in existence on 30 June 2018) in the framework of the issuance implemented pursuant to the Transaction Documents, and the other securitisation transactions of Groupe BPCE, which is described in the risk factor entitled “No independent investigation – Representation and Warranties” of the Prospectus, which assessed the compliance with certain eligibility criteria and also with the consistency in data as registered in the systems of the Sellers with the data as provided for in the physical home loan files and which re-calculated: (i) the projections of weighted average life of the Class A Notes set out in Section “WEIGHTED AVERAGE LIFE OF THE CLASS A NOTES AND ASSUMPTIONS” of the Prospectus and (ii) the stratification tables disclosed in Section “STATISTICAL INFORMATION RELATING TO THE PROVISIONAL PORTFOLIO OF HOME LOANS” of the Prospectus in respect of the exposures of the provisional portfolio, each Seller hereby confirms that no significant adverse findings have been found by such third party during its reviews.>>.</p> <p>See also statement on page 99 in the section “No independent investigation - Representations and Warranties”:</p> <p><<[...] an independent third party has performed agreed upon procedures on a statistically sample randomly selected out of the Sellers eligible home loans pool (in existence on 30 June 2018) in the framework of this issuance and the other securitisation transactions of Groupe BPCE. The size of the sample has been determined on the basis of a confidence level of 99% and a maximum accepted error rate of 1%. The procedures assessed the compliance with certain eligibility criteria and also with the consistency in data as registered in the systems of the Sellers with the data as provided for in the physical home loan files. The pool agreed-upon procedures review includes the review of 31 loan characteristics, which include but are not limited to the outstanding loan amount, the interest rate, the loan purpose, the occupancy type, the geographical location, the security type, the original valuation of the property, the name of the guarantor, the name of the originator, interest, the instalment amount, the maturity date and the borrower’s debt ratio. This independent third party has also performed agreed upon procedures in order to re-calculate: (i) the projections of weighted average life of the Class A Notes set out in Section “WEIGHTED AVERAGE LIFE OF THE CLASS A NOTES AND ASSUMPTIONS” and (ii) the stratification tables disclosed in Section “STATISTICAL INFORMATION RELATING TO THE Provisional PORTFOLIO OF HOME LOANS” in respect of the exposures of the provisional portfolio. The third party undertaking the review has reported the factual findings to the parties to the engagement letter. The third party undertaking the review only accepts a duty of care to the parties to the engagement letters governing the performance of the agreed upon procedures and to the fullest extent permitted by law shall have no responsibility to anyone else in respect of the work it has performed or the reports it has produced save where terms are expressly agreed.>>.</p>
	EBA Final non-ABCP STS Guidelines – statements on background and rationale

Verification of a sample of the underlying exposures (Article 22 (2))

74. The objective of the criterion is to provide a level of assurance that the data on and reporting of the underlying credit claims or receivables is accurate and that the underlying exposures meet the eligibility criteria, by ensuring checks on the data to be disclosed to the investors by an external entity not affected by a potential conflict of interest within the transaction.

75. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:

- (a) requirements on the sample of the underlying exposures subject to external verification;
- (b) requirements on the party executing the verification;
- (c) scope of the verification;
- (d) requirement on the confirmation of the verification.

EBA Final non-ABCP STS Guidelines

6.2 Verification of a sample of the underlying exposures (Article 22 (2))

Sample of the underlying exposures subject to external verification

78. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, the underlying exposures that should be subject to verification prior to the issuance should be a representative sample of the provisional portfolio from which the securitised pool is extracted and which is in a reasonably final form before issuance.

Party executing the verification

79. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, an appropriate and independent party should be deemed to be a party that meets both of the following conditions:

- (a) it has the experience and capability to carry out the verification;
- (b) it is none of the following:
 - (i) a credit rating agency;
 - (ii) a third party verifying STS compliance in accordance with Article 28 of Regulation (EU) 2017/2402;
 - (iii) an entity affiliated to the originator.

Scope of the verification

80. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, the verification to be carried out based on the representative sample, applying a confidence level of at least 95%, should include both of the following:

- (a) verification of the compliance of the underlying exposures in the provisional portfolio with the eligibility criteria that are able to be tested prior to issuance;
- (b) verification of the fact that the data disclosed to investors in any formal offering document in respect of the underlying exposures is accurate.

Confirmation of the verification

81. For the purposes of Article 22(2) of Regulation (EU) 2017/2402, confirmation that this verification has occurred and that no significant adverse findings have been found should be disclosed.

69	Legislative text		
	Article 22 - Requirements relating to transparency		
	<p>22.3. The originator or the sponsor shall, before the pricing of the securitisation prior to notification under Article 27(1), make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE, and shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.</p>		
	STS criteria		
	<p>69. The originator or the sponsor shall, before the pricing of the securitisation prior to notification under Article 27(1), make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE.</p>		
	<table border="1"> <tr> <td data-bbox="210 512 1151 667"> <p>Article 43.3(b): requirements under 22.3 must be met “as of the time of <i>notification</i>”.</p> <p>Article 43.4: For the purposes of point (b) of paragraph 3, the following shall apply: [...] (b) in Article 22(3), ‘before the pricing of the securitisation’ shall be deemed to read ‘prior to notification under Article 27(1)’.</p> </td><td data-bbox="1151 512 2119 667" style="text-align: center; vertical-align: middle;">Yes</td></tr> </table>	<p>Article 43.3(b): requirements under 22.3 must be met “as of the time of <i>notification</i>”.</p> <p>Article 43.4: For the purposes of point (b) of paragraph 3, the following shall apply: [...] (b) in Article 22(3), ‘before the pricing of the securitisation’ shall be deemed to read ‘prior to notification under Article 27(1)’.</p>	Yes
<p>Article 43.3(b): requirements under 22.3 must be met “as of the time of <i>notification</i>”.</p> <p>Article 43.4: For the purposes of point (b) of paragraph 3, the following shall apply: [...] (b) in Article 22(3), ‘before the pricing of the securitisation’ shall be deemed to read ‘prior to notification under Article 27(1)’.</p>	Yes		
	Verified?		
	PCS Comment		
	<p>See Clause 40.2.4, §(b) and (c) of the Issuer Regulations (as amended) stating that:</p> <p><<Furthermore, the Transaction Agent on behalf of the Sellers has undertaken to:[...]</p> <p>(b) use reasonable commercial endeavours (obligation de moyens) to make available a liability cash flow model through Bloomberg and/or Intex and/or any other relevant modelling platform, which precisely represents the contractual relationship between the Purchased Home Loans and the payments flowing between the Sellers, the Transaction Agent, the Noteholders, other third parties and the Issuer (the Cash Flow Model) before pricing;</p> <p>(c) make available such Cash Flow Model through Bloomberg and/or Intex and/or any other relevant modelling platform, to the relevant Noteholders on an ongoing basis and to potential investors upon request; [...]>>.</p>		
	EBA Final non-ABCP STS Guidelines – statements on background and rationale		
	<p>Liability cashflow model (Article 22(3))</p> <p>76. The objective of this criterion is to assist investors in their ability to appropriately model the cash flow waterfall of the securitisation on the liability side of the SSPE.</p> <p>77. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:</p> <p>(a) interpretation of the term ‘precise’ representation of the contractual relationships;</p> <p>(b) implications when the model is provided by third parties.</p>		
	EBA Final non-ABCP STS Guidelines		
	<p>Liability cash flow model (Article 22(3))</p> <p>Precise representation of the contractual relationship</p> <p>82. For the purposes of Article 22(3) of Regulation (EU) 2017/2402, the representation of the contractual relationships between the underlying exposures and the payments flowing among the originator, sponsor, investors, other parties and the SSPE should be considered to have been done ‘precisely’ where it is done accurately and with an amount of detail sufficient to allow investors to model payment</p>		

obligations of the SSPE and to price the securitisation accordingly. This may include algorithms that permit investors to model a range of different scenarios that will affect cash flows, such as different prepayment or default rates.

Third parties

83. For the purposes of Article 22(3) of Regulation (EU) 2017/2402, where the liability cash flow model is developed by third parties, the originator or sponsor should remain responsible for making the information available to potential investors.

70	Legislative text
	Article 22 - Requirements relating to transparency
	<p>22.3. The originator or the sponsor shall, before the pricing of the securitisation prior to notification under Article 27(1), make available to potential investors a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE, and shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.</p>
	STS criteria
	<p>70. And shall, after pricing, make that model available to investors on an ongoing basis and to potential investors upon request.</p>
	<p>Article 43.3(b): requirements under 22.3 must be met “as of the time of <i>notification</i>”.</p> <p>Article 43.4: For the purposes of point (b) of paragraph 3, the following shall apply: [...] (b) in Article 22(3), ‘before the pricing of the securitisation’ shall be deemed to read ‘prior to notification under Article 27(1)’.</p>
	Verified?
	PCS Comment
	<p>See Clause 40.2.4, §(b) and (c) of the Issuer Regulations (as amended) stating that:</p> <p><<Furthermore, the Transaction Agent on behalf of the Sellers has undertaken to:[...]</p> <p>(b) use reasonable commercial endeavours (obligation de moyens) to make available a liability cash flow model through Bloomberg and/or Intex and/or any other relevant modelling platform, which precisely represents the contractual relationship between the Purchased Home Loans and the payments flowing between the Sellers, the Transaction Agent, the Noteholders, other third parties and the Issuer (the Cash Flow Model) before pricing;</p> <p>(c) make available such Cash Flow Model through Bloomberg and/or Intex and/or any other relevant modelling platform, to the relevant Noteholders on an ongoing basis and to potential investors upon request; [...]>>.</p>
	EBA Final non-ABCP STS Guidelines – statements on background and rationale
	<p>Liability cashflow model (Article 22(3))</p> <p>76. The objective of this criterion is to assist investors in their ability to appropriately model the cash flow waterfall of the securitisation on the liability side of the SSPE.</p> <p>77. To facilitate consistent interpretation of this criterion, the following aspects should be clarified:</p> <p>(a) interpretation of the term ‘precise’ representation of the contractual relationships;</p> <p>(b) implications when the model is provided by third parties.</p>
	EBA Final non-ABCP STS Guidelines
	<p>Liability cash flow model (Article 22(3))Precise representation of the contractual relationship</p> <p>82. For the purposes of Article 22(3) of Regulation (EU) 2017/2402, the representation of the contractual relationships between the underlying exposures and the payments flowing among the originator, sponsor, investors, other parties and the SSPE should be considered to have been done ‘precisely’ where it is done accurately and with an amount of detail sufficient to allow investors to model payment obligations of the SSPE and to price the securitisation accordingly. This may include algorithms that permit investors to model a range of different scenarios that will affect cash flows, such as different prepayment or default rates.</p>

Third parties

83. For the purposes of Article 22(3) of Regulation (EU) 2017/2402, where the liability cash flow model is developed by third parties, the originator or sponsor should remain responsible for making the information available to potential investors.

71	Legislative text
	Article 22 - Requirements relating to transparency
	<p>22.4. In case of a securitisation where the underlying exposures are residential loans or car loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or car loans or leases, as part of the information disclosed pursuant to point (a) of the first subparagraph of Article 7(1).</p>
	STS criteria
	<p>71. In case of a securitisation where the underlying exposures are residential loans or car loans or leases, the originator and sponsor shall publish the available information related to the environmental performance of the assets financed by such residential loans or car loans or leases, as part of the information disclosed pursuant to point (a) of the first subparagraph of Article 7(1).</p>
	<p>Article 43.3(b): requirements under 22.4 must be met “as of the time of notification”.</p>
	<p>Verified?</p>
	PCS Comment
	<p>See “Description of the environmental efficiency of the properties financed by the Home Loans” on page 227, where it is stated that:</p> <p><<Existing data on environmental performance of the properties financed by the Home Loans are not available as at the date of this Prospectus. Works will be launched by the Transaction Agent and the Sellers to gather information on environmental performance of the properties which they finance from time to time. If and when the relevant information on environmental performance of the properties financed by the Home Loans becomes available, the Transaction Agent will use reasonable endeavours (obligation de moyens) to communicate such information to the Management Company and such information will then be set out in the Investor Report.>>.</p>
	EBA Final non-ABCP STS Guidelines – statements on background and rationale
	Environmental performance of assets (Article 22(4))
	<p>78. It should be clarified that this is a requirement of disclosure about the energy efficiency of the assets when this information is available to the originator, sponsor or SSPE, rather than a requirement for a minimum energy efficiency of the assets.</p>
	<p>79. To facilitate consistent interpretation of this criterion, the term ‘available information related to the environmental performance’ should be further clarified.</p>
	EBA Final non-ABCP STS Guidelines
	Environmental performance of assets (Article 22(4))
	Available information related to the environmental performance
	<p>84. This requirement should be applicable only if the information on the energy performance certificates for the assets financed by the underlying exposures is available to the originator, sponsor or the SSPE and captured in its internal database or IT systems. Where information is available only for a proportion of the underlying exposures, the requirement should apply only in respect of the proportion of the underlying exposures for which information is available.</p>

72	Legislative text			
	Article 22 - Requirements relating to transparency			
	<p>22.5. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation. The information required by point (a) of the first subparagraph of Article 7(1) shall be made available to potential investors before pricing prior to notification under Article 27(1) upon request. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1). The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.</p>			
	STS criteria			
	<p>72. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation.</p>			
	<table border="1"> <tr> <td data-bbox="210 507 1153 563">Article 43.3(b): requirements under 22.5 must be met “as of the time of <i>notification</i>”.</td><td data-bbox="1153 507 2119 563" rowspan="2">Yes</td></tr> <tr> <td data-bbox="210 563 1153 590">Verified?</td></tr> </table>	Article 43.3(b): requirements under 22.5 must be met “as of the time of <i>notification</i> ”.	Yes	Verified?
Article 43.3(b): requirements under 22.5 must be met “as of the time of <i>notification</i> ”.	Yes			
Verified?				
	PCS Comment			
	<p>See Clause 54.3 (Additional Information and Transparency Requirements) of the Issuer Regulations, as amended, where it is provided that:</p> <p><<[...] The Management Company shall publish on its internet website, or through any other means that it deems appropriate, any information regarding the Sellers, the Servicers, the Purchased Home Loans, the Notes and the management of the Issuer which it considers significant in order to ensure adequate and accurate information for the Noteholders. In addition, for the purposes of article 7(2) of STS Regulation, the Sellers, the Transaction Agent and the Management Company on behalf of the Issuer have agreed in the Home Loans Purchase and Servicing Agreement that the Issuer shall be in charge of fulfilling the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 7(1) of STS Regulation. In each case, information shall be made available by the Management Company on behalf of the Issuer to the Noteholders, the competent authorities referred to in article 29 of the STS Regulations, and, upon request, to potential investors and shall be published on the EDW Website, as follows [...]>>.</p>			
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>			
	<p>Compliance with transparency requirements</p> <p>80. The objective of this criterion is to ensure that investors have access to the data that are relevant for them to carry out the necessary risk and due diligence analysis with respect to the investment decision.</p> <p>81. The criterion is deemed sufficiently clear and not requiring any further clarification.</p>			
	EBA Final non-ABCP STS Guidelines			

73	Legislative text
	Article 22 - Requirements relating to transparency
	<p>22.5. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation. The information required by point (a) of the first subparagraph of Article 7(1) shall be made available to potential investors before pricing prior to notification under Article 27(1) upon request. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1). The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.</p>
	STS criteria
	<p>73. The information required by point (a) the first subparagraph of Article 7(1) shall be made available to potential investors before pricing prior to notification under Article 27(1) upon request.</p>
	<p>Article 43.3(b): requirements under 22.5 must be met “as of the time of notification”.</p> <p>Article 43.4: For the purposes of point (b) of paragraph 3, the following shall apply: [...] (c)[...] (i) in the second sentence ‘before pricing’ shall be deemed to read ‘prior to notification under Article 27(1)’.</p>
	Verified?
	PCS Comment
	<p>See Clause 54.3 (Additional Information and Transparency Requirements) of the Issuer Regulations, <u>as amended</u>, where it is provided that: <<[...] <i>The Management Company shall publish on its internet website, or through any other means that it deems appropriate, any information regarding the Sellers, the Servicers, the Purchased Home Loans, the Notes and the management of the Issuer which it considers significant in order to ensure adequate and accurate information for the Noteholders. In addition, for the purposes of article 7(2) of STS Regulation, the Sellers, the Transaction Agent and the Management Company on behalf of the Issuer have agreed in the Home Loans Purchase and Servicing Agreement that the Issuer shall be in charge of fulfilling the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 7(1) of STS Regulation. In each case, information shall be made available by the Management Company on behalf of the Issuer to the Noteholders, the competent authorities referred to in article 29 of the STS Regulations, and, upon request, to potential investors and shall be published on the EDW Website, as follows [...]>>.</i></p>
	EBA Final non-ABCP STS Guidelines – statements on background and rationale
	EBA Final non-ABCP STS Guidelines

74	Legislative text		
	Article 22 - Requirements relating to transparency		
	<p>22.5. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation. The information required by point (a) of the first subparagraph of Article 7(1) shall be made available to potential investors before pricing prior to notification under Article 27(1) upon request. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1). The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.</p>		
	STS criteria		
	<p>74. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1).</p>		
	<table border="1"> <tr> <td data-bbox="210 507 1151 659"> <p>Article 43.3(b): requirements under 22.5 must be met “as of the time of notification”.</p> <p>Article 43.4: For the purposes of point (b) of paragraph 3, the following shall apply: [...] (c)[...](ii) ‘before pricing at least in draft or initial form’ shall be deemed to read ‘prior to notification under Article 27(1)’.</p> </td><td data-bbox="1151 507 2119 659" style="text-align: center; vertical-align: middle;">Yes</td></tr> </table>	<p>Article 43.3(b): requirements under 22.5 must be met “as of the time of notification”.</p> <p>Article 43.4: For the purposes of point (b) of paragraph 3, the following shall apply: [...] (c)[...](ii) ‘before pricing at least in draft or initial form’ shall be deemed to read ‘prior to notification under Article 27(1)’.</p>	Yes
<p>Article 43.3(b): requirements under 22.5 must be met “as of the time of notification”.</p> <p>Article 43.4: For the purposes of point (b) of paragraph 3, the following shall apply: [...] (c)[...](ii) ‘before pricing at least in draft or initial form’ shall be deemed to read ‘prior to notification under Article 27(1)’.</p>	Yes		
	Verified?		
	PCS Comment		
	<p>See Clause 54.3 (Additional Information and Transparency Requirements) of the Issuer Regulations, <u>as amended</u>, where it is provided that: <<[...] <i>The Management Company shall publish on its internet website, or through any other means that it deems appropriate, any information regarding the Sellers, the Servicers, the Purchased Home Loans, the Notes and the management of the Issuer which it considers significant in order to ensure adequate and accurate information for the Noteholders. In addition, for the purposes of article 7(2) of STS Regulation, the Sellers, the Transaction Agent and the Management Company on behalf of the Issuer have agreed in the Home Loans Purchase and Servicing Agreement that the Issuer shall be in charge of fulfilling the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 7(1) of STS Regulation. In each case, information shall be made available by the Management Company on behalf of the Issuer to the Noteholders, the competent authorities referred to in article 29 of the STS Regulations, and, upon request, to potential investors and shall be published on the EDW Website, as follows [...] prior to the sending of the STS notification referred to in article 27 of the STS Regulation, the Management Company shall publish the Transaction Documents (other than the Class A Notes Subscription Agreement) and such draft STS notification as required by and in accordance with Articles 7(1)(b), 7(1)(d), 22(5) and 43(4)(c) of the STS Regulation;</i>>>.</p>		
	EBA Final non-ABCP STS Guidelines – statements on background and rationale		
	EBA Final non-ABCP STS Guidelines		

75	Legislative text		
	Article 22 - Requirements relating to transparency		
	<p>22.5. The originator and the sponsor shall be responsible for compliance with Article 7 of this Regulation. The information required by point (a) of the first subparagraph of Article 7(1) shall be made available to potential investors before pricing prior to notification under Article 27(1) upon request. The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1). The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.</p>		
	STS criteria		
	<p>75. The final documentation shall be made available to investors at the latest 15 days after closing of the transaction.</p>		
	<table border="1"> <tr> <td data-bbox="210 502 1153 694"> <p>Article 43.3(b): requirements under 22.5 must be met “as of the time of notification”.</p> <p>Article 43.4: For the purposes of point (b) of paragraph 3, the following shall apply: [...] (iii) the requirements set out in the fourth sentence shall not apply.</p> <p>PCS' interpretation is that the timing of 15 days after closing does not apply, but this requirement is to be complied with by the date of notification.</p> </td><td data-bbox="1153 502 2119 694" style="text-align: center; vertical-align: middle;"> <p>Yes</p> </td></tr> </table>	<p>Article 43.3(b): requirements under 22.5 must be met “as of the time of notification”.</p> <p>Article 43.4: For the purposes of point (b) of paragraph 3, the following shall apply: [...] (iii) the requirements set out in the fourth sentence shall not apply.</p> <p>PCS' interpretation is that the timing of 15 days after closing does not apply, but this requirement is to be complied with by the date of notification.</p>	<p>Yes</p>
<p>Article 43.3(b): requirements under 22.5 must be met “as of the time of notification”.</p> <p>Article 43.4: For the purposes of point (b) of paragraph 3, the following shall apply: [...] (iii) the requirements set out in the fourth sentence shall not apply.</p> <p>PCS' interpretation is that the timing of 15 days after closing does not apply, but this requirement is to be complied with by the date of notification.</p>	<p>Yes</p>		
	Verified?		
	PCS Comment		
	<p>See Clause 54.3 (Additional Information and Transparency Requirements) of the Issuer Regulations, <u>as amended</u>, where it is provided that: <<[...] <i>The Management Company shall publish on its internet website, or through any other means that it deems appropriate, any information regarding the Sellers, the Servicers, the Purchased Home Loans, the Notes and the management of the Issuer which it considers significant in order to ensure adequate and accurate information for the Noteholders. In addition, for the purposes of article 7(2) of STS Regulation, the Sellers, the Transaction Agent and the Management Company on behalf of the Issuer have agreed in the Home Loans Purchase and Servicing Agreement that the Issuer shall be in charge of fulfilling the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 7(1) of STS Regulation. In each case, information shall be made available by the Management Company on behalf of the Issuer to the Noteholders, the competent authorities referred to in article 29 of the STS Regulations, and, upon request, to potential investors and shall be published on the EDW Website, as follows [...] prior to the sending of the STS notification referred to in article 27 of the STS Regulation, the Management Company shall publish the Transaction Documents (other than the Class A Notes Subscription Agreement) and such draft STS notification as required by and in accordance with Articles 7(1)(b), 7(1)(d), 22(5) and 43(4)(c) of the STS Regulation;</i>>>.</p> <p>PCS' interpretation of Article 43.4 stating that “<i>For the purposes of point (b) of paragraph 3, [...] (iii) the requirements set out in the fourth sentence shall not apply</i>”, means that the requirement of having the Transaction Documents published within 15 days after the closing does not apply to the “grandfathered transactions”. The requirement of making the Transaction Documents available remains in force and shall be fulfilled at the time of notification. This is complied with, as specified above.</p>		
	EBA Final non-ABCP STS Guidelines – statements on background and rationale		
	EBA Final non-ABCP STS Guidelines		

76	Legislative text
	Article 22 - Requirements relating to transparency
	<p>7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:</p> <p>(a) information on the underlying exposures on a quarterly basis, or, in the case of ABCP, information on the underlying receivables or credit claims on a monthly basis;</p>
	STS criteria
	<p>76. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors:</p> <p>(a) information on the underlying exposures on a quarterly basis,</p>
	<p>Article 22.5. [...] The information required by point (a) of the first subparagraph of Article 7(1) shall be made available to potential investors before pricing prior to notification under Article 27(1) upon request. [...]</p> <p>Article 43.3(b): requirements under 22.5 must be met “as of the time of notification”.</p>
	Verified?
	PCS Comment
	<p>See Clause 54.3 (Additional Information and Transparency Requirements) of the Issuer Regulations, <u>as amended</u>, where it is provided that: <<[...] <i>The Management Company shall publish on its internet website, or through any other means that it deems appropriate, any information regarding the Sellers, the Servicers, the Purchased Home Loans, the Notes and the management of the Issuer which it considers significant in order to ensure adequate and accurate information for the Noteholders. In addition, for the purposes of article 7(2) of STS Regulation, the Sellers, the Transaction Agent and the Management Company on behalf of the Issuer have agreed in the Home Loans Purchase and Servicing Agreement that the Issuer shall be in charge of fulfilling the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 7(1) of STS Regulation. In each case, information shall be made available by the Management Company on behalf of the Issuer to the Noteholders, the competent authorities referred to in article 29 of the STS Regulations, and, upon request, to potential investors and shall be published on the EDW Website, as follows [...] (ii) on a quarterly basis, the Management Company shall publish loan-level data with respect to the Purchased Home Loans, as required by and in accordance with Article 7(1)(a) of the STS Regulation using the then applicable template for disclosure;</i>>>.</p>
	EBA Final non-ABCP STS Guidelines – statements on background and rationale
	EBA Final non-ABCP STS Guidelines

77	Legislative text
	Article 22 - Requirements relating to transparency
	<p>7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors: [...]</p> <p>(b) all underlying documentation that is essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:</p> <p>(i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions;</p>
	STS criteria
	<p>77. All underlying documentation that is essential for the understanding of the transaction, including but not limited to, where applicable, the following documents:</p> <p>(i) the final offering document or the prospectus together with the closing transaction documents, excluding legal opinions;</p>
	<div> <div> <p>Article 22.5. [...] The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1). [...]</p> <p>Article 43.3(b): requirements under 22.5 must be met “as of the time of notification”.</p> <p>See Article 43.4: For the purposes of point (b) of paragraph 3, the following shall apply: [...] (c) in Article 22(5) [...] ‘before pricing at least in draft or initial form’ shall be deemed to read ‘<u>prior to notification under Article 27(1)</u>’.</p> </div> <div>Yes</div> </div>
	Verified?
	PCS Comment
	<p>See Clause 54.3 (Additional Information and Transparency Requirements) of the Issuer Regulations, <u>as amended</u>, where it is provided that: <<[...] <i>prior to the sending of the STS notification referred to in article 27 of the STS Regulation, the Management Company shall publish the Prospectus, the Transaction Documents (other than the Class A Notes Subscription Agreement), the notice the Class A Noteholders in relation to amendments made to the Issuer Regulations and Home Loans Purchase and Servicing Agreement [...]</i> and such draft STS notification as required by and in accordance with Articles 7(1)(b), 7(1)(d), 22(5) and 43(4)(c) of the STS Regulation;>>.</p>
	EBA Final non-ABCP STS Guidelines – statements on background and rationale
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78	Legislative text	
	Article 22 - Requirements relating to transparency	
	7.1(b) [...] (ii) for traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;	
	STS criteria	
	78. For traditional securitisation the asset sale agreement, assignment, novation or transfer agreement and any relevant declaration of trust;	
	Article 22.5. [...] The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1). [...]	Yes
	Verified?	
	PCS Comment	
	See point 77 above.	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
EBA Final non-ABCP STS Guidelines		

79	Legislative text	
	Article 22 - Requirements relating to transparency	
	7.1(b) [...] (iii) the derivatives and guarantees agreements as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator;	
	STS criteria	
	79. The derivatives and guarantees agreements as well as any relevant documents on collateralisation arrangements where the exposures being securitised remain exposures of the originator;	
	Article 22.5. [...] The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1). [...]	Yes
	Verified?	
	PCS Comment	
	See point 77 above.	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
EBA Final non-ABCP STS Guidelines		

80	Legislative text	
	Article 22 - Requirements relating to transparency	
	7.1(b) [...] (iv) the servicing, back-up servicing, administration and cash management agreements;	
	STS criteria	
	80. The servicing, back-up servicing, administration and cash management agreements;	
	Article 22.5. [...] The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1). [...]	Yes
	Verified?	
	PCS Comment	
	See point 77 above.	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
EBA Final non-ABCP STS Guidelines		

81	Legislative text	
	Article 22 - Requirements relating to transparency	
	7.1(b) [...] (v) the trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or mastertrust framework or master definitions agreement or such legal documentation with equivalent legal value;	
	STS criteria	
	81. The trust deed, security deed, agency agreement, account bank agreement, guaranteed investment contract, incorporated terms or master trust framework or master definitions agreement or such legal documentation with equivalent legal value;	
	Article 22.5. [...] The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form <u>prior to notification under Article 27(1)</u> . [...]	Yes
	Verified?	
	PCS Comment	
	See point 77 above.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
EBA Final non-ABCP STS Guidelines		

82	Legislative text	
	Article 22 - Requirements relating to transparency	
	7.1(b) [...] (vi) any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;	
	STS criteria	
	82. Any relevant inter-creditor agreements, derivatives documentation, subordinated loan agreements, start-up loan agreements and liquidity facility agreements;	
	Article 22.5. [...] The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1). [...]	Yes
	Verified?	
	PCS Comment	
	See point 77 above.	
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>	
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83	Legislative text	
	Article 22 - Requirements relating to transparency	
	7.1(b) [...] That underlying documentation shall include a detailed description of the priority of payments of the securitisation;	
	STS criteria	
	83. That underlying documentation shall include a detailed description of the priority of payments of the securitisation;	
	Article 22.5. [...] The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1). [...]	Yes
	Verified?	
	PCS Comment	
	The PoPs are contained in the Issuer Regulation (see relevant Clause 16). See also Prospectus, “Funds Allocation Rules and Priority of Payments” on page 66 and the PoPs detailed on page 68 and onwards for the Amortisation Period and for the case of Accelerated Amortisation Period and on the Issuer Liquidation Date.	
	EBA Final non-ABCP STS Guidelines – statements on background and rationale	
EBA Final non-ABCP STS Guidelines		

84	Legislative text
	Article 22 - Requirements relating to transparency
	7.1 (c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable:
	(i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;
	STS criteria
	84. Where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable:
	(i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;
	<div> <div data-bbox="210 531 1153 608"> Article 22.5. [...] The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1). [...] </div> <div data-bbox="1153 513 2119 624" data-kind="parent" data-rs="2"> <div>Yes</div> </div> </div>
	Verified?
PCS Comment	
Not applicable.	
EBA Final non-ABCP STS Guidelines – statements on background and rationale	
EBA Final non-ABCP STS Guidelines	

85	Legislative text			
	Article 22 - Requirements relating to transparency			
	<p>7.1 (c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable:</p> <p>(i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;</p> <p>(ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;</p>			
	STS criteria			
	85. (ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;			
	<table border="1"> <tr> <td data-bbox="210 523 1153 660"> Article 22.5. [...] The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1). [...] </td><td data-bbox="1153 523 2119 660" rowspan="2">Yes</td></tr> <tr> <td data-bbox="210 660 1153 687">Verified?</td></tr> </table>	Article 22.5. [...] The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1). [...]	Yes	Verified?
Article 22.5. [...] The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1). [...]	Yes			
Verified?				
	PCS Comment			
	Not applicable.			
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>			
	EBA Final non-ABCP STS Guidelines			

86	Legislative text
	Article 22 - Requirements relating to transparency
	<p>7.1 (c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable:</p> <p>(i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;</p> <p>(ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;</p> <p>(iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors;</p>
	STS criteria
	86. (iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors;
	<div> <div data-bbox="210 555 1153 662"> <p>Article 22.5. [...] The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1). [...]</p> </div> <div data-bbox="1153 555 2119 662">Yes</div> </div>
	Verified?
	PCS Comment
	Not applicable.
	EBA Final non-ABCP STS Guidelines – statements on <i>background and rationale</i>
	EBA Final non-ABCP STS Guidelines

87	Legislative text	
	Article 22 - Requirements relating to transparency	
	7.1 (c) where a prospectus has not been drawn up in compliance with Directive 2003/71/EC of the European Parliament and of the Council, a transaction summary or overview of the main features of the securitisation, including, where applicable:	
	(i) details regarding the structure of the deal, including the structure diagrams containing an overview of the transaction, the cash flows and the ownership structure;	
	(ii) details regarding the exposure characteristics, cash flows, loss waterfall, credit enhancement and liquidity support features;	
	(iii) details regarding the voting rights of the holders of a securitisation position and their relationship to other secured creditors;	
	(iv) a list of all triggers and events referred to in the documents provided in accordance with point (b) that could have a material impact on the performance of the securitisation position;	
	STS criteria	
	87. (iv) a list of all triggers and events referred to in the documents provided in accordance with point (b) that could have a material impact on the performance of the securitisation position;	
	Article 22.5. [...] The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1). [...]	
Verified?		
PCS Comment		
Not applicable.		
EBA Final non-ABCP STS Guidelines – statements on background and rationale		
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88	Legislative text	
	Article 22 - Requirements relating to transparency	
	7.1 (d) in the case of STS securitisations, the STS notification referred to in Article 27;	
	STS criteria	
	88. in the case of STS securitisations, the STS notification referred to in Article 27;	
	Article 22.5. [...] The information required by points (b) to (d) of the first subparagraph of Article 7(1) shall be made available before pricing at least in draft or initial form prior to notification under Article 27(1). [...]	Yes
	Verified?	
	PCS Comment	
	See Clause 54.3 (Additional Information and Transparency Requirements) of the Issuer Regulations, <u>as amended</u> , where it is provided that: <<[...] prior to the sending of the STS notification referred to in article 27 of the STS Regulation, the Management Company shall publish the Prospectus, the Transaction Documents (other than the Class A Notes Subscription Agreement), the notice the Class A Noteholders in relation to amendments made to the Issuer Regulations and Home Loans Purchase and Servicing Agreement [...] and <u>such draft STS notification</u> as required by and in accordance with Articles 7(1)(b), 7(1)(d), 22(5) and 43(4)(c) of the STS Regulation;>>.	
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	Article 22 - Requirements relating to transparency	
	7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors: [...]	
	(e) quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following:	
	STS criteria	
	89. quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following:	
	Quarterly investor reports are post-closing requirements: due prior to notification under Article 27(1).	Yes
	Verified?	
	PCS Comment	
	See Clause 54.3 (Additional Information and Transparency Requirements) of the Issuer Regulations, <u>as amended</u> , where it is provided that: <<[...] for the purposes of article 7(2) of STS Regulation, the Sellers, the Transaction Agent and the Management Company on behalf of the Issuer have agreed in the Home Loans Purchase and Servicing Agreement that the Issuer shall be in charge of fulfilling the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 7(1) of STS Regulation. In each case, <u>information shall be made available by the Management Company</u> on behalf of the Issuer to the Noteholders, the competent authorities referred to in article 29 of the STS Regulations, and, upon request, to potential investors and shall be published on the EDW Website, as follows [...] (iii) <u>on each Investor Reporting Date, the Management Company shall publish the relevant Investor Report and any additional documents attached to it, as required by and in accordance with Article 7(1)(e) of the STS Regulation, setting out: [...]</u> >>.	
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	Article 22 - Requirements relating to transparency			
	<p>7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors: [...]</p> <p>(e) quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following:</p> <p>(i) all materially relevant data on the credit quality and performance of underlying exposures; [...]</p>			
	STS criteria			
	90. (i) all materially relevant data on the credit quality and performance of underlying exposures;			
	<table border="1"> <tr> <td data-bbox="210 520 1151 600">Quarterly investor reports are post-closing requirements: due prior to notification under Article 27(1).</td><td data-bbox="1151 520 2119 600" rowspan="2">Yes</td></tr> <tr> <td data-bbox="210 600 1151 632">Verified?</td></tr> </table>	Quarterly investor reports are post-closing requirements: due prior to notification under Article 27(1).	Yes	Verified?
Quarterly investor reports are post-closing requirements: due prior to notification under Article 27(1).	Yes			
Verified?				
	PCS Comment			
	<p>See Clause 54.3 (Additional Information and Transparency Requirements) of the Issuer Regulations, <u>as amended</u>, where it is provided that:</p> <p><<[...] The Management Company shall publish on its internet website, or through any other means that it deems appropriate, any information regarding the Sellers, the Servicers, the Purchased Home Loans, the Notes and the management of the Issuer which it considers significant in order to ensure adequate and accurate information for the Noteholders. In addition, for the purposes of article 7(2) of STS Regulation, the Sellers, the Transaction Agent and the Management Company on behalf of the Issuer have agreed in the Home Loans Purchase and Servicing Agreement that the Issuer shall be in charge of fulfilling the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 7(1) of STS Regulation. In each case, information shall be made <u>available by the Management Company</u> on behalf of the Issuer to the Noteholders, the competent authorities referred to in article 29 of the STS Regulations, and, upon request, to potential investors and shall be published on the EDW Website, as follows [...] (iii) <u>on each Investor Reporting Date, the Management Company shall publish the relevant Investor Report and any additional documents attached to it, as required by and in accordance with Article 7(1)(e) of the STS Regulation, setting out: [...] (b) all materially relevant data on the credit quality and performance of the Purchased Home Loans: >>.</u></p>			
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	Article 22 - Requirements relating to transparency			
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	STS criteria			
	<p>91. Information on events which trigger changes in the priority of payments or the replacement of any counterparties,</p>			
	<table border="1"> <tr> <td data-bbox="203 544 1151 624"> Quarterly investor reports are post-closing requirements: due prior to notification under Article 27(1). </td><td data-bbox="1151 544 2110 655" rowspan="2"> Yes </td></tr> <tr> <td data-bbox="203 624 1151 655"> Verified? </td></tr> </table>	Quarterly investor reports are post-closing requirements: due prior to notification under Article 27(1) .	Yes	Verified?
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	Article 22 - Requirements relating to transparency			
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	STS criteria			
	92. and, in the case of a securitisation which is not an ABCP transaction, data on the cash flows generated by the underlying exposures and by the liabilities of the securitisation;			
	<table border="1"> <tr> <td data-bbox="203 544 1151 624">Quarterly investor reports are post-closing requirements: due prior to notification under Article 27(1).</td><td data-bbox="1151 544 2110 655" rowspan="2">Yes</td></tr> <tr> <td data-bbox="203 624 1151 655">Verified?</td></tr> </table>	Quarterly investor reports are post-closing requirements: due prior to notification under Article 27(1).	Yes	Verified?
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	<p>7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors: [...]</p> <p>(e) quarterly investor reports, or, in the case of ABCP, monthly investor reports, containing the following: [...]</p> <p>(iii) information about the risk retained, including information on which of the modalities provided for in Article 6(3) has been applied, in accordance with Article 6. [...]</p>			
	STS criteria			
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	Article 22 - Requirements relating to transparency		
	<p>7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors: [...]</p> <p>(f) any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation; [...]</p>		
	STS criteria		
	94. (f) any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation;		
	<table border="1"> <tr> <td data-bbox="210 512 1151 600">Provision of inside information is a post-closing requirement to be performed "without delay": due prior to notification under Article 27(1).</td><td data-bbox="1151 512 2119 600" style="text-align: center; vertical-align: middle;">Yes</td></tr> </table>	Provision of inside information is a post-closing requirement to be performed "without delay": due prior to notification under Article 27(1).	Yes
Provision of inside information is a post-closing requirement to be performed "without delay": due prior to notification under Article 27(1).	Yes		
	Verified?		
	PCS Comment		
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	Article 22 - Requirements relating to transparency		
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	STS criteria		
	<p>95. (g) where point (f) does not apply, any significant event such as:</p> <p>(i) a material breach of the obligations laid down in the documents provided in accordance with point (b), including any remedy, waiver or consent subsequently provided in relation to such a breach;</p>		
	<table border="1"> <tr> <td data-bbox="210 619 1153 707">Provision of information on significant events is a post-closing requirement to be performed "without delay": due prior to notification under Article 27(1).</td><td data-bbox="1153 619 2119 707" style="text-align: center; vertical-align: middle;">Yes</td></tr> </table>	Provision of information on significant events is a post-closing requirement to be performed "without delay": due prior to notification under Article 27(1).	Yes
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	STS criteria
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	<div> <div data-bbox="210 624 1153 708">Provision of information on significant events is a post-closing requirement to be performed "without delay": due prior to notification under Article 27(1).</div> <div data-bbox="1153 624 2119 708">Yes</div> </div>
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	STS criteria			
	97. (iii) a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation;			
	<table border="1"> <tr> <td data-bbox="210 663 1151 775">Provision of information on significant events is a post-closing requirement to be performed "without delay": due prior to notification under Article 27(1).</td><td data-bbox="1151 663 2119 775" rowspan="2">Yes</td></tr> <tr> <td data-bbox="210 743 1151 775">Verified?</td></tr> </table>	Provision of information on significant events is a post-closing requirement to be performed "without delay": due prior to notification under Article 27(1).	Yes	Verified?
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	Verified?
	PCS Comment
	<p>See Clause 54.3 (Additional Information and Transparency Requirements) of the Issuer Regulations, <u>as amended</u>, where it is provided that:</p> <p><<[...] The Management Company shall publish on its internet website, or through any other means that it deems appropriate, any information regarding the Sellers, the Servicers, the Purchased Home Loans, the Notes and the management of the Issuer which it considers significant in order to ensure adequate and accurate information for the Noteholders. In addition, for the purposes of article 7(2) of STS Regulation, the Sellers, the Transaction Agent and the Management Company on behalf of the Issuer have agreed in the Home Loans Purchase and Servicing Agreement that the Issuer shall be in charge of fulfilling the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 7(1) of STS Regulation. In each case, information shall be made available by the Management Company on behalf of the Issuer to the Noteholders, the competent authorities referred to in article 29 of the STS Regulations, and, upon request, to potential investors and shall be published on the EDW Website, as follows [...] (vi) the Management Company shall publish without delay, in accordance with article 7(1)(g) of the STS Regulation, any significant event, such as: (a) any material breach of the obligations provided for in any Transaction Documents, including any remedy, waiver or consent subsequently provided in relation to such a breach; (b) any change in the structural features that can materially impact the performance of the securitisation; (c) any change in the risk characteristics of the securitisation or of the Purchased Home Loans that can materially impact the performance of the securitisation; (d) the Transaction ceasing to meet the STS requirements or competent authorities having taken remedial or administrative actions;>>.</p>
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99	Legislative text
	Article 22 - Requirements relating to transparency
	<p>7.1. The originator, sponsor and SSPE of a securitisation shall, in accordance with paragraph 2 of this Article, make at least the following information available to holders of a securitisation position, to the competent authorities referred to in Article 29 and, upon request, to potential investors: [...]</p> <p>(f) any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council on insider dealing and market manipulation;</p> <p>(g) where point (f) does not apply, any significant event such as:</p> <p>(i) a material breach of the obligations laid down in the documents provided in accordance with point (b), including any remedy, waiver or consent subsequently provided in relation to such a breach;</p> <p>(ii) a change in the structural features that can materially impact the performance of the securitisation;</p> <p>(iii) a change in the risk characteristics of the securitisation or of the underlying exposures that can materially impact the performance of the securitisation;</p> <p>(iv) in the case of STS securitisations, where the securitisation ceases to meet the STS requirements or where competent authorities have taken remedial or administrative actions;</p> <p>(v) any material amendment to transaction documents.</p>
	STS criteria
	99. (v) any material amendment to transaction documents.
	<div> <div>Provision of information on significant events is a post-closing requirement to be performed "without delay": due prior to notification under Article 27(1).</div> <div>Yes</div> </div>
	Verified?
	PCS Comment
	<p>See Clause 54.3 (Additional Information and Transparency Requirements) of the Issuer Regulations, <u>as amended</u>, where it is provided that:</p> <p><<[...] The Management Company shall publish on its internet website, or through any other means that it deems appropriate, any information regarding the Sellers, the Servicers, the Purchased Home Loans, the Notes and the management of the Issuer which it considers significant in order to ensure adequate and accurate information for the Noteholders. In addition, for the purposes of article 7(2) of STS Regulation, the Sellers, the Transaction Agent and the Management Company on behalf of the Issuer have agreed in the Home Loans Purchase and Servicing Agreement that the Issuer shall be in charge of fulfilling the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 7(1) of STS Regulation. In each case, information shall be made available by the Management Company on behalf of the Issuer to the Noteholders, the competent authorities referred to in article 29 of the STS Regulations, and, upon request, to potential investors and shall be published on the EDW Website, as follows [...]</p> <p>(iv) the Management Company shall publish without delay, in accordance with Article 7(1)(g)(v) of the STS Regulation, any material amendment to any Transaction Documents (provided that, as indicated in Section "MODIFICATIONS TO THE TRANSACTION", any amendments to the Issuer Regulations shall be notified to the Noteholders and the Residual Unitholder(s), it being specified that such amendments shall be, automatically and without any further formalities (de plein droit), enforceable as against such Noteholders and Residual Unitholder(s) within three Business Days after they have been notified thereof);>>.</p>
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100	Legislative text
	Article 22 - Requirements relating to transparency
	7.1 [...] The information described in points (a) and (e) of the first subparagraph shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest [...ABCP provisions]
	STS criteria
	100. The information described in points (a) and (e) of the first subparagraph shall be made available simultaneously each quarter at the latest one month after the due date for the payment of interest [...ABCP provisions]
	<div> <div>Provision of information pursuant to points (a) and (e) on an ongoing basis is a post-closing requirement to be performed quarterly: due prior to notification under Article 27(1).</div> <div>Yes</div> </div>
	Verified?
	PCS Comment
	<p>See Clause 54.3 (Additional Information and Transparency Requirements) of the Issuer Regulations, <u>as amended</u>, where it is provided that:</p> <p><i><<[...] The Management Company shall publish on its internet website, or through any other means that it deems appropriate, any information regarding the Sellers, the Servicers, the Purchased Home Loans, the Notes and the management of the Issuer which it considers significant in order to ensure adequate and accurate information for the Noteholders. In addition, for the purposes of article 7(2) of STS Regulation, the Sellers, the Transaction Agent and the Management Company on behalf of the Issuer have agreed in the Home Loans Purchase and Servicing Agreement that the Issuer shall be in charge of fulfilling the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 7(1) of STS Regulation. In each case, information shall be made available by the Management Company on behalf of the Issuer to the Noteholders, the competent authorities referred to in article 29 of the STS Regulations, and, upon request, to potential investors and shall be published on the EDW Website, as follows [...]>>.</i></p> <p>And then...</p> <p>as for point 7(1)(a): see §(ii)</p> <p><i><<(ii) on a quarterly basis and within one (1) month of each Payment Date, the Management Company shall publish loan-level data with respect to the Purchased Home Loans, as required by and in accordance with Article 7(1)(a) of the STS Regulation using the then applicable template for disclosure:>></i></p> <p>as for points 7(1)(e)(i) and 7(1)(e)(ii) see §(iii)(b) and (iii)(c) respectively:</p> <p><i><<(iii) on a quarterly basis and within one (1) month of each Payment Date and simultaneously with the information provided under item (ii) above, the Management Company shall publish the relevant Investor Report and any additional documents attached to it, as required by and in accordance with Article 7(1)(e) of the STS Regulation, setting out: [...]</i></p> <p><i>(b) all materially relevant data on the credit quality and performance of the Purchased Home Loans;</i></p> <p><i>(c) information on events which trigger changes in the applicable Priority of Payments or (provided that such information shall be reported prior to such date, if necessary to make sure that such information is reported to investors without undue delay) the replacement of any party to the Transaction Documents, and data on the cash flows generated by the Purchased Home Loans and by the Notes and Residual Units:>></i></p> <p>and as for point 7(1)(e)(iii) see §(iii)(a):</p> <p><i><<(iii) on a quarterly basis and within one (1) month of each Payment Date and simultaneously with the information provided under item (ii) above, the Management Company shall publish the relevant Investor Report and any additional documents attached to it, as required by and in accordance with Article 7(1)(e) of the STS Regulation, setting out:</i></p>

	<p>(a) <i>information about the retention of the material net economic interest by the Sellers in compliance with the Capital Requirements Regulations, Section 5 implementing AIFM, Solvency II Delegated Act and the STS Regulation: in the first Investor Report, the Management Company will disclose the amount of Notes retained by any Seller, privately-placed with investors which are not among the Sellers, and publicly-placed with investors which are not among the Sellers; and in any subsequent Investor Report, the Management Company will disclose the amount of Notes initially retained by any Seller but subsequently placed with any investor outside of the Sellers' group (as applicable);>>.</i></p> <p>See also points 33 and 93 above.</p>
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101	Legislative text Article 22 - Requirements relating to transparency		
	<p>Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay.</p> <p>When complying with this paragraph, the originator, sponsor and SSPE of a securitisation shall comply with national and Union law governing the protection of confidentiality of information and the processing of personal data in order to avoid potential breaches of such law as well as any confidentiality obligation relating to customer, original lender or debtor information, unless such confidential information is anonymised or aggregated.</p> <p>In particular, with regard to the information referred to in point (b) the originator, sponsor and SSPE may provide a summary of the concerned documentation.</p> <p>Competent authorities referred to in Article 29 shall be able to request the provision of such confidential information to them in order to fulfil their duties under this Regulation.</p>		
	STS criteria		
	<p>101. Without prejudice to Regulation (EU) No 596/2014, the information described in points (f) and (g) of the first subparagraph shall be made available without delay.</p>		
	<table border="1"> <tr> <td data-bbox="228 587 1153 667"> Provision of inside information or information on significant events are a post-closing requirement to be performed "without delay": due prior to notification under Article 27(1). </td><td data-bbox="1153 587 2110 667"> Yes </td></tr> </table>	Provision of inside information or information on significant events are a post-closing requirement to be performed "without delay": due prior to notification under Article 27(1).	Yes
Provision of inside information or information on significant events are a post-closing requirement to be performed "without delay": due prior to notification under Article 27(1).	Yes		
	Verified?		
	PCS Comment		
	<p>See Clause 54.3 (Additional Information and Transparency Requirements) of the Issuer Regulations, <u>as amended</u>, where it is provided that:</p> <p><i><<[...] The Management Company shall publish on its internet website, or through any other means that it deems appropriate, any information regarding the Sellers, the Servicers, the Purchased Home Loans, the Notes and the management of the Issuer which it considers significant in order to ensure adequate and accurate information for the Noteholders. In addition, for the purposes of article 7(2) of STS Regulation, the Sellers, the Transaction Agent and the Management Company on behalf of the Issuer have agreed in the Home Loans Purchase and Servicing Agreement that the Issuer shall be in charge of fulfilling the information requirements pursuant to points (a), (b), (d), (e), (f) and (g) of the first subparagraph of paragraph 7(1) of STS Regulation. In each case, information shall be made available by the Management Company on behalf of the Issuer to the Noteholders, the competent authorities referred to in article 29 of the STS Regulations, and, upon request, to potential investors and shall be published on the EDW Website, as follows [...] >></i></p> <p><u>And then...</u></p> <p><u>as for point (f):</u> see §(v)</p> <p><i><<(v) the Management Company shall publish without delay, in accordance with Article 7(1)(f) of the STS Regulation, any inside information relating to the securitisation that the originator, sponsor or SSPE is obliged to make public in accordance with Article 17 of Regulation (EU) No 596/2014 of the European Parliament and of the Council (2) on insider dealing and market manipulation;>></i></p> <p><u>as for point (g)(i), (g)(ii), (g)(iii) and (g)(iv):</u> see §(vi)</p> <p><i><<(vi) the Management Company shall publish without delay, in accordance with article 7(1)(g) of the STS Regulation, any significant event, such as:</i></p> <ul style="list-style-type: none"> <i>(a) any material breach of the obligations provided for in any Transaction Documents, including any remedy, waiver or consent subsequently provided in relation to such a breach;</i> <i>(b) any change in the structural features that can materially impact the performance of the securitisation;</i> <i>(c) any change in the risk characteristics of the securitisation or of the Purchased Home Loans that can materially impact the performance of the securitisation;</i> <i>(d) the Transaction ceasing to meet the STS requirements or competent authorities having taken remedial or administrative actions;>></i> <p><u>and as for point (g)(v):</u> see §(iv)</p> 		

	<p><<(iv) the Management Company <u>shall publish without delay, in accordance with Article 7(1)(g)(v) of the STS Regulation, any material amendment to any Transaction Documents (provided that, as indicated in Section "MODIFICATIONS TO THE TRANSACTION", any amendments to the Issuer Regulations shall be notified to the Noteholders and the Residual Unitholder(s), it being specified that such amendments shall be, automatically and without any further formalities (de plein droit), enforceable as against such Noteholders and Residual Unitholder(s) within three Business Days after they have been notified thereof);>>.</u></p>
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102	Legislative text
	Article 22 - Requirements relating to transparency
	<p>7.2 The entity designated in accordance with the first subparagraph shall make the information for a securitisation transaction available by means of a securitisation repository.</p> <p>Or</p> <p>The obligations referred to in the second and fourth subparagraphs shall not apply to securitisations where no prospectus has to be drawn up in compliance with Directive 2003/71/EC.</p> <p>Or</p> <p>Where no securitisation repository is registered in accordance with Article 10, the entity designated to fulfil the requirements set out in paragraph 1 of this Article shall make the information available by means of a website that:</p> <ul style="list-style-type: none"> (a) includes a well-functioning data quality control system; (b) is subject to appropriate governance standards and to maintenance and operation of an adequate organisational structure that ensures the continuity and orderly functioning of the website; (c) is subject to appropriate systems, controls and procedures that identify all relevant sources of operational risk; (d) includes systems that ensure the protection and integrity of the information received and the prompt recording of the information; and (e) makes it possible to keep record of the information for at least five years after the maturity date of the securitisation.
	STS criteria
	<p>102. Where no securitisation repository is registered in accordance with Article 10, the entity designated to fulfil the requirements set out in paragraph 1 of this Article shall make the information available by means of a website that:</p> <ul style="list-style-type: none"> (a) includes a well-functioning data quality control system; (b) is subject to appropriate governance standards and to maintenance and operation of an adequate organisational structure that ensures the continuity and orderly functioning of the website; (c) is subject to appropriate systems, controls and procedures that identify all relevant sources of operational risk; (d) includes systems that ensure the protection and integrity of the information received and the prompt recording of the information; and (e) makes it possible to keep record of the information for at least five years after the maturity date of the securitisation
	<p>Any piece of information to be provided pursuant to paragraph 1 of Article 7 is to be provided prior to notification under Article 27(1).</p>
	<p>Verified?</p>
	<p>PCS Comment</p>
	<p>See Clause 54.4 (<i>European DataWarehouse's website</i>) of the Issuer Regulations (as amended), which contains a reference to the European DataWarehouse website and to the press release of such company, dated 15 November 2018, where it has announced that its website, which the Management Company uses to publish the Investor Report or any other documents to be published by it, complies with the relevant regulatory requirements.</p>
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103	Legislative text	
	Article 22 - Requirements relating to transparency	
	7.2 The entity responsible for reporting the information, and the securitisation repository where the information is made available shall be indicated in the documentation regarding the securitisation.	
	STS criteria	
	103. The entity responsible for reporting the information, and the securitisation repository where the information is made available shall be indicated in the documentation regarding the securitisation.	
	Information to be provided pursuant to paragraph 1 of Article 7 are to be provided prior to notification under Article 27(1) . Therefore, prior to such notification, also the documentation shall be amended to indicate the entity responsible and the securitisation repository.	Yes
	Verified?	
	PCS Comment	
	See point 102 above: the Management Company is the entity responsible for reporting the information and EDW is the securitisation repository.	
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Definitions:

“AUP”: the agreed upon procedures through which an external firm verifies certain aspects of the asset pool.

“COMI”: centre of main interest – broadly, the legal jurisdiction where the insolvency of the seller of assets will be primarily determined.

“Issuer Notification”: the notification provided by the originator or sponsor pursuant to article 27 of the STS Regulation.

“Jurisdiction List”: the list of jurisdictions where it has been determined that severe clawback provisions do not apply.

“Legal Opinion”: an opinion signed by a law firm qualified in the relevant jurisdiction and acting for the originator or the arranger where the law firm sets out the reasons why, in its opinion and subject to customary assumptions and qualifications, the assets are transferred in such a way as to meet the STS Criterion for “true sale” or the same type of opinion for prior sales together with an opinion on the enforceability of the underlying assets.

“Marketing Documents”: Documents prepared by or on behalf of the originator and used in the marketing of the transaction with potential investors.

“Model”: a liability cash flow model which precisely represents the contractual relationship between the underlying exposures and the payments flowing between the originator, sponsor, investors, other third parties and the SSPE.

“PoP”: the priority of payments.

“Prospectus/Deal Sheet”: the prospectus, or for a deal where no prospectus needs to be drawn up, the deal sheet envisaged by article 7.1(c) of the STS Regulation.

“Transaction Document”: a document entered into in relation to the transaction binding on one or more parties connected to the transaction.