Not for redistribution

PRPM 2023-RCF1, LLC

Inside This Report	Page
Key Rating Drivers	2
Highlights	4
Key Transaction Parties	7
Transaction Comparison	8
Sector Risks: Additional Perspective	10
Asset Analysis	10
Cash Flow Analysis	21
Expected Rating Sensitivity	22
Transaction Structure	23
Counterparty Risk	25
Criteria Application, Model and Data Adequacy	25
Surveillance	26
Appendix 1: Aggregator, Originators and Servicers	27
Appendix 2: ESG Relevance Score	38

Capital Structure

Class	Expected Rating	Rating Outlook	Amount ($ Mil.)	CE (%)	Interest Rate (%)[a]	Legal Final Maturity
A-1	AAAsf	Stable	117.19	42.80	4.00%	June 2053
A-2	AA–sf	Stable	20.28	32.90	4.00%	June 2053
A-3	A–sf	Stable	14.24	25.95	4.00%	June 2053
M-1	BBB-sf	Stable	11.78	20.20	4.00%	June 2053
M-2	BB–sf	Stable	8.50	16.05	4.00%	June 2053
B	NR	N.A.	22.64	5.00	0.00%	June 2053
CERT	NR	N.A.	10.24	0.00	N/A	June 2053
Total			**204.88**			

[a]Note rate for each accrual period related to a payment date after the expected redemption date (July 2027) will increase to 5.00% for the A-1, A-2, A-3, M-1 and M-2 Notes. The B note will be principal only and will not receive interest. The note rate for A-1, A-2, A-3, M-1 and M-2 Notes will be the lesser of the interest rate and available funds cap. CE – Credit enhancement. N.A. – Not applicable. NR – Not rated. TBD – To be determined.

Fitch Ratings expects to rate the residential mortgage-backed notes to be issued by PRPM 2023-RCF1, Asset Backed Notes, Series 2023-RCF1 (PRPM 2023-RCF1), as indicated above. The notes are supported by 562 loans with a balance of $204.88 million as of the cutoff date. This will be the second PRPM transaction rated by Fitch.

The notes are secured by a pool of fixed and adjustable rate mortgage loans (some of which have an initial interest-only period) that are primarily fully amortizing with original terms to maturity of primarily 15 years to 40 years and are secured by first and second liens primarily on one- to four-family residential properties, units in planned unit developments, co-ops, condominiums, single-wide manufactured housing, townhouses and 5–20 unit multifamily properties.

Based on the transaction documents, 68.0% of the pool is comprised of collateral that had a defect or exception to guidelines that made it ineligible to remain in a GSE pool, 21.2% are non-QM loans, and 9.8% are seasoned performing loans.

According to Fitch, 63.4% of the loans are nonqualified mortgages (non-QM) as defined by the Ability to Repay (ATR) rule (the Rule), 5.0% are safe-harbor QM loans and the remaining 31.6% are exempt from QM rule as they are investment properties or were originated prior to the ATR rule taking effect in January 2014. The discrepancy in the non-QM percentages is due to Fitch considering Scratch and Dent loans originated after January 2014 as non-QM.

Quicken Loans Inc (Rocket Mortgage). originated 32.9% of the loans and the remaining 67.1% of the loans were originated by various other third-party originators each contributing less than 10% each. Fitch assesses Quicken Loans as an 'Above Average' originator.

SN Servicing Corp. (SN) will service 75.5% of the loans in the pool and Fay Servicing LLC (Fay) will service 24.5% of the loans. Fitch rates SN and Fay 'RPS3' and 'RSS2–', respectively.

There is limited Libor exposure in this transaction. While the majority of the loans in the collateral pool comprise fixed-rate mortgages, 7.6% of the pool comprises loans with an adjustable rate. 4.4% of the pool consists of ARM loans based on SOFR, 0.6% based on the 1-year treasury, 0.6% based on the FHLB contract mortgage rate and 2.0% based on 1-month, 3-month, 6-month or 1-year Libor. The offered A and M notes do not have Libor exposure as the coupons are fixed rate and capped at available funds. The B note is a principal only bond and is not entitled to interest.

This presale report reflects information in Fitch Ratings' possession at the time that Fitch's expected ratings are issued. The transaction has yet to be finalized and changes could occur. As a result, the expected ratings disclosed in this report do not reflect final ratings but are solely based on information provided by the issuer as of June 6, 2023. These expected ratings are contingent on final documents conforming to information already received. Ratings are not a recommendation to buy, sell or hold any security. The prospectus and other material should be reviewed prior to any purchase.

Fitch's related Rating Action Commentary issued at transaction closing will include final ratings, which will include an assessment of any material information that may have changed subsequent to the publication of the presale.

Closing will occur on June 15, 2023. The ratings assigned above are based on the portfolio information as of May 31, 2023 provided by the originators.

Representations, Warranties and Enforcement Mechanisms Appendix

Analysts

Susan Hosterman
+1 212 908 0670
susan.hosterman@fitchratings.com

Alex Rainer
+1 212 908 0673
alexander.rainer@fitchratings.com

Not for redistribution

Similar to other NQM transactions, classes A and M classes have a step-up coupon feature if the deal is not called in July 2029.

Key Rating Drivers

Updated Sustainable Home Prices (Negative): Due to Fitch's updated view on sustainable home prices, Fitch views the home price values of this pool as 7.8% above a long-term sustainable level (vs. 7.8% on a national level as of March 2023, down 2.7% since last quarter). The rapid gain in home prices through the pandemic has seen signs of moderating with a decline observed in 3Q22. Driven by the strong gains seen in 1H22, home prices rose 5.8% YoY nationally as of December 2022.

Nonprime Credit Quality (Negative): The Collateral consists of 562 first (99.96%) and second lien (0.04%) fixed and adjustable-rate loans with maturities of up to 40 years. Totaling $205 million (including deferred balances). Specifically, the pool is comprised of 82.5% 30-year fully amortizing fixed-rate loans, 6.5% 30-year fully amortizing ARM loans, 5.0% 6-year and 10-year interest-only balloon loans, 1.9% 30 and 40-year loans with a 10-year IO period and 4.3% fully amortizing fixed-rate loans with terms between 11 years and 25 years. The pool is seasoned 20 months per the transaction documents (23 months, as determined by Fitch).

The borrowers in this pool have relatively strong credit profiles with a 695 Fitch determined weighted average (WA) FICO score (706 WA FICO per the transaction documents) and a 46.3% Fitch determined debt-to-income ratio (DTI) (41.7% per the transaction documents), as well as moderate leverage, with an original combined loan-to-value ratio (CLTV) as determined by Fitch of 77.9% (77.5% per the transaction documents), translating to a Fitch-calculated sustainable loan-to-value ratio (sLTV) of 77.2%.

In Fitch's analysis Fitch re-coded occupancy based on due diligence findings for some loans, as a result, Fitch will have more investor properties in its analysis than are shown in the transaction documents. In Fitch's analysis it considered 67.4% of the pool to consist of loans where the borrower maintains a primary residence (71.6% based on the transaction documents), while 29.9% comprises investor property (25.7% based on the transaction documents) and 2.6% (2.7% per the transaction documents) represents second homes.

In Fitch's analysis Fitch re-coded property types based on due diligence findings, as a result, the percentages will not tie out to the property types in the transaction documents. In Fitch's analysis the majority of the loans (72.4%)) are to single-family homes, townhomes and PUDs, 10.2% are to condos, 0.3% are to co-ops and 17.1% are to multifamily, manufactured housing and other. In the analysis, Fitch treated manufactured properties and properties coded as other occupancy types as multifamily in its analysis and the PD was increased for these loans as a result.

There are also cross-collateralized loans (one loan to multiple properties) that were underwritten to DSCR/Investor guidelines in the pool. These loans account for 10.2% of the pool. In the analysis of these loans, Fitch used the most conservative collateral attributes of the properties associated with the loan and all properties are in the same MSA.

In total, 64.6% of the loans were originated through a retail channel. According to Fitch, 63.4% of the loans are designated as non-QM, 5.0% are safe-harbor QM loans, while the remaining 31.6% are exempt from QM status. In Fitch's analysis Fitch considered scratch and dent loans originated after January 2014 to be non-QM, since they are no longer eligible to be in GSE pools as a result, Fitch's non-QM, QM, and exempt from QM will not tie out to the transaction documents.

The pool contains 22 loans over $1.0 million, with the largest loan at $4.0 million.

Fitch determined that self-employed, nondebt service coverage ratio (non-DSCR) borrowers make up 15.1% of the pool, salaried non-DSCR borrowers make up 65.2% and 19.7% comprises investor cash flow DSCR loans. About 29.9% of the pool comprises loans for investor properties according to Fitch (10.2% underwritten to borrowers' credit profiles and 19.7% comprising investor cash flow loans). According to Fitch, there are two second liens in the pool and 12 loans have subordinate financing.

Around 20.5% of the pool is concentrated in California. The largest MSA concentration is in the New York MSA (7.7%), followed by the Los Angeles MSA (6.5%) and the Riverside-San Bernardino-

Key Rating Drivers (Negative/Positive/Neutral)

Rating Impact	Key Rating Driver
Negative	Updated Sustainable Home Prices
Negative	Nonprime Credit Quality
Negative	Guideline Exception Loans
Negative	Non-QM Loans with Less than Full Documentation
Mixed	Sequential Deal Structure with Overcollateralization

Applicable Criteria

U.S. RMBS Surveillance and Re-REMIC Rating Criteria (February 2022)

U.S. RMBS Cash Flow Analysis Criteria (February 2023)

U.S. RMBS Loan Loss Model Criteria (October 2022)

Structured Finance and Covered Bonds Counterparty Rating Criteria (March 2023)

Global Structured Finance Rating Criteria (March 2023)

Structured Finance and Covered Bonds Interest Rate Stresses Rating Criteria (December 2022)

U.S. RMBS Rating Criteria (April 2023)

Criteria for Rating U.S. and Canadian Residential and Small Balance Commercial Mortgage Servicers (December 2022)

Related Research

U.S. RMBS Aggregator/Originator Reviews (February 2023)

U.S. RMBS Sustainable Home Price Report (First-Quarter 2023) (April 2023)

Q3 2022 Fitch U.S. RMBS Servicer Metric Report (January 2023)

Not for redistribution

Ontario MSA (5.4%). The top three MSAs account for 19.7% of the pool. As a result, there was no penalty for geographic concentration.

97.7% of the pool is current as of April 30, 2023. Overall, the pool characteristics resemble nonprime collateral; therefore, the pool was analyzed using Fitch's nonprime model.

Guideline Exception Loans (Negative): Roughly 68% of the collateral consists of loans that had defects or exceptions to guidelines at origination with a substantial portion originally underwritten to GSE guidelines. The exceptions ranged from those that are immaterial to Fitch's analysis (loan seasoning and MI issues), to those that are handled by Fitch's model due to the tape attributes (prior delinquencies and LTVs above guidelines) to loans with potential compliance exceptions that received loss adjustments. (loans with miscalculate DTIs and potential ATR issues). In addition, there are loans with missing documentation that may extend foreclosure timelines or increase loss severity, which Fitch is able to account for in its loss analysis.

Non-QM Loans with Less than Full Documentation (Negative): Approximately 57.7% of the pool was underwritten to less than full documentation, according to Fitch (per the transaction documents, 71.8% was underwritten to full documentation and 28.2% was underwritten to less than full documentation). Specifically, 3.4% was underwritten to a bank statement program for verifying income, which is not consistent with appendix Q standards and Fitch's view of a full documentation program. Additionally, 0.3% comprises a tax return verification product, 1.7% comprises a no documentation product and 19.7% is a DSCR product. Overall, Fitch increased the PD on the nonfull documentation loans to reflect the additional risk.

In Fitch's analysis, Fitch considered the less than full documentation loans as 22.4% stated documentation, 7.8% less than full documentation, 27.5% no documentation. The remaining 42.3% were considered full documentation. Due to due diligence findings and documentation treatment of certain loan documentation types (DSCR, Alt-Doc, Other), Fitch's documentation types will not match the documentation types in the transaction documents which viewed the transaction being 71.8% full documentation.

A key distinction between this pool and legacy Alt-A loans is these loans adhere to underwriting and documentation standards required under the Consumer Financial Protection Bureau's (CFPB) ATR Rule. This reduces the risk of borrower default arising from lack of affordability, misrepresentation or other operational quality risks due to the rigor of the Rule's mandates with respect to underwriting and documentation of the borrower's ATR.

Sequential Deal Structure with Overcollateralization (Mixed): The transaction utilizes a sequential payment structure with no advances of delinquent principal or interest that re-allocates interest from the more junior classes to pay principal on the more senior classes to the extent the transaction is still outstanding after the 72nd payment date. The amount of interest paid out as principal to the more senior class, is added to the balance of the impacted junior class(es). Offsetting this positive is that the transaction will not write-down the bonds due to potential losses or under-collateralization. During periods of adverse performance, the subordinate bonds will continue to be paid interest from available funds, at the expense of principal payments that otherwise would have supported the more senior bonds, while a more traditional structure would have seen them written down and accrue a smaller amount of interest. The potential for increasing amounts of under collateralization is partially mitigated by the reallocation of available funds after the 72nd payment date.

The coupons on the notes are based on the lower of the available fund cap or the stated coupon. If the AFC is paid it is considered a coupon cap shortfall (interest shortfall) and the coupon cap shortfall amount is the difference between interest that was paid (AFC) and what should have been paid based on the stated coupon.

If the transaction is not called, the coupons step up 100 bps. The class B and the Certificate Class will be issued as principal only (PO) bond and will not accrue interest.

The transaction has over-collateralization, which will provide subordination and protect the classes from losses.

Classes will not be written down by realized losses.

Not for redistribution

Highlights

Effect	Highlight
Neutral	**Payment Holidays Related to Coronavirus Pandemic (Neutral):** No loans are on a COVID-19 forbearance plan or were previously on a COVID-19 forbearance plan as of the cutoff date.
–	**High Investor Property Concentration (Negative):** Of the pool, 69.4% comprises investment properties. Specifically, 2.0% of the investor loans were underwritten using the borrower's credit profile, while the remaining 67.4% were originated through the originators' investor cash flow program that targets real estate investors qualified on a DSCR basis. The borrowers of non-DSCR investor properties in the pool have strong credit profiles, with a WA FICO of 736 (as calculated by Fitch) and an original CLTV of 66.9%, and DSCR loans have a WA FICO of 747 (as calculated by Fitch) and an original CLTV of 70.1%. Fitch increased the probability of default (PD) by approximately 2.0x for the cash flow ratio loans (relative to a traditional income documentation investor loan) to account for the increased risk.
Mixed	**Changes from Prior Non-QM Transactions (MIXED):** This transaction is comparable to NRMLT 2023-1, since it includes Scratch and Dent loans that were removed from agency pools due to due diligence findings. The structure have over-collateralization, but the notes are not written down by losses. The transaction has a sequential payment structure that prioritizes the payment of interest over principal and if there is a credit event the more junior notes become accrual bonds and the interest payment on those notes goes to pay principal to the more senior class and the balance of the junior note is increased by this amount. The transaction pays interest based on the lesser of the fixed rate and available funds.
–	**Scratch and Dent Collateral (Negative):** In Fitch's analysis, 68% of the pool is comprised of loans that were found to have exceptions by the GSEs and were no longer eligible to be in GSE pools. 35.0% were due to income/asset verification or DTI calculation issues, which Fitch adjusted documentation scores and DTIs for, and treated the loan with 100% LS if the re-calculated DTI was over 55% or indeterminate. 11.7% were due to seasoning for prior credit events or loan type, which Fitch adjusted prior credit events and loan product types for. 7.4% were due to appraisal issues, which Fitch was comfortable with since all loans received an updated property valuation. 3.1% were due to property type discrepancies, which Fitch adjusted property types for. All other exceptions had a below 3% concentration in the pool and included loan level adjustments for occupancy type, QM status, FICO scores, loans with missing documentation where liquidation timelines and LS floors were adjusted, and two loans with ongoing litigation that are making current payments but were treated with 100% LS. Items that were flagged as loan defects that Fitch did not adjust for include early payment defaults already reflected in paystrings, any insurance discrepancies that are curable, and loans with collateral attribute discrepancies that were already sent as corrected in the loan tape prepared by the TPR firms.
–	**Multi-Property Loans (Negative):** 10.2% of the pool is comprised of multi-property loans. Fitch's analysis of these loans includes making sure all loans are in the same state/MSA (to reduce foreclosure delays/servicers dealing with different jurisdictions) and assuming the worst collateral attributes of any individual property within the blanket loan.
–	**Foreign National Concentration (Negative):** Two loans in the pool belong to foreign nationals. If the co-borrower is a U.S. citizen or permanent resident, Fitch does not count those loans as loans to foreign nationals. Fitch does not make adjustments for loans to nonpermanent residents since historical performance has shown they perform the same or better than those to U.S. citizens. For foreign nationals, Fitch treated them as investor occupied and assumed no documentation for income, employment and assets. If a FICO was not provided for the foreign national, a FICO of 650 was assumed.
Neutral	**No Geographic Concentration (Neutral):** Around 20.5% of the pool is concentrated in California. The largest MSA concentration is in the New York MSA (7.7%), followed by the Los Angeles MSA (6.5%) and the Riverside-San Bernardino-Ontario MSA (5.4%). The top three MSAs account for 19.7% of the pool. As a result, there was no penalty for geographic concentration.
Mixed	**No Advancing (Mixed):** The servicers will not be advancing delinquent monthly payments of principal and interest (P&I). Because P&I advances made on behalf of loans that become delinquent and eventually liquidate reduce liquidation proceeds to the trust, the loan-level loss severities (LS) are less for this transaction than for those where the servicer is obligated to advance P&I. To provide liquidity and ensure timely interest will be paid to the 'AAA' and 'AA' rated classes and ultimate interest on the remaining rated classes, principal will need to be used to pay for interest accrued on delinquent loans. This will result in stress on the structure and the need for additional credit enhancement compared to a pool with limited advancing.
+	**Well-Controlled Operational Risk (Positive):** Operational risk is well controlled in this transaction. PRP Real Estate Investment Management (PRP) employs an effective acquisition operation with strong management, an experienced team and a solid risk management framework. Fitch assessed PRP as an 'Average' aggregator. The seasoned portion of the collateral typically have unknown originators and the newer origination loans were typically underwritten to agency guidelines. The only originator making up more than 10% is Quicken Loans who is assessed as Above Average. Primary servicing responsibilities will primarily be performed by SN Servicing Corp., rated 'RSS3' by Fitch and Fay Servicing LLC, rated 'RSS2–' by Fitch. Due to the fact that 52% of the loans in the pool are underwritten by unreviewed originators but 33% was underwritten by Quicken Loans, an above average originator, Fitch decreased its loss expectations by 17 basis points (bps) at the 'AAAsf' rating category to reflect the risk of these counterparties. The sponsor's retention of an eligible horizontal residual interest of at least 5% helps ensure an alignment of interest between the issuer and investors. The Sponsor or the Depositor (a majority owned affiliate of the Sponsor) will retain the Membership Certificate, which will satisfy the U.S. credit risk retention rules. They will hold the certificate until the earlier of the fifth anniversary of the closing date or when the collateral balance is 25%, but in any event no longer than the seventh anniversary of the closing date .

Not for redistribution

Effect	Highlight
–	**Representation and Warranty Framework (Negative):** While the representations for this transaction (when combined with the due diligence performed on 100% of the transaction) are generally consistent with those listed in Fitch's published criteria. The framework includes an automatic review if the loans suffers a loss and also has an optional noteholder review. An independent reviewer that is named up front will review the loans if a review is needed. The transaction had 100% due diligence performed which is a mitigating factor to the loan level representations varying slightly from Fitch's reps. Fitch added 233 bps to the expected loss at the 'AAAsf' rating category to reflect the non-investment-grade counterparty risk of the provider and the lack of an automatic review of defaulted loans. The repurchase obligation will be in effect for the life of the transaction.
–	**Third-Party Due Diligence Review (Negative):** Third-party due diligence was performed on 100% of loans in the transaction by various TPR firms. The results of the review confirm operational risk higher than what has historically been seen in either seasoned or new origination transactions. A large portion of the 'C' and 'D' grades are due to the seasoning on the previously securitized collateral and reflect missing documents while the newer originations are credit related that were either handled by Fitch's standard analysis or with additional adjustments. Fitch applied negative adjustments as a result which is further described in the Third Party Due Diligence section. Fitch received emails from the servicers confirming the lien status and payment history. The servicers were also able to confirm that no loan located in a FEMA disaster area had damage and that any needed repairs noted in the due diligence have been completed. The servicers are monitoring for outstanding taxes, HOA, and muni liens are will follow standard servicing practices to maintain the current lien position. The due diligence found 27 loans had delinquent taxes, which they will advance on as needed to maintain the lien position. The loss severity was increased to reflect the advancing on the delinquent taxes. The servicers were able to confirm that there is no outstanding litigation regarding the three properties in the pool that the due diligence noted as having an exception for outstanding litigation.
–	**Potential Principal Reduction Amount (Negative):** Fitch increased the losses by .008% to account for $16,433 in potential principal reduction amounts, since this amount will be forgiven and not repaid. The increase in the loss was not considered material and did not impact Fitch's given losses.
–	**Extraordinary Expenses (Negative)** All transaction expenses/fees are coming out of available funds. As such fitch increase the CE to account for these expenses coming out of available funds and reducing the cash flow to the notes. At 'AAA', the CE was increased by 105 bps.
–	**ESG Impact Rating Relevant (Negative):** PRPM 2023-RCF1 has an ESG Relevance Score of '4' for Transaction Parties & Operational Risk due to elevated operational risk, which resulted in an increase in expected losses. While the reviewed originators, and servicing parties did not have a material impact on the expected losses, the Tier 2 R&W framework with an unrated counterparty along with ~52% of the loans in the pool being underwritten by originators who have not been assessed by Fitch resulted in an increase in the expected losses and are relevant to the ratings. Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit-neutral or have only a minimal credit impact on the transaction, due to either their nature or the way in which they are being managed by the entity(ies).

Source: Fitch Ratings

PRPM 2023-RCF1 is similar to NRMLT 2023-1 which Fitch recently-rated . Both transactions included a large portion of loans that included agency kick outs (Scratch and Dent), as well as non-QM loans. Overall both transactions had loans to nonprime borrowers. See asset analysis for details on the scratch and dent loans and the treatment that Fitch applied in its analysis to account for the potential additional risk that these loans presented.

Compared to NRMLT 2023-1, this transaction has a slightly better LTV profile with a CLTV of 77.9% versus 78.3% and a worse WA FICO of 695 versus 714; however, the Interest-Only percentage is higher at 6.9% versus 4.0%, the investor properties is higher 29.9% versus 9.7%, the cash-out percentage is higher at 44.1% versus 28.2%, there are more multi-family and manufactured homes (16.9% versus 8.4%) and due to the higher amount of DSCR loans in the pool, there are more loans with a DTI of over 45% (35.7% versus 30.7%). All of these factors contributed to the slightly higher losses compared to NRMLT 2023-1.

This transaction is similar to non-QM transactions as it has DSCR loans, although the DSCR percentage is less than is seen in typical non-QM transactions This transaction has 19.7% DSCR compared to 40% or more as seen in typical non-QM transactions. Fitch was comfortable with the percentage of DSCR loans in the transaction since we conducted a DSCR review as part of our operational risk reviews and were comfortable with the underwriting standards and process and procedures used to manufacture the DSCR loans in the pool. The DSCR loans did have relatively strong collateral attributes with a WA FICO of 687 and CLTV of 68.7%. Fitch increased the PD by roughly 2.5x compared to an owner occupied fully documented loan to account for the additional risk.

Not for redistribution

Self-employed borrowers comprise nearly 17.2% of the pool. These self-employed borrowers have a strong credit profile, with a Fitch-calculated FICO of 699, a DTI of 44.5% and average monthly income of $9,154.00; these are mitigating factors, as the borrower is self-employed.

Salaried versus Self-Employed and DSCR Borrowers

	% of Pool[a]	Fitch Model FICO	CLTV (%)	DTI (%)	WAC (%)	Average Balance ($)	Monthly Income ($)	% Credit Event	'AAAsf' PD (%)	'AAAsf' Projected Loss (%)[b]
Self-Employed	17.2	699	75.1	44.5	4.6	395,894	9,154	8.9	49.25	34.75
DSCR	19.7	687	68.7	46.8	5.2	790,286	0	0.0	63.75	29.25
Salaried	63.1	697	81.6	46.6	4.4	306,493	7,061	2.5	49.75	33.00
Total	**100.0**	**695**	**77.9**	**46.3**	**4.6**	**364,553**	**6,938**	**3.1**	**52.50**	**32.75**

[a]Fitch assumed a borrower to be self-employed based on the "Employment Indicator" provided for the primary borrower (not the co-borrower) of the loan. [b]'AAAsf' projected losses do not incorporate a geographic concentration penalty. CLTV – Combined loan-to-value ratio. DSCR – Debt service coverage ratio. DTI – Debt-to-income ratio. PD – Probability of default. WAC – Weighted average coupon. Notes: The DSCR loans report zero monthly income, since these loans were underwritten to cash flows from the property and not to the borrower's income. All data in this table are as determined by Fitch.
Source: Fitch Ratings.

The pool does include cross-collateralized loans, where the is one loan to multiple properties. These loans are to professional investors who have a track record of managing properties. All the loans are in the same MSA which makes the management of the properties easier for the borrower to maintain on an ongoing basis and for the servicer to maintain if the loans go into REO. The loans are underwritten to DSCR/Investor guidelines in the pool. Overall, these loans have weaker borrower attributes with a WA FICO and DTI as determined by Fitch of 663 and 47.1%, respectively, which are worse than the other DSCR loans but do have a lower CLTV . See Asset Analysis section for more details.

Besides treating these loans as investor occupied, no documentation and converting the DSCR to DTI, Fitch used the most conservative collateral attributes of the properties associated with the loan and since all properties are in the same MSA, the MSA provided for the loans.

Fitch was comfortable with including these loans in the pool based on their collateral attributes and that these loans account for roughly 10% of the pool.

Cross-Collateral versus DSCR versus Non-DSCR Investor versus Rest of Pool

	% Pool	Fitch Model FICO	CLTV (%)	DTI (%)	WAC (%)	Average Balance ($)	Monthly Income ($)	% Credit Event	'AAAsf' Projected PD (%)	'AAAsf' Projected Loss (%)
Rest of Pool	70.1	694	80.2	46.2	4.4	325,470	7,083	4.4	50.00	33.75
Non-DSCR Investor	10.3	719	79.7	46.2	4.6	300,605	9,641	0.5	47.00	32.00
DSCR Non-Cross Collateral	9.5	712	72.4	46.5	4.9	540,683	0	0.0	63.00	29.50
Cross-Collateral	10.2	663	65.3	47.1	5.5	1,389,331	0	0.0	64.50	29.00
Total	**100.0**	**695**	**77.9**	**46.3**	**4.6**	**364,553**	**6,938**	**3.1**	**52.50**	**32.75**

CLTV – Combined loan-to-value ratio. DTI – Debt-to-income ratio. PD – Probability of default. WAC – Weighted average coupon. Note: Monthly income for over 50% DTI borrowers does not reflect income from property cash flows for DSCR borrowers. The DSCR borrowers do not have a monthly wage income.
Source: Fitch Ratings

21 loans in the pool are multi-family homes with 5+ units. Fitch was comfortable with this small percentage of multi-family homes with 5+ units due to the loans having an average FICO of over 750 and LTV percentages that on average are in the mid 70's .

The pool contains 22 loans over $1.0 million, with the largest loan at $4.0 million. The borrowers of the 10 largest loans have strong credit profiles with an average credit score of 703, low leverage with a 67% original CLTV, 73% sLTV and 45% DTI.

Top 10 Largest Loans — Collateral Attributes[a]

Rank	Current Balance ($000)	Fitch Model FICO	sLTV (%)	Original CLTV(%)	% of Pool	Property Value ($000)	Liquid Reserves ($000)	DTI (%)
1	3,999	600	77	70	1.95	6,339	0	45
2	2,601	706	66	60	1.27	4,594	2,549	51
3	2,134	786	54	50	1.04	4,360	4,840	20

Not for redistribution

4	2,048	600	68	70	1.00	2,908	260	45
5	1,819	748	83	75	0.89	2,425	128	44
6	1,555	706	64	60	0.76	2,781	1,554	47
7	1,538	771	75	65	0.75	2,368	0	54
8	1,487	645	88	80	0.73	1,690	1,015	39
9	1,473	719	72	75	0.72	2,010	961	55
10	1,417	745	86	70	0.69	2,024	0	48

[a]Fitch-derived numbers based on assumptions made in its analysis. CLTV – Combined loan to value ratio. DTI – Debt to income ratio. sLTV – Sustainable loan to value ratio.
Source: Fitch Ratings

This transaction has a sequential payment structure that prioritizes the payment of interest and coupon cap shortfalls (interest shortfalls) over principal. If the transaction is not redeemed on July 2029, the coupons step up by 1.0% on the A and M notes. The B notes will not be paid interest as they are principal only notes. The transaction will not write down the bonds with losses, which may create undercollateralization if the loans do not perform. The only structural feature to absorb losses is overcollateralization which is available day one. See the structure Financial Structure and Cash Flow Modeling/Transaction Structure or further details.

Assets Reference Libor: Fitch highlights various risks associated with the expected Libor phaseout in its Fitch Wire, "Uneven IBOR Progress Leaves Key Uncertainties for Structured Finance," available at www.fitchratings.com. See the Libor Fallback Provisions section of this report for details.

Libor Exposure

Assets	Rated Notes	Hedges
There is Libor exposure in this transaction. The pool consists of 7.6% adjustable-rate loans, 2.0% of which reference libor. The remaining adjustable-rate loans references the 1-year treasury, FHLB contract mortgage rate and SOFR.	No Libor exposure.	No Libor exposure.

Source: Fitch Ratings, PRPM 2023-RCF1

Credit Effect from ESG: PRPM 2023-RCF1 has an ESG Relevance Score of '4' for Transaction Parties & Operational Risk due to elevated operational risk, which resulted in an increase in expected losses. While the reviewed originators, and servicing parties did not have an impact on the expected losses, the Tier 2 R&W framework with an unrated counterparty along with ~52% of the loans in the pool being underwritten by originators who have not been assessed by Fitch resulted in an increase in the expected losses and are relevant to the ratings.

See the ESG Navigator in Appendix 2: ESG Relevance Score for details.

Key Transaction Parties

Role	Name	Fitch Rating/Outlook
Issuing Entity	PRPM 2023-RCF1, LLC	NR
Depositor	PRP Depositor 2023-RCF1, LLC	NR
Sponsor and R&W Provider	PRP-LB V, LLC	NR
Asset Manager	PRP Advisors, LLC	NR
Issuer	PRPM 2023-RCF1, LLC	NR
Aggregator	PRP Advisors	Average Aggregator
Originators	Quicken Loans (32.9%) Third-Party Reviewed Originators (15.2%) Third-Party Unreviewed Originators (51.9%)	Above Average Originator Average Originators NR
Servicer	SN Servicing Corp. (75.5%) Fay Servicing LLC (24.5%)	RPS3/Stable RSS2-/Stable
Indenture Trustee and Custodian	U.S. Bank National Association	AA–/F1+/Stable
Lead Underwriter	Goldman Sachs	A+/F1/Stable

NR – Not rated
Source: Fitch Ratings

Not for redistribution

Transaction Comparison

PRPM 2023-RCF1 is compared with NRMLT 2023-1, TPMT 2023-1 and PRPM 2022-NQM1, as shown below.

Transaction Comparison[a]

(%)	PRPM 2023-RCF1	NRMLT 2023-1	TPMT 2023-1	PRPM 2022-NQM1	2020-2023 Nonprime Industry Avg
Current Pool Balance ($)	204,879,044	200,346,263	552,839,306	319,429,003	377,693,357
Average Loan Balance ($)	364,553	164,894	117,625	478,187	524,956
No. of Loans	562	1,215	4,700	668	731
Largest Originator	Quicken Loans (32.9)	Caliber Home Loans (63.9)	Unknown	Sprout Mortgage (43.2)	—
Seasoning at Closing (Months; Fitch-Calculated)	23.2 (20 months per transaction documents)	62.6	117.0	5.4	9.7
WA Original LTV	77.8	75.2	72.3	70.5	71.9
WA Original CLTV	77.9	78.3	78.9	70.5	72.0
WA MtM CLTV	71.0	69.2	54.1	69.4	69.6
WA sLTV	77.2	75.6	61.6	78.3	77.0
WA Model FICO	695	714	727	743	735
WA Original DTI[b]	46.3	44.3	38.6	53.9	41.1
Clean Current	88.6	71.1	58.1	99.0	93.9
Dirty Current	9.1	24.4	37.9	0.0	3.7
Currently DQ (as Determined by Fitch)	2.3	4.5	4.0	1.0	2.4
FRMs/ARMs	92.4/7.6	94.1/5.9	89.9/10.1	95.6/4.4	82.8/17.2
IO	6.8	4.0	0.0	34.7	16.7
Documentation Score	2.55	1.34	1.15	3.61	2.75
Full Documentation (as Determined by Fitch)	42.3	88.7	97.9	9.3	21.3
WA Current Coupon	4.6	4.0	4.3	5.8	5.5
WA Original Term (Months)	343	349	380	391	370
WA Liquid Reserves ($)[c]	194,369	0	0	228,902	295,870
Piggyback Seconds[d]	1.9	3.0	13.7	0.0	1.2
Second Liens	0.0	3.9	6.4	0.0	0.0
Primary Residence[e]	67.4	84.8	87.2	30.2	63.3
Investor Property[e]	29.9	9.7	8.6	69.4	33.0
Purchase	42.4	50.3	27.0	53.2	60.2
Cashout (as determined by Fitch)	44.1	28.2	41.2	35.8	27.1
Retail	64.6	0.0	0.0	18.8	23.3
2+ Borrower	41.6	34.8	100.0	20.3	29.4
Modifications	10.0	18.9	37.7	0.0	1.1
R&W Tier	2	3	2	2	2
Due Diligence	100.0	100.0	66.8	100.0	99.7
QM Type					
Safe Harbor QM	5.0	36.4	26.4	0.0	2.9
Higher Priced QM	0.0	1.2	1.0	0.0	1.5
Non-QM	63.4	35.7	18.8	30.6	63.2
Property Type					
Single-Family (Includes Single-Family, PUD and Townhouse)	72.4	78.2	79.3	67.3	81.0
Condo	10.2	9.9	7.3	7.1	9.3
Co-Op	0.3	3.3	3.9	0.0	0.0
Multifamily (Includes MH, 2-20 Unit, Other)	16.9	8.4	9.5	24.2	9.6

Not for redistribution

Transaction Comparison[a]

(%)	PRPM 2023-RCF1	NRMLT 2023-1	TPMT 2023-1	PRPM 2022-NQM1	2020-2023 Nonprime Industry Avg
Geographic Concentration					
Largest State	California (20.5)	California (18.2)	New York (20.2)	California (38.5)	—
Largest MSA	New York, NY (7.7)	New York, NY (9.2)	New York, NY (21.7)	Los Angeles, CA (20.2)	—
Geographic Concentration Penalty	1.00	1.00	1.00	1.03	1.05
Case-Shiller Data as of	4Q22	4Q22	3Q22	1Q22	—
DTI[b]					
>45	35.7	30.7	19.7	69.5	36.5
>40	14.3	32.9	33.2	11.2	16.2
>35	9.6	10.0	15.0	7.7	12.6
>30	7.0	5.8	13.0	3.1	9.1
>25	2.4	6.7	8.9	3.5	7.1
<=25	31.2	13.9	10.2	4.9	18.5
Total	100.0	100.0	100.0	100.0	100.0
CLTV Distribution (Fitch Calculated)[d]					
>90	23.4	19.0	27.8	0.3	0.8
>80	16.7	17.5	15.7	4.2	18.3
>75	13.5	24.5	16.1	28.9	23.9
>70	15.5	11.4	9.4	24.2	17.6
>60	14.1	14.4	12.4	24.1	21.0
<=60	16.7	13.2	18.6	18.2	18.4
Total	100.0	100.0	100.0	100.0	100.0
SLTV Distribution					
>90	25.5	20.1	9.3	18.8	19.9
>80	17.6	19.3	10.4	30.2	27.5
>75	11.5	7.3	7.3	16.0	13.1
>70	10.8	8.8	7.4	11.1	10.5
>60	17.4	18.7	16.1	14.4	14.2
<=60	17.2	25.8	49.5	9.5	14.8
Total	100.0	100.0	100.0	100.0	100.0
FICO Distribution					
>=800	3.6	4.8	22.0	3.3	5.9
>=750	21.8	37.9	22.7	47.0	36.8
>=725	17.8	8.9	10.1	20.0	18.2
>=700	14.1	10.6	9.8	15.8	17.3
>=675	9.4	11.1	9.4	7.1	11.1
>=650	5.3	7.7	7.4	5.3	6.7
<650	28.0	19.2	18.7	1.5	4.1
Total	100.0	100.0	100.0	100.0	100.0
Fitch-Expected Loss					
AAAsf	32.75	31.00	21.00	30.75	21.95
AAsf	27.00	25.25	16.25	24.75	16.75
AA-sf	25.15				
Asf	21.50	20.00	12.25	19.00	12.25
A-sf	19.90				
BBBsf	16.75	15.75	9.25	13.75	8.60
BBB-sf	15.65				
BBsf	13.50	13.00	7.00	10.50	6.35
BB-sf	12.60				
Bsf	10.75	10.25	5.75	7.25	4.30
Subordination					

Not for redistribution

Transaction Comparison[a]

(%)	PRPM 2023-RCF1	NRMLT 2023-1	TPMT 2023-1	PRPM 2022-NQM1	2020-2023 Nonprime Industry Avg
AAAsf	42.80	31.05	25.40	38.75	–
AA+sf	–	–	–	–	–
AAsf	–	25.30	–	29.00	–
AA–sf	32.90	–	17.40	–	–
A+sf	–	–	–	–	–
Asf	–	20.05	–	21.70	–
A–sf	25.95	–	13.10	–	–
BBB+sf	–	–	–	–	–
BBBsf	–	15.80	–	16.00	–
BBB–sf	20.20	–	10.00	–	–
BB+sf	–	–	–	–	–
BBsf	–	13.05	–	12.25	–
BB–sf	16.05	–	7.80	–	–
B+sf	–	–	–	–	–
Bsf	–	10.30	–	8.55	–
B–sf	–	–	6.40	–	–

[a]All numbers in the above table are Fitch-derived. [b]Investor cash flow loans with DSCRs were converted to DTIs. [c]Fitch removed liquid reserve amounts from loans underwritten to foreign nationals. [d]Deferral amounts were treated as junior liens. [e]Fitch views loans made to foreign nationals as investor-occupied. CLTV – Combined loan-to-value. DQ – Delinquent. DTI – Debt-to-income ratio. FRM – Fixed-rate mortgage. IO – Interest only. LTV – Loan-to-value. MTM – Mark-to-market. N.A. – Not applicable. Non-QM – Nonqualified mortgage. PUD – Planned unit development. QM – Qualified mortgage. R&W – Representations and warranties. sLTV – Sustainable loan-to-value. WA – Weighted average.
Source: Fitch Ratings, PRPM 2023-RCF1, NRMLT 2023-1, TPMT 2023-1, PRPM 2022-NQM1

Sector Risks: Additional Perspective

Key Sector Risks

Sector or Asset Outlook	Fitch's 2023 Asset Outlook for U.S. RMBS is Deteriorating. Home prices expect to be flat or negative in the single digits nationally with significant variation across regions following 18 months of historically fast home price growth. Expected weakening in mortgage performance will be driven by a worsening economic landscape as well as borrowers that have been stretched thin by inflationary pressures.
Macro or Sector Risks	Fitch's "Global Economic Outlook – March 2023" and related base-line economic scenario forecasts have been revised to 1.0% U.S. GDP growth for 2023 and 0.8% for 2024 following a 2.1% GDP increase in 2022. Additionally, Fitch's U.S. unemployment forecasts for 2023 and 2024 are 4.1% and 5.2%, respectively, which are below 3.6% in 2022. Consistent with the Additional Scenario Analysis section of Fitch's "U.S. RMBS Loan Loss Model Criteria," Fitch will consider applying additional scenario analysis based on stressed assumptions as described in the section to remain consistent with significant revisions to Fitch's macroeconomic baseline scenario or if actual performance data indicate the current assumptions require reconsideration.
Relevant Criteria and Research	Near-Term World Growth Outlook Improves Global growth prospects for 2023 have improved significantly since December. This reflects China's reopening, a material easing of the European natural gas crisis and surprising near-term resilience in US consumer demand. This is the first upgrade to Fitch Ratings' year-ahead world growth forecasts since the start of the Russia-Ukraine war. We now forecast world growth at 2.0% in 2023, revised up from 1.4% in the December 2022 Global Economic Outlook (GEO). We have raised China's 2023 growth forecast to 5.2% from 4.1%, eurozone growth to 0.8% from 0.2% and U.S. growth to 1.0% from 0.2%. But we have lowered global growth in 2024 to reflect the lagged impact of rapid Fed and ECB interest rate hikes. China Reopens and Mobility Rebounds China's abandonment of COVID-19 pandemic restrictions at the turn of the year was followed by swift improvements in mobility indicators and business surveys. 'Contact-intensive' consumer spending – curtailed by lockdowns in 2022 – is rebounding quickly. But the property sector remains weak and exports are slowing.

Source: Fitch Ratings, PRPM 2023-RCF1

Asset Analysis

PRPM 2023-RCF1 is backed by a pool of seasoned performing, scratch & dent and non-QM loans. Overall, Fitch considered the pool to be comprised of nonprime collateral based on the FICO and

Not for redistribution

collateral attributes. Of the pool, 63.4% is designated as non-QM, 5.0% is designated as safe-harbor QM and 31.6% is not subject to ATR according to Fitch.

Collateral Loss Assumptions

(%)			Expected Loss Adjustments[a]													
Rating	sMVD	sLTV	Orig./ Agg.	Service	Due Diligence	R&W	Mat. Crd	Credit Event	MI Crd	Perf. Crd	QM	LnCn.	GeoCn.	Given PD	Given Loss	Given Loss[b]
AAAsf	40.0	118.7	-0.17	0.00	0.00	2.33	0.00	0.00	0.00	-0.07	0.93	0.00	0.00	52.53	62.34	32.75
AAsf	35.4	110.3	-0.14	0.00	0.00	1.96	0.00	0.00	0.00	-0.07	0.81	0.00	0.00	45.99	58.71	27.00
Asf	30.8	102.9	-0.11	0.00	0.00	1.57	0.00	0.00	0.00	-0.07	0.68	0.00	0.00	38.97	55.17	21.50
BBBsf	26.2	96.5	-0.08	0.00	0.00	1.23	0.00	0.00	0.00	-0.06	0.55	0.00	0.00	32.43	51.65	16.75
BBsf	21.6	90.8	-0.06	0.00	0.00	1.00	0.00	0.00	0.00	-0.06	0.46	0.00	0.00	28.08	48.07	13.50
Bsf	17.0	85.8	-0.04	0.00	0.00	0.79	0.00	0.00	0.00	-0.06	0.36	0.00	0.00	23.66	45.44	10.75
Base sf	7.8	77.2	-0.02	0.00	0.00	0.58	0.00	0.00	0.00	-0.05	0.22	0.00	0.00	18.78	41.28	7.75

[a]Expected loss adjustments reflect the approximate effect to losses for each variable on a standalone basis. [b]Expected loss reflects all adjustments made to the raw model output and may not equal due to rounding. GeoCn. – Geographic concentration. LnCn. – Loan concentration. Mat. Crd – Maturity credit. MI Crd – Mortgage insurance credit. Orig./Agg. – Original/aggregate. PD – Probability of default. Perf. Crd – Performance credit. QM – Qualified mortgage. R&W – Representations and warranties. sLTV – Sustainable loan-to-value ratio. sMVD – Sustainable market value decline. Note: This table reflects Fitch's rating stresses and not the ratings assigned.
Source: Fitch Ratings

Coronavirus Effects Addressed: No loans are currently on an active forbearance plan or were previously on a forbearance plan.

Sound Operational Quality — Benefit Applied: Fitch performed an operational risk review of PRPM aggregation platform and assessed it as an 'Average' aggregator. Fitch also performed an operational risk review of the largest originator that are contributing more than 30% to the pool. 32.9% of the loans in the pool were originated by Quicken Loans (Rocket Mortgage), which is assessed as an 'Above Average' originator. All other originators make up less than 10% of the loan pool. Quicken Loans has sound underwriting and risk management practices in place that mitigate the risk of misrepresentation and data quality issues prevalent among peak vintage loans.

Fitch applies a 5% PD credit for all loans originated after 2009 to account for post-crisis operational improvements, as well as a 5% reduction in the PD to the 100% due diligence review with clean results.

Liquid Reserves — Benefit Applied: Some borrowers in the mortgage pool benefited from liquid reserves, which are expected to help mitigate the risk of a temporary disruption in income. On average, borrowers in the pool were able to document over $194,369 in liquid reserves as determined by Fitch. The agency's data analysis determines that borrowers with significant levels of liquid reserves experience a lower historical default rate than those with little to no reserves.

Liquid Reserves/Monthly Payment

	% of Pool	Model FICO	CLTV (%)	DTI (%)	WAC (%)	Average Balance ($)	Monthly Income ($)	% Credit Event	'AAAsf' Projected PD (%)	'AAAsf' Projected Loss (%)
1-11	44.3	685	79.3	47.6	4.6	330,281	6,372	2.3	57.75	37.00
12-23	17.8	716	82	47.3	4.7	340,408	7,330	0.3	49.50	33.50
>=24	37.9	698	74.4	44.3	4.6	431,268	7,983	5.4	47.75	27.25
Total	**100.0**	**695**	**77.9**	**46.3**	**4.6**	**364,553**	**6,938**	**3.1**	**52.50**	**32.75**

CLTV – Combined loan-to-value ratio. DTI – Debt-to-income ratio. PD – Probability of default. WAC – Weighted average coupon.
Source: Fitch Ratings

Nonfull Documentation — Penalty Applied: Of the loans, 57.7% were underwritten to a non-full documentation program as determined by Fitch. Specifically, about 3.4%, as determined by Fitch, of the loans were underwritten to bank statement programs, which required 12 months–24 months of bank statements and 19.7% of the loans are investor loans underwritten to property cash flows or DSCRs. Fitch views alternative documentation loans as riskier than full documentation loans; therefore, it applied PD penalties to account for the additional risk.

Not for redistribution

Income Documentation

	% of Pool	Model FICO	CLTV (%)	DTI (%)	WAC (%)	Average Balance ($)	Monthly Income ($)	% Credit Event	'AAAsf' Projected PD (%)[a]	'AAAsf' Projected Loss (%)[a]
Full Documentation	71.8	697	80.8	46.8	4.4	315,100	7,496	3.6	49.50	33.25
DSCR	19.7	687	68.7	46.8	5.2	790,286	0	0.0	63.75	29.25
Bank Statements	3.4	751	60.3	32.6	4.0	688,611	14,733	0.0	22.75	10.00
No Documentation	1.7	648	88.5	53.2	6.2	175,979	3,240	24.0	82.00	79.75
Other	1.2	672	67.2	52.5	4.8	1,204,154	6,906	0.0	56.75	38.25
Alternative	1.1	606	92.2	27.1	5.4	733,046	31,650	12.0	87.00	35.00
Streamline Refinance	0.8	718	92.3	55.0	2.8	286,853	0	0.0	62.00	62.00
2 Years Tax Returns	0.2	742	72.5	25.6	5.0	206,933	44,328	0.0	20.75	11.75
1 Year Tax Returns	0.1	782	70.0	43.3	4.3	274,473	7,772	0.0	47.00	23.00
Total	**100.0**	**695**	**77.9**	**46.3**	**4.6**	**364,553**	**6,938**	**3.1**	**52.50**	**32.75**

[a]'AAAsf' projected PD and projected losses do not incorporate a geographic concentration penalty. CLTV – Combined loan-to-value ratio. DSCR – Debt service coverage ratio. DTI – Debt-to-income ratio. PD – Probability of default. WAC – Weighted average coupon.
Source: Fitch Ratings

Payment Shock: ARM Reset and Interest Only Loan Risk — Penalty Applied: ARM loans account for 7.6% of the pool. In addition, 1.9% of the pool comprises non-balloon IO loans and 5.0% comprises IO balloon loans. Fitch applied a 1.057x penalty to the PD to account for payment shock risk when the loans reset. The 1.057x penalty considers the time until the adjustment will occur and reflects an assumption that a portion of borrowers will prepay prior to the rate adjustment.

Adjustable- and Fixed-Rate Loans

	% of Pool	Model FICO	CLTV (%)	DTI (%)	WAC (%)	Average Balance ($)	Monthly Income ($)	% Credit Event	'AAAsf' Projected PD (%)[a]	'AAAsf' Projected Loss (%)[a]
ARM	7.6	710	78.6	40.5	4.9	649,225	7,270	23.3	66.75	35.50
FRM	92.4	694	77.9	46.8	4.6	351,854	6,919	1.5	51.25	32.50
Total	**100.0**	**695**	**77.9**	**46.3**	**4.6**	**364,553**	**6,938**	**3.1**	**52.50**	**32.75**

[a]'AAAsf' projected PD and projected losses do not incorporate a geographic concentration penalty. CLTV – Combined loan-to-value ratio. DTI – Debt-to-income ratio. FRM – Fixed-rate mortgage. PD – Probability of default. WAC – Weighted average coupon.
Source: Fitch Ratings

Investor Concentration — Penalty Applied: Fitch treated 29.9% of the pool as investor occupied. Specifically, 10.2% of investor loans were underwritten using the borrower's credit profile, while the remaining 19.7% were originated through the originators' investor cash flow program targeting real estate investors qualified on a DSCR basis, rather than a personal DTI, and with borrower income and employment not verified. Fitch applied additional documentation and DTI penalties to these loans. Fitch applied additional documentation and DTI penalties to these loans, which increased the PD and losses.

Not for redistribution

Investor Cash Flow Loans

	% of Pool	Model FICO	CLTV (%)	DTI (%)	WAC (%)	Average Balance ($)	Monthly Income ($)	% Credit Event	'AAAsf' Projected PD (%)[a]	'AAAsf' Projected Loss (%)[a]
Non-DSCR	80.3	697	80.2	46.2	4.4	322,064	7,500	3.9	49.75	33.50
DSCR	19.7	687	68.7	46.8	5.2	790,286	0	0.0	63.75	29.25
Total	**100.0**	**695**	**77.9**	**46.3**	**4.6**	**364,553**	**6,938**	**3.1**	**52.50**	**32.75**

[a]'AAAsf' projected PD and projected losses do not incorporate a geographic concentration penalty. CLTV – Combined loan-to-value ratio. DSCR – Debt service coverage ratio. DTI – Debt-to-income ratio. PD – Probability of default. WAC – Weighted average coupon.
Source: Fitch Ratings

Multi-Property Loans — Penalty Applied There are 15 multi-property loans in the pool that comprise 10.2%.. Fitch's analysis of these loans includes making sure all loans are in the same state/MSA (to reduce foreclosure delays/servicers dealing with different jurisdictions) and assuming the worst collateral attributes of any individual property within the blanket loan.

DSCR versus Non-DSCR versus Multi Property

	% Pool	MSA	Model FICO	CLTV (%)	DTI (%)	WAC (%)	Average Balance ($)	Monthly Income ($)	% Credit Event	'AAAsf' Projected PD (%)	'AAAsf' Projected Loss (%)
Non-DSCR	80.3	N.A.	697	80.2	46.2	4.4	322,064	7,500	3.9	49.75	33.50
DSCR Non-Multi Prop	9.5	N.A.	712	72.4	46.5	4.9	540,683	0	0.0	63.00	29.50
Multi Prop Loan 3	2.0	Kansas City, MO	600	69.8	45.4	5.7	3,998,750	0	0.0	95.00	49.25
Multi Prop Loan 9	1.3	Indianapolis, IN	706	59.7	50.8	5.6	2,600,639	0	0.0	36.75	13.75
Multi Prop Loan 4	1.0	Longview, WA	600	70.4	44.8	4.9	2,048,434	0	0.0	81.25	35.00
Multi Prop Loan 7	0.8	Indianapolis, IN	706	60.0	47.2	5.5	1,554,687	0	0.0	32.00	11.25
Multi Prop Loan 2	0.8	Virginia Beach, VA	771	65.0	54.4	6.9	1,537,849	0	0.0	39.25	16.75
Multi Prop Loan 11	0.7	Kansas City, MO	745	70.0	47.8	6.8	1,416,800	0	0.0	76.50	40.25
Multi Prop Loan 5	0.6	Chicago, IL	733	65.0	41.8	4.4	1,176,500	0	0.0	43.25	18.00
Multi Prop Loan 15	0.6	Houston, TX	600	60.0	48.4	5.3	1,133,186	0	0.0	76.50	33.00
Multi Prop Loan 14	0.6	Oshkosh, WI	792	70.0	46.6	5.7	1,145,400	0	0.0	42.75	20.75
Multi Prop Loan 1	0.5	Atlanta, GA	600	48.0	51.4	5.3	1,088,433	0	0.0	46.75	14.00
Multi Prop Loan 8	0.4	Columbus, OH	600	73.7	46.6	5.0	814,328	0	0.0	81.25	36.75
Multi Prop Loan 10	0.4	Nassau-Suffolk, NY	600	59.8	50.8	4.8	880,205	0	0.0	86.00	32.00
Multi Prop Loan 6	0.3	Cleveland, OH	600	61.1	37.0	5.7	596,032	0	0.0	54.50	16.25
Multi Prop Loan 12	0.3	Detriot, MI	600	75.0	30.4	5.3	568,248	0	0.0	89.75	40.00
Multi Prop Loan 13	0.1	Lansing, MI	683	75.0	56.2	4.8	280,479	0	0.0	75.50	43.25
Total	**100.0**		**695**	**77.9**	**46.3**	**4.6**	**364,553**	**6,938**	**3.1**	**52.50**	**32.75**

CLTV – Combined loan-to-value ratio. DTI – Debt-to-income ratio. PD – Probability of default. WAC – Weighted average coupon. Note: Monthly income for over 50% DTI borrowers does not reflect income from property cash flows for DSCR borrowers. The DSCR borrowers do not have a monthly wage income.
Source: Fitch Ratings

Moderately High DTI — Penalty Applied: Of the pool, 73% by unpaid principal balance (UPB) had a DTI above the 43% threshold for QM, as determined by Fitch.

This transaction has a large number of loans with a DTI determined by Fitch of over 43%. This is due to the majority of the scratch and dent loans having findings where the original DTI was found not to be accurate. For these loans Fitch used the re-calculated DTI if it was under 55% (in all of these cases the re-calculated DTI was greater than the original DTI noted in the due diligence reports) and assumed a DTI of 55% and 100% loss severity if the re-calculated DTI was over 55%.

For the DSCR, loans were mapped to a DTI (the monthly borrower income is zero, since these loans are underwritten to property cash flows). The mapping of DSCR to DTI results in higher DTIs than the 41.7% DTI in the transaction documents.

The borrowers in the pool with high DTIs generally benefit from high incomes and monthly residual incomes.

Not for redistribution

DTI Ratio

	% Pool	Model FICO	CLTV (%)	DTI (%)	WAC (%)	Average Balance ($)	Monthly Income ($)	% Credit Event	'AAAsf' Projected PD (%)	'AAAsf' Projected Loss (%)
<43% DTI	29.9	697	81.1	34	4.6	380,448	8,068	4.7	51.75	25.75
43%–45% DTI	7.6	690	78.5	44.1	4.6	410,651	6,056	0.7	57.75	28.50
45%–50% DTI	17.6	689	76.6	47.3	4.9	438,913	6,883	0.4	56.50	28.00
50+ DTI	44.9	698	76.2	54.5	4.5	327,514	6,828	3.5	50.50	39.75
Total	**100.0**	**695**	**77.9**	**46.3**	**4.6**	**364,553**	**6,938**	**3.1**	**52.50**	**32.75**

CLTV – Combined loan-to-value ratio. DTI – Debt-to-income ratio. PD – Probability of default. WAC – Weighted average coupon. Note: Monthly income for over 50% DTI borrowers does not reflect income from property cash flows for DSCR borrowers. The DSCR borrowers do not have a monthly wage income.
Source: Fitch Ratings

Multifamily Properties– Penalty Applied: There are 21 multi-unit properties with 5–20 units of the pool and eight manufactured housing properties (0.8%) of the pool. The multi-family properties that consist of more than five units are considered Small Balance Commercial (SBC). These loans received the same PD hit for property type as the 2–4 units multi-family properties, which is the most severe PD penalty for the property type category in Fitch's loss analysis.

Multifamily Properties versus Rest of Pool

	% Pool	Model FICO	CLTV (%)	DTI (%)	WAC (%)	Average Balance ($)	Monthly Income ($)	% Credit Event	'AAAsf' Projected PD (%)	'AAAsf' Projected Loss (%)
Single-Family	48.8	694	77.4	46.5	4.5	318,401	6,379	3.1	49.50	33.00
PUD	23.6	692	80.3	47.4	4.4	406,643	8,426	6.6	52.00	31.75
Condo	10.2	717	82.1	45.4	4.2	302,584	8,802	0.0	43.00	30.75
Multi-Family (5-20 Unit)	8.5	687	73.6	46.1	5.2	756,763	0	0.0	72.75	36.00
Multi-Family (2-4 Unit)	7.8	694	72.7	43.5	5.5	593,317	5,117	0.0	63.50	32.75
Manufactured Housing	0.8	668	87.2	43.2	5.0	211,469	5,267	4.0	53.25	34.75
Co-op	0.3	779	54.6	43.5	4.1	257,696	7,419	0.0	11.50	6.75
Total	**100.0**	**695**	**77.9**	**46.3**	**4.6**	**364,553**	**6,938**	**3.1**	**52.50**	**32.75**

CLTV – Combined loan-to-value ratio. DTI – Debt-to-income ratio. PD – Probability of default. WAC – Weighted average coupon. Note: Monthly income for over 50% DTI borrowers does not reflect income from property cash flows for DSCR borrowers. The DSCR borrowers do not have a monthly wage income. The percent of SBC (5+ units) is less than 2.46% that is stated in the transaction documents since some of these loans are cross-collateralized loans.
Source: Fitch Ratings

Foreign Nationals — Penalty Applied: Fitch considered the pool to have two loans where the borrower's citizenship status is defined as foreign national. Fitch treated them as investor occupied, and having no documentation for income, employment and assets. Since assets were not always confirmed to be located at a U.S. banks located on US soil or GSIBS, no credit was given to liquid reserves for the loans to foreign nationals in the analysis. If a FICO was not provided for the foreign national, a FICO of 650 was assumed. As a result, the losses were increased for these borrowers compared with borrowers who are U.S. citizens to address any additional risk.

Scratch and Dent Loans- Penalty Applied: The majority of the pool contains loans that were kicked out of GSE pools due to exceptions/findings that were found in the due diligence review process. Some of the findings were not material and would not impact Fitch's losses while the remaining findings Fitch was able to account for the risk by making conservative assumptions that increased the PD or extended timelines or increased the LS. See the tables below for further details.

Not for redistribution

Seasoned Performing versus S&D versus Non-QM

	% Pool	Model FICO	CLTV (%)	DTI (%)	WAC (%)	Average Balance ($)	Monthly Income ($)	% Credit Event	'AAAsf' Projected PD (%)	'AAAsf' Projected Loss (%)
Scratch & Dent	65.6	706	80.5	47.0	4.3	334,164	7,514	0.20	48.50	33.00
Non-QM	22.2	690	67.3	44.6	5.1	825,805	0	0.0	60.25	28.25
Seasoned Performing	9.8	631	84.0	45.6	5.2	223,484	4,750	30.4	61.75	40.50
Total	**100.0**	**695**	**77.9**	**46.3**	**4.6**	**364,553**	**6,938**	**3.1**	**52.50**	**32.75**

CLTV – Combined loan-to-value ratio. DTI – Debt-to-income ratio. PD – Probability of default. WAC – Weighted average coupon. Note: Monthly income for over 50% DTI borrowers does not reflect income from property cash flows for DSCR borrowers. The DSCR borrowers do not have a monthly wage income.
Source: Fitch Ratings

Agency Scratch & Dent Adjustments

The recent origination agency defect loans (scratch and dent loans) had a number of exceptions that were noted in the due diligence results. While some were handled by making conservative adjustments to the data in the loan tape that increased the PD and/or LS, increasing loss severities, or extending timelines others were treated through Fitch's standard loss modelling as detailed in the tables below:

Guideline Exception	Fitch Treatment in Loss Analysis	Number Adjusted
Incorrect DTI Calculations	Assumed DTI of 55 for any miscalculated d DTI with new DTI over 55 or incalculable DTI (along with 100% LS)	187
	Ran as correct DTI if less than 55	59
Issues with property valuations or LTV within guidelines	Relied upon updated valuation	
	No impact for LTV above GSE guideline	42
Missing documents	No impact for missing MI documents	N.A.
Change in employment prior to closing/Incorrect income verification/Incorrect assets verification	Ran as no doc for doc scores that were improperly verified	80
EPD	pay string impacts PD	N.A.
Loan seasoning	No impact	N.A.
Property Types	Ran as correct property type	14
Incorrect Occupancy	Ran as 2nd home or Investor	30
Incorrect Loan Purpose	Ran as correct loan purpose	5
Residency Issue	Ran as Foreign National treatment	1
Lien Status Issue	Ran as 2nd lien	2
Modified Loan	Ran as modified	22

N.A. – Not Applicable
Source: Fitch Ratings

Exception with No Additional Adjustments

Exception	Rationale
Loan Seasoning	Fitch regularly rates seasoned loans
Early Payment Default	Delinquency is reflected in PD
Ineligible Property Type	Fitch model applies adjustments
LTV Above Allowable Maximum	Fitch regularly rates high LTV loans
Missing Mortgage Insurance (MI) Documents	Fitch does not give MI credit
Insufficient Additional Appraisal	Updated values were provided along with Fitch-applied haircuts
HOA Loans	No specific adjustments
Home Flipping Seasoning	No specific adjustments

Source: Fitch Ratings, PRPM 2023-RCF1

Not for redistribution

Third-Party Due Diligence

Third-party due diligence was performed on 100% of the loans in the transaction by AMC and Infinity, which are both assessed by Fitch as 'Acceptable' TPR firms. The pool consists of newly originated and seasoned collateral and the overall due diligence scope was consistent with Fitch criteria. The results indicate more sever due diligence findings/exceptions than what has been seen in other Fitch rated seasoned or new origination transactions due to the pool have a majority of loans that included exceptions or findings that caused the loan to be agency pools (scratch and dent loans). Fitch accounted for the additional risk that these scratch and dent loans potentially may have by making conservative assumptions on certain collateral attributes based on the due diligence findings.

Due Diligence Vendors

Function	Vendors	Review % by Loan Count	Note
Credit/Regulatory Compliance/Property Valuation/Data Integrity	AMC	9.8	—
Credit/Regulatory Compliance/Property Valuation/Data Integrity	Infinity	90.2	—
Tax/Title Search	SN Servicing Corp. Fay Servicing LLC	75.5 24.5	Servicer regularly monitors and clears taxes/liens as standard business practice.
Custodial	U.S. Bank National Association	100.0	—
Total		**100.0**	

Source: Fitch Ratings

Not for redistribution

Due Diligence Results

(%)	PRPM 2023-RCF1					Deal Compare (Overall Grades)				Industry Averages (Year >= 2016)[a]				Industry Averages (Overall Grades)[a]			
Grade	Overall (No.)	Overall	Credit	Prop.	Comp.	NRMLT 2023-1	GSMBS 2023-RPL1	PRPM 2022-NQM1	VERUS 2022-5	Overall	Credit	Prop.	Comp.	2022	2021	2020	2019
A	22	3.9	26.5	68.0	8.0	19.5	15.5	73.2	47.3	49.1	71.8	92.3	54.9	71.4	63.4	42.3	29.6
B	55	9.8	14.2	5.5	11.2	36.0	74.6	25.0	52.0	48.8	25.2	4.2	32.0	27.8	36.2	57.0	68.9
C	191	34.0	8.7	9.8	19.4	16.9	0.4	0.3	0.0	1.0	0.2	0.2	0.6	0.1	0.4	0.6	0.8
D	294	52.3	50.5	16.7	54.1	27.6	9.4	1.5	0.7	1.0	0.5	0.4	0.7	0.7	0.0	0.1	0.7
N.A.	0	0.0	0.0	0.0	7.3	0.0	0.0	0.0	0.0	0.1	2.3	2.9	11.4	0.0	0.0	0.0	0.1
Total	**562**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**100.0**	**96.6**	**100.0**	**100.0**	**100.0**

[a]Represents Fitch-reviewed transactions. Comp. – Compliance. N.A. – Not applicable. Prop. – Property.
Source: Fitch Ratings

The third party review indicated that 485 reviewed loans, or approximately 86.3% of the total pool, were found to have a material defect and therefore assigned a final grade of 'C' or 'D'.

294 of reviewed loans, or approximately 52.3% of the total pool by loan count, received a final grade of 'D' primarily due to the following reasons: an inability to determine the borrower's ability to repay, a QM DTI exceeding 43%, missing documentation and property marketability issues. In addition, 15 loans in the pool had a missing or indeterminate HUD-1. The absence of a final HUD-1 file does not allow the TPR firm to properly test for compliance surrounding predatory lending in which statute of limitations does not apply. These regulations may expose the trust to potential assignee liability in the future and create added risk for bond investors.

187 loans (33.3% by loan count – mostly agency scratch and dent loans) were applied a 100% loss severity as they were reviewed as being at risk of ATR violations due to potential miscalculations on DTI.

The remaining loans with a final grade of 'C' or 'D' related to compliance reflect TRID violations, missing state disclosures, and other missing documents related to compliance testing. Fitch notes that these exceptions are unlikely to add material risk to bondholders since the statute of limitations on these issues have expired. No adjustment to loss expectations were made for these loans.

Loans that received a 'C' or 'D' grade due to credit issues received adjustments through the actual loan attributes and were adequately handled through Fitch's model.

Due Diligence Adjustments

Based on the due diligence findings, Fitch made loan-level adjustments as shown in the table below.

Diligence Adjustment	Number to loans	Adjustment
Indeterminate HUD1 (Freddie Mac's "Do Not Purchase" List)[a]	2	100% LS applied.
Indeterminate HUD1[a]	13	5% LS penalty applied.
ATR Risk	187	55% DTI and 100% LS
Total Adjustments	202	Loss Severity increased

[a]Freddie Mac's "Do Not Purchase" list comprises 14 states: Arkansas, Colorado, Georgia, Illinois, Indiana, Kentucky, Maine, Massachusetts, New Jersey, New Mexico, New York, Oklahoma, Rhode Island and Tennessee. See guideline exceptions for other adjustments related to due diligence findings or agency QC review.
Source: Fitch Ratings

Not for redistribution

Tax & Title Review

Fitch received confirmation from the servicer on the current lien status of the loans in the pool. The servicer regularly orders these searches as part of its normal business practice and resolves issues as they arise. No additional adjustment was made as a result.

The servicers confirmed the loans in the pool have $143,529.86 in delinquent property taxes. The servicers confirmed that they will advance per standard servicing practices on delinquent tax, HOA, or municipal liens to maintain the current lien status. Fitch increased the loss severity by the delinquent tax amount at each rating category to account for the servicer advancing this amount. The impact was not considered material to the given losses.

ATR Designation

By UPB, approximately 63.4% of the loans were underwritten to non-QM guidelines or the QM status was not able to be verified. ATR was not applicable to the remaining 31.6% of the pool due to those loans being investor loans used for a business purpose instead of a consumer purpose or the loan was originated prior to January 2014. 5% of the pool was considered to be QM. The table at right summarizes the final QM status for the loans in this transaction.

Ability to Repay (ATR)

ATR Status	Count	% by Loan Count
Not Applicable	133	23.7
Safe Harbor QM	45	8.0
Non-QM	384	68.3
Total	**562**	**100.0**

Source: Fitch Ratings, PRPM 2023-RCF1

Mortgage Loan Representations and Warranties

Fitch assesses each transaction's representations, warranties and enforcement (RW&E) mechanisms framework by reviewing the loan-level RW&Es and the financial condition of the representation provider. Based on this assessment, each transaction's RW&E construct is categorized into tiers, with Tier 1 representing a full framework having little to no variations and Tier 5 comprising weak frameworks with numerous variations and little to no mitigants. The financial condition of the R&W provider is also considered due to its repurchase obligations.

Although Fitch believes the RW&E construct provides for a strong alignment of interests between the issuer and investors, the RW&E construct for this transaction was categorized as a Tier 2. The loan-level representations are similar to the Fitch loan-level representations, with a few variations. A breach review will be conducted if the related Servicer or the Depositor has actual knowledge, or a responsible officer of the Indenture Trustee has received written notice, of a breach of any such representation and warranty that materially and adversely affects the value of the related Mortgage Loan. There is also a loss review trigger where a loan is reviewed if it takes a loss and the majority of noteholders can cause a review. Opus Capital Markets is the named breach reviewer. Fitch views that the reviewer is named upfront as a positive feature as it will prevent delays in finding/hiring a breach reviewer.

To the extent that the related Servicer or the Depositor has actual knowledge, or a responsible officer of the Indenture Trustee has received written notice, of a breach of any such representation and warranty that materially and adversely affects the value of the related Mortgage Loan, such party will give written notice to the Sponsor and the Sponsor will be required to repurchase such Mortgage Loan at the Repurchase Price; provided, that in the case of the Indenture Trustee giving such notice, (i) such notice will be given by the Indenture Trustee only if a responsible officer of the Indenture Trustee has received written notice of such breach (without regard to whether such breach materially and adversely affects the value of the related Mortgage Loan) and (ii) in no event will the Indenture Trustee be required to determine the materiality of any breach.

The Sponsor will have 120 days from the date it receives such notice to deliver such missing document or otherwise cure such defect or breach and if it is unable to do so, will be obligated to either repurchase the loan or pay the difference between the Repurchase Price for such Mortgage Loan and the liquidation proceeds for such Mortgage Loan (Make Whole Amount).

If a loan incurs a loss, the loan will be reviewed for a breach of the R&Ws. At any time a majority of noteholders, which are not affiliates of the Sponsor may cause a review for a breach of the R&Ws. Opus Capital Markets Consultants LLC will be the independent reviewer for the purpose of performing breach reviews of any Mortgage Loan.

If the reviewer finds a breach, the sponsor has 90 days to cure the breach. If the breach can't be cured, the sponsor will repurchase the loan or pay the make whole amount so that the trust does not incur a loss.

Not for redistribution

The majority noteholders that are not affiliated with the Sponsor can bring about a review at their own cost. There are no other mortgage loans for which a review for breaches of R&W will be performed.

The loan-level R&Ws can be found in the presale appendix report, "PRPM 2023-RCF1," dated June 2023 and available on Fitch's website at www.fitchratings.com.

Representation and Warranty Assessment

R&W Provider	Financial Condition	Comments
PRP-LB NQM1 V, LLC	NR	The sponsor will be making loan-level reps for the life of the loan, which will be passed through to the trust. If the sponsor is not able to able to cure the breach in 120 days they will need to repurchase the loan or pay the make whole amount. If the sponsor is not able to repurchase the loan or pay the make whole amount, the guarantors (InSolve Global Credit Fund V, L.P. and Palace Mortgage Fund II, L.P) will need to take over these responsibilities.
Loan-Level Representations	**Meets Criteria?**	**Comments**
Contains All R&Ws Listed in Fitch Criteria[a]	Y	The loan-level reps contain slight variations from Fitch's reps and the appraisal loan level reps contain knowledge qualifiers with a knowledge qualifier without a clawback.
Sunset Provisions	N	There are no sunset provisions.
Enforcement Mechanisms	**Meets Criteria?**	**Comments**
Breach Review Trigger	Y	The Sponsor will be required to repurchase, cure or substitute loans upon the discovery of a breach by any of the parties to the transaction that affects the value of the loan. In addition, if a loan incurs a loss, the loan will be reviewed for a breach of the R&Ws. At any time a majority of noteholders which are not affiliates of the Sponsor may cause a review for a breach of the R&Ws.
Binding Arbitration	Y	If the R&W provider disputes the determination of the breach reviewer, the R&W provider and the trustee will enter into a binding arbitration to resolve the matter.
Breach Enforcement	Y	To the extent that the related Servicer or the Depositor has actual knowledge, or a responsible officer of the Indenture Trustee has received written notice, of a breach of any such representation and warranty that materially and adversely affects the value of the related Mortgage Loan, such party will give written notice to the Sponsor and the Sponsor will be required to repurchase such Mortgage Loan at the Repurchase Price; provided, that in the case of the Indenture Trustee giving such notice, (i) such notice will be given by the Indenture Trustee only if a responsible officer of the Indenture Trustee has received written notice of such breach (without regard to whether such breach materially and adversely affects the value of the related Mortgage Loan) and (ii) in no event will the Indenture Trustee be required to determine the materiality of any breach. The Sponsor will have 120 days from the date it receives such notice to deliver such missing document or otherwise cure such defect or breach and if it is unable to do so, will be obligated to either repurchase the loan or pay the difference between the Repurchase Price for such Mortgage Loan and the liquidation proceeds for such Mortgage Loan (Make Whole Amount). In addition, if a loan incurs a loss, the loan will be reviewed for a breach of the R&Ws. At any time a majority of noteholders, which are not affiliates of the Sponsor may cause a review for a breach of the R&Ws. Opus Capital Markets Consultants LLC will be the independent reviewer for the purpose of performing breach reviews of any Mortgage Loan. If the reviewer finds a breach, the sponsor has 90 days to cure the breach. If the breach can't be cured, the sponsor will repurchase the loan or pay the make whole amount.
RW&E Tier	2	'AAAsf' expected loss adjustment of 233 bps due to non-rated counterparty and minor variations to loan level reps.

[a]"U.S. RMBS Rating Criteria," Appendix D. NR – Not rated. R&W – Representation and warranty.
Source: Fitch Ratings, PRPM 2023-RCF1

Financial Structure and Cash Flow Modeling

PRPM 2023-RCF1 utilizes a sequential payment structure with no advances of delinquent principal or interest that prioritizes the payment of interest to the A and M notes over principal. The B note is a principal only note that does not get paid interest.

The transaction re-allocates interest from the more junior classes to pay principal on the more senior classes to the extent the transaction is still outstanding after the 72nd payment date. The amount of interest paid out as principal to the more senior class, is added to the balance of the impacted junior class(es).

Not for redistribution

Offsetting this positive sequential payment structure is that the transaction will not write-down the bonds due to potential losses or under-collateralization. During periods of adverse performance, the subordinate bonds will continue to be paid interest from available funds, at the expense of principal payments that otherwise would have supported the more senior bonds, while a more traditional structure would have seen them written down and accrue a smaller amount of interest. The potential for increasing amounts of under collateralization is partially mitigated by the reallocation of available funds after the 72nd payment date.

Like other NQM transactions, the transaction has a step up coupon for the A and M notes, where the coupon will step up by 1% if the transaction is not called.

The A and M notes will be entitled to interest that is the lower of the fixed rate or available funds. If the classes do not receive the full amount of interest based on the fixed rate, the difference between what was paid and interest that should have been paid at the fixed rate it is considered a coupon cap shortfall (interest shortfall) and is repaid the following month. As a result, the A and M notes should receive full interest at the fixed note rate, unless there are significant performance issues on the loans that create under-collateralization and a significant amount of reduced cash flow to the notes.

All fees and expenses are coming out of available funds. Fees coming out of the available funds may reduce cash flow available to pay the notes. To account for this Fitch increased the CE by 0.20% for every 0.10% of PD, which resulted in the 'AAA' class seeing the CE increase by 1.05%.

Losses are not allocated to the notes and as a result, the notes will not be written down by losses. This may create undercollateralization and reduced cash flow to the notes.

The transaction does benefit from overcollateralization that is available day one and a sequential payment structure that prioritizes payment to the more senior classes.

Transaction Waterfall

Prior to the occurrence of a Credit Event, on each Payment Date, the indenture trustee will allocate the available funds in the following order of priority to the extent available (the "pre-credit event priority of payments"):

1. To the Class A-1 Notes, to pay the interest payment amount and any unpaid cap carryover;
2. To the Class A-2 Notes, to pay the interest payment amount and any unpaid cap carryover;
3. To the Class A-3 Notes, to pay the interest payment amount and any unpaid cap carryover;
4. To the Class M-1 Notes, to pay the interest payment amount and any unpaid cap carryover;
5. To the Class M-2 Notes, to pay the interest payment amount and any unpaid cap carryover;
6. To the Class A-1 Notes, until the note amount of such class has been reduced to zero;
7. Sequentially, to the Class A-2, Class A-3, Class M-1, Class M-2 and Class B Notes, in that order, from any remaining Available Funds representing net sale proceeds, until the note amount of each such class has been reduced to zero;
8. To the redemption account, until the amount on deposit therein equals the redemption account required amount;
9. All amounts due and owing to the indenture trustee remaining unpaid due to the application of the annual cap; and
10. To the membership certificate, any remaining amounts.

If the Class A-1 Notes will be paid in full on a payment date pursuant to the pre-credit event priority of payments and available funds include net sale proceeds, all such net sale proceeds will be paid to the Class A-2, Class A-3, Class M-1, Class M-2 and Class B Notes pursuant to priority 7 of the pre-credit event priority of payments.

Not for redistribution

On and after the occurrence and continuance of a credit event, on each payment date, the paying agent will allocate the available funds plus any remaining amounts in the redemption account, in the following order of priority to the extent available (the "post-credit event priority of payments"):

1. To the Class A-1 Notes, to pay the Interest Payment Amount and any unpaid cap carryover;
2. To the Class A-2 Notes, to pay the Interest Payment Amount and any unpaid cap carryover;
3. To the Class A-3 Notes, to pay the Interest Payment Amount and any unpaid cap carryover;
4. To the Class M-1 Notes, to pay the Interest Payment Amount and any unpaid cap carryover;
5. To the Class M-2 Notes, to pay the Interest Payment Amount and any unpaid cap carryover;
6. Sequentially, to the Class A-1, Class A-2, Class A-3, Class M-1, Class M-2 and Class B Notes, in that order, until the note amount of each such class has been reduced to zero;
7. All amounts due and owing to the indenture trustee remaining unpaid due to the application of the annual cap; and
8. To the membership certificate, any remaining amounts.

Cash Flow Analysis

Fitch's cash flow analysis includes a combination of six prepayment and default timing scenarios, front-loaded, mid-loaded and back-loaded default rates, each stressed at a benchmark or flat (5%) constant prepayment rate. These sensitivities help to determine ratings based on the subordination and payment priority of each class.

Because 7.6% of the loans in the pool are adjustable rate, Fitch ran up, down and flat interest rate stresses in each rating scenario to test the impact of interest rate fluctuations on the transaction structure. Fitch's analysis assumed zero days of delinquent P&I advancing and a servicing fee of 0.25%. Fitch deemed the servicing fee to be sufficient based on the collateral attributes of the pool and the Fitch-determined cost to service the loans. Fitch also ran delinquency stresses to test the liquidity in the transaction.

Due to the low net wac on the loans (less than 5%), Fitch did not run additional analysis on the pool by assuming modification rate reduction stresses. The base cash flow curves outlined in Fitch's cash flow criteria were used for the cash flow analysis.

To test liquidity in the structure, Fitch stresses the delinquency, default and prepayment timing, and interest rates in its cash flow analysis, and all classes received full P&I payment in their assigned rating stress. Specifically, 'AAAsf' and 'AA-sf' rated classes received timely interest, and the 'A-sf', 'BBB-sf' and 'BB-sf' rated classes received ultimate interest in the base cash flow analysis. Fitch rates to ultimate interest for the 'A-sf', 'BBB-sf' and 'BB-sf' ratings and, as a result, it was comfortable with these periodic interest shortfalls that were repaid in full.

All classes received full P&I payment in their assigned rating stress.

In a high prepayment environment, both senior and subordinate notes are paid down faster. The front loaded losses, flat prepayments with a down interest rate stress had the greatest impact on the transaction structure as this resulted in the longest months to pay off. Each rated note in this transaction has significant CE, and Fitch believes the transaction structure provides for protection against mortgage losses consistent with the note ratings. In all stress scenarios associated with each note's rating, none of the rated classes experience any principal writedowns.

Not for redistribution

Due to the prioritization of the interest payments of the 'AAAsf' and 'AA-sf' prior to more junior classes being paid in the cash flow waterfall , is supportive of the 'AAAsf' and 'AA-sf' rated notes are not expected to incur any periodic interest shortfalls. The payment of timely interest is also aided by the payment of interest from principal remittance amounts and not simply from interest collected on the underlying loans.

The servicer is not obligated to advance delinquent P&I on the loans.

Rating Stress Cash Flow Results[a]

Class	Stress	Principal Recovery (%)	First Month of Permanent Interest Shortfalls	Maximum Shortfalls (%)	Month All Interest Shortfalls Repaid
A-1	AAAsf	100.0	N.A.	N.A.	N.A.
A-2	AA–sf	100.0	N.A.	N.A.	N.A.
A-3	A–sf	100.0	N.A.	N.A.	N.A.
M-1	BBB–sf	100.0	N.A.	N.A.	N.A.
M-2	BB–sf	100.0	N.A.	N.A.	N.A.

[a]Results shown reflect the most conservative timing and interest rate scenario for each class in its respective rating stress. N.A. – Not applicable.
Source: Fitch Ratings

Fitch expects no temporary interest shortfalls to either class A-1 or A-2 in the 'AAAsf' or 'AA-sf' stress scenarios, respectively, since note interest is paid from total available funds.

Servicer Advancing Obligations

The servicers will not be advancing principal and interest payments on delinquent loans. As a result, the transaction is heavily reliant on the structure to provide timely payment of interest to the A-1 and A-2 classes and ultimate interest to the remaining rated classes.

The reduced liquidity due to no advancing was accounted for in the additional CE required above Fitch's expected loss to pay timely interest to the 'AAAsf' and 'AA-sf' notes and ultimate interest on the remaining notes.

Expected Rating Sensitivity

Fitch incorporates a sensitivity analysis to demonstrate how the ratings would react to steeper market value declines (MVDs) than assumed at the MSA level. Sensitivity analyses were conducted at the state and national levels to assess the effect of higher MVDs for the subject pool, as well as lower MVDs, illustrated by a gain in home prices.

Defined Sensitivities: Additional Decline in sMVD at the National Level

Original Rating	AAAsf	AA+sf	AAsf	AA–sf	A+sf	Asf	A–sf	BBB+sf	BBBsf	BBB–sf	BB+sf	BBsf	BB–sf	B+sf	Bsf
One Full Category	0–5	0–5	0–5	0–5	0–5	0–5	0–5	0–5	0–5	0–5	0–5	0–5	0–5	0–5	0–5
Non-Investment Grade	15–20	10–15	10–15	10–15	5–10	5–10	0–5	0–5	0–5	0–5	0	0	0	0	0
To 'CCCsf'	35–40	35–40	30–35	30–35	25–30	25–30	25–30	20–25	20–25	15–20	15–20	10–15	10–15	5–10	0–5

sMVD – Sustainable market value declines
Source: Fitch Ratings

Factors that could, individually or collectively, lead to negative rating action/downgrade

This defined negative rating sensitivity analysis demonstrates how ratings would react to steeper MVDs at the national level. The analysis assumes MVDs of 10.0%, 20.0% and 30.0%, in addition to the model-projected 40.0%, at 'AAA'. The analysis indicates there is some potential rating migration, with higher MVDs for all rated classes compared with the model projection. Specifically, a 10% additional decline in home prices would lower all rated classes by one full category.

Not for redistribution

Defined Stresses: Additional Decline in sMVD at the National Level

Additional sMVD	AAAsf	AA+sf	AAsf	AA–sf	A+sf	Asf	A–sf	BBB+sf	BBBsf	BBB–sf	BB+sf	BBsf	BB–sf	B+sf	Bsf
–10% (=10% HPA)	AAAsf	AAAsf	AA+sf	AA+sf	AAsf	AA–sf	A+sf	Asf	A–sf	BBB+sf	BBBsf	BBB–sf	BB+sf	BBsf	B+sf
10%	A+sf	A–sf	BBB+sf	BBBsf	BBB–sf	BB+sf	BB+sf	BBsf	BB–sf	B+sf	Bsf	<Bsf	<Bsf	<Bsf	<Bsf
20%	BBB–sf	BBsf	BBsf	BB–sf	B+sf	Bsf	Bsf	<Bsf	<Bsf	<Bsf	<Bsf	<Bsf	<Bsf	<Bsf	<Bsf
30%	B+sf	Bsf	<Bsf	<Bsf	<Bsf	<Bsf	<Bsf	<Bsf	<Bsf	<Bsf	<Bsf	<Bsf	<Bsf	<Bsf	<Bsf

HPA – Home price appreciation. sMVD – Sustainable market value declines.
Source: Fitch Ratings

Factors that could, individually or collectively, lead to positive rating action/upgrade

This defined positive rating sensitivity analysis demonstrates how the ratings would react to positive home price growth of 10% with no assumed overvaluation. Excluding the senior class, which is already rated 'AAAsf', the analysis indicates there is potential positive rating migration for all of the rated classes. Specifically, a 10% gain in home prices would result in a full category upgrade for the rated classes excluding those being assigned ratings of 'AAAsf'.

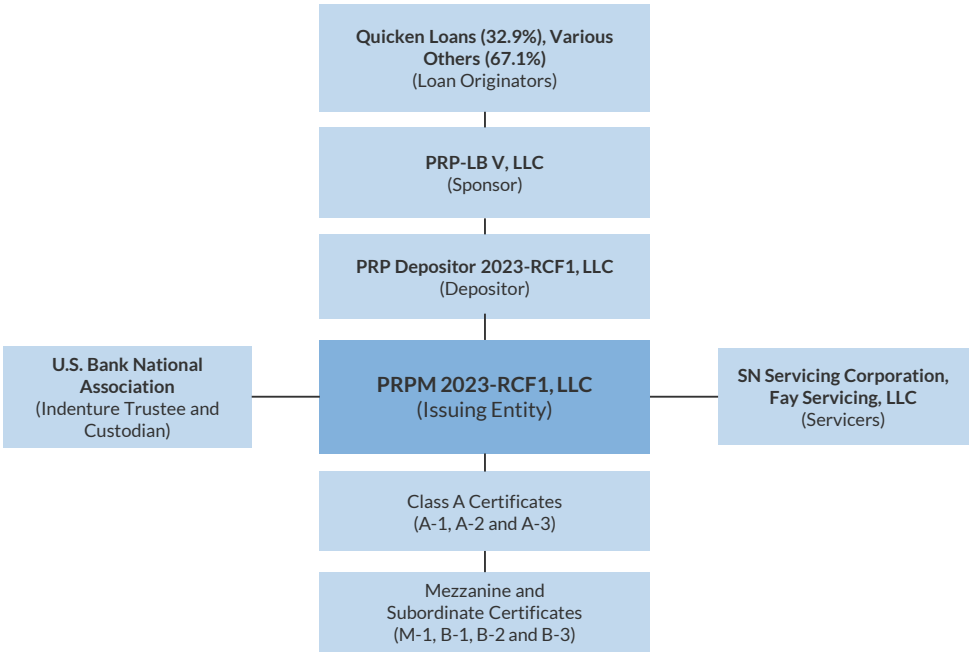
This section provides insight into the model-implied sensitivities the transaction faces when one assumption is modified while holding others equal. The modeling process uses the modification of these variables to reflect asset performance in up environments and down environments. The results should only be considered as one potential outcome, as the transaction is exposed to multiple dynamic risk factors. They should not be used as indicators of possible future performance.

The Rating Sensitivity section provides insight into the model-implied sensitivities the transaction faces when one assumption is stressed while holding others equal. The modeling process uses the estimation and stress of these variables to reflect asset performance in a stressed environment. The results above should only be considered as one potential outcome, as the transaction is exposed to multiple dynamic risk factors. They should not be used as indicators of possible future performance.

- No change or positive change
- Negative change within same category
- – 1 category change
- – 2 category change
- – 3 or larger category change

Transaction Structure

Transaction Structure



Source: PRPM 2023-RCF1

Simplified Priority of Payments Prior to Credit Event

1	Interest will be distributed from the available funds sequentially, first to class A-1 and then to classes A-2, A-3, M-1, M-2, to any unpaid cap carryover amount for the class A and M notes
2	Principal is paid sequentially to the A-1, A-2 ,A-3, M-1, M-2, and B Notes.
3	To the Redemption Account, until the amount on deposit therein equals the Redemption Account Required Amount;

Not for redistribution

Simplified Priority of Payments Prior to Credit Event

4	All amounts due and owing to the Indenture Trustee remaining unpaid due to the application of the annual cap; and
5	To the Membership Certificate, any remaining amounts.

Source: Fitch Ratings, PRPM 2023-RCF1

Event of Default:

Any one of the following: (i) the failure by the Issuer to pay the Interest Payment Amount to the Offered Notes on any Payment Date; (ii) the failure by the Issuer to pay the aggregate accrued Cap Carryover in full for the Offered Notes within three years of the Payment Date on which the Offered Notes first accrued any portion of such aggregated accrued Cap Carryover; (iii) the failure by the Issuer to pay in full all interest (including any Cap Carryover), principal and fees due in respect of the Offered Notes on the Stated Final Maturity Date, without regard to Available Funds; (iv) a default by the Issuer in the observance of any negative covenants or covenants in the indenture or any representation or warranty made by the Issuer in the indenture or in an Offered Note or other writing delivered pursuant thereto having been incorrect as of the time made, which default or breach has a material adverse effect on the holders of the Offered Notes, and the continuation of any such default for a period of 30 days after notice to the Issuer by the Indenture Trustee or by holders holding at least 25% of the outstanding amount of the Offered Notes, as applicable; or (v) certain events of bankruptcy, insolvency, receivership or reorganization of the Issuer.

Libor Fallback Provisions

Assets

The pool includes 7.6% adjustable-rate loans), 2.00.% references Libor.

Rated Notes

The rated classes are not affected by Libor replacement, as they pay either a stated fixed rate or the available fund cap of the collateral pool.

Summary of Transaction Key Fallback Provisions versus ARRC

Key ARRC Fallback Provisions

Triggers that Initiate Transition from Libor	Yes/No	Comment
1. Public Statement from Administrator of Cease of Benchmark	No	—
2. Public Statement from Regulatory Agency of Cease of Benchmark	No	—
3. Public Statement from Regulatory Agency that Benchmark is no Longer Representative	No	—
4. Material Migration from Benchmark by Underlying Assets (Asset Replacement %)	No	—
Benchmark Successor Decision Waterfall	No	
1. Term SOFR + Adjustment	No	—
2. Compounded SOFR + Adjustment	No	—
3. Relevant Governmental Body-Selected Rate + Adjustment	No	—
4. ISDA Fallback Rate + Adjustment	No	—
5. Transaction-Specific Fallback Rate + Adjustment	No	—
Replacement Rate Retesting Provision	No	—
Benchmark Replacement Adjustment Decision Waterfall	No	—
1. ARRC-Selected Adjustment	No	—
2. ISDA-Used Fallback Adjustment	No	—
3. Designated Transaction Representative-Selected Adjustment	No	—
Language to Transition Again (Fallback to Fallback)	No	—
Ability to Execute Necessary Administrative Changes (Conforming Changes)	**No**	**—**
Designation of Transaction Representative to Implement Changes	**No**	**—**

ARRC – Alternative Reference Rates Committee. ISDA – International Swaps and Derivatives Association. SOFR – Secured Overnight Financing Rate.
Source: Fitch Ratings, PRPM 2023-RCF1

Disclaimer

Fitch relies in its credit analysis on legal and/or tax opinions provided by transaction counsel for the avoidance of doubt. Fitch has always made clear that it does not provide legal and/or tax advice or confirm that the legal and/or tax opinions, or any other transaction documents, or any transaction structures, are sufficient for any purpose. The disclaimer at the foot of this report

Not for redistribution

makes it clear that this report does not constitute legal, tax and/or structuring advice from Fitch and should not be used or interpreted as legal, tax and/or structuring advice from Fitch. Should readers of this report need legal, tax and/or structuring advice, they are urged to contact relevant advisers in the relevant jurisdictions. dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

Counterparty Risk

Fitch assesses the counterparty risk under its "Structured Finance and Covered Bonds Counterparty Rating Criteria" to be in line with the ratings assigned based on the documentation provisions and analytical adjustments described in the following table.

Counterparty Risk Exposures

Counterparty Role/Risk	Counterparty	Relevant Rating Under Criteria	Minimum Ratings and Remedial Actions	Adjustment to Analysis if Minimum Ratings and Remedial Actions Not in Line with Criteria
Trustee	US Bank N.A.	Deposit ratings: Long-Term/ Short-Term Ratings of at least 'A'/'F1' per the eligible account definition.	—	N.A.; minimum ratings and remedial actions in line with criteria.
Collection Account Bank	US Bank N.A.	Deposit ratings and/or Issuer Default Ratings (IDRs): 'A'/'F1'	U.S. Bank will maintain a segregated collection account titled "U.S. Bank" in the name of the trust; within two business days, Rushmore will deposit funds from the collection account into a custodial account. The custodial account will be a segregated account established by the trustee and held on behalf of the transaction.	N.A.; minimum ratings and remedial actions in line with criteria.
Servicing Continuity	The trustee must find a replacement servicer, if needed, and act as servicer until the servicer is replaced.	Current servicer rating: 'RSS2-'/Stable/'RPS3'/Stable	There is no minimum rating for the servicer.	N.A.; servicer continuity risk has been assessed to be mitigated, in accordance with Fitch's counterparty criteria, because of the deep and well-established mortgage servicing market in the U.S.

N.A. – Not applicable
Source: Fitch Ratings, PRPM 2023-RCF1

Criteria Application, Model and Data Adequacy

Criteria Application

See page 2 for the list of Applicable Criteria.

Fitch analyzed the transaction in general accordance with its criteria, as described in "U.S. RMBS Rating Criteria," available at www.fitchratings.com. This incorporates a review of the originator's lending platforms, as well as an assessment of the transaction's R&Ws provided by the originator and arranger, which were found to be consistent with the ratings assigned to the notes.

Models

Fitch analyzed the credit characteristics of the underlying collateral to determine base case and rating stress loss expectations using the residential mortgage loss model, which is fully described in its criteria report, "U.S. RMBS Loan Loss Model Criteria". Fitch simulated transaction cash flow scenarios using various cash flow modeling assumptions, as described in its criteria report, "U.S. RMBS Cash Flow Analysis Criteria". The above-referenced reports are available on Fitch's website at www.fitchratings.com.

Not for redistribution

Data Adequacy

Substantially Material Sources

Fitch relied on an independent third-party due diligence review performed on 100% of the loans. The third-party due diligence was consistent with Fitch's "U.S. RMBS Rating Criteria". The sponsor, PRP-LB V, LLC, engaged AMC and Infinity to perform the review. Loans reviewed under these engagements were given compliance, credit and valuation grades and assigned initial grades for each subcategory.

An exception and waiver report was provided to Fitch, indicating that the pool of reviewed loans has a number of exceptions and waivers. Fitch determined that some of the exceptions and waivers do materially affect the overall credit risk of the loans and increased its loss expectations on these loans to account for the issues found in the due diligence process on the loans that are considered scratch and dent with material findings. For the remaining loans, Fitch did not consider the exceptions (if any) to be material due to the presence of compensating factors, such as having liquid reserves or a FICO above guideline requirements or LTVs or DTIs below guideline requirements. Therefore, no adjustments were needed to compensate for these occurrences on the non-scratch and dent loans.

Fitch also utilized data files that were made available by the issuer on its SEC Rule 17g-5 designated website. The loan-level information Fitch received was provided in the American Securitization Forum's (ASF) data layout format. The ASF data tape layout was established with input from various industry participants, including rating agencies, issuers, originators, investors and others, to produce an industry standard for the pool-level data in support of the U.S. RMBS securitization market. The data contained in the data tape layout were populated by the due diligence company and no material discrepancies were noted.

Use of Third-Party Due Diligence Pursuant to SEC Rule 17g-10

Form ABS Due Diligence 15E was reviewed and used as part of the rating for this transaction.

Surveillance

The transaction will be analyzed and reviewed by a full committee process involving senior members of the RMBS group at least once every 12 months but more frequently, if warranted, due to unexpected changes in performance. Additional details on Fitch's surveillance process can be found in "U.S. RMBS Surveillance and Re-REMIC Rating Criteria," available at www.fitchratings.com.

Not for redistribution

Appendix 1: Aggregator, Originators and Servicers

Aggregator: PRP Advisors

Fitch conducted a review of PRP Advisors loan aggregation process through a teleconference in September 2022. The aggregator assessment included a conference call with senior management and the completed Fitch questionnaire and presentation material provided by the company. PRP Advisors was seen as meeting the industry standards needed to properly aggregate loans, and has an 'Average' aggregator assessment.

Please note that the vast majority of the information provided below was as of September 2022, however data points regarding volume, staffing and disaster recovery have been to reflect the data available as of April 30, 2023.

Assessment Date: Sept. 21, 2022

Assessment: Average

Company Overview

- PRP Advisors, LLC (PRP) is a subsidiary of Balbec Capital LP (Balbec) that specializes in the acquisition of and management of residential and multifamily first lien mortgage loans. PRP serves as Balbec's in-house mortgage servicing advisory team. PRP is headquartered in New York NY with an office in Winston Salem, NC.
- PRP is majority owned by Balbec (78%), with the remaining ownership interests held by management. PRP was founded in 2012 as Gemini Capital Partners and formed a joint venture with Balbec in 2013. In 2015, when Balbec purchased the company the name was changed to PRP.
- Balbec, founded in 2010, is a global private investment firm with over $5 billion regulatory assets under management. Currently, PRP manages mortgage assets solely for the Balbec funds.
- Balbec funds have collectively invested approximately $13.8 billion on over 83,700 residential first mortgage notes with an aggregate UPB of approximately $15.4 billion and estimated BPO value of approximately $23 billion. NQM and DSCR transactions account for roughly $1 billion.
- Approximately less than 25% of the portfolio was purchased as an active Chapter 13 or Chapter 7 bankruptcy.
- PRP's initial focus was purchasing nonperforming (NPL), re-performing (RPL) and chapter 13 bankruptcy loans. Over time, its focus expanded to performing loans and now to new originations. The aggregator also purchases scratch and dent (S&D) (near miss agency), early buy out (EBO) loans and mortgage servicing rights (MSR).
- PRP started purchasing newly originated NQM and DSCR loans in 2022 when opportunity arose with rates rising and sellers were left holding lower interest rate loans.
- Year to date, PRP purchased approximately $221 million S&D and $110 million NQM/DSCR loans.
- PRP began investment in mortgages in October 2013 and issued its first securities in 2015. To date PRP has issued 42 securitizations. All were unrated except for six — two RPL transactions in 2021, a 100% DSCR transaction and an Irish NPL transaction in 2022, and two NQM transactions, one in 2022 and one in 2023.
- Acquisitions are funded through various non-mark to market warehouse lines and repo facilities.
- For NQM and DSCR loans, PRP typically engages BSI Financial Services (RPS3), Fay Servicing LLC (RPS2) or Shellpoint Mortgage Servicing (RPS2) as servicer, all of which are Fitch rated.

Not for redistribution

Management Team and Staff

- PRP consist of over 20 full-time employees (FTE) located in either New York, NY or Winston Salem, NC. PRP's diligence & trading team is located in New York, NY and its asset management/servicing oversight team is located in Winston Salem, NC.
- The head and co-founder of PRP has over 20 years of industry experience.
- The manager of asset management has 25 years of servicing experience and the manager of due diligence has 26 years of diligence experience.
- Shared services between PRP and Balbec include compliance/legal, human resources and technology.

Sourcing/Acquisition of Assets

- PRP purchases loans through a bulk and mini bulk basis.
- Counterparty approval starts with evaluating the quality of the pool, with the focus on the property valuation. In addition, PRP confirms licensing requirements are met by the counterparties.
- This year, PRP incorporated the review of financials for counterparties. The acquisition team works with Balbec's compliance team to review.
- PRP compares originator guidelines with their internal set of guides to determine whether there are any discrepancies and where those discrepancies are.
- Counterparties PRP prefers to work with are those that have securitization experience and are established in the industry.
- Prior to purchase, all bid tapes are run through its propriety system, Cracken, to determine which loans will be purchased or not. On average the kick rate ranges from 3%–5%.
- Balbec's Investment Committee (IC) meets on a weekly basis and approves each deal. The IC consists of the Founding Partner/CIO, Founding Partner/CEO, Chairman, Founding Partner/General Counsel and Partner of Americas. The IC reviews the results from the Cracken, discuss the originator, and reviews the TPR due diligence results. Typically, the IC needs to approve a deal unanimously.
- Counterparty performance is monitored through Balbec Oversight Servicing System (BOSS).

Underwriting Process

- All bid tapes are run through PRP's proprietary tool, Cracken, which assists in the analysis of each loan. The tool is used to ensure fields are mapped properly, create strats and most importantly focuses on the property valuation review for each loan.
- PRP will purchase loans on reliance letters from Fitch acceptable TPR firms or will engage a TPR directly. Currently PRP is using Infinity and in process of onboarding SitusAMC. PRP reviews the diligence scope to confirm loans are reviews based on securitization scope.
- PRP relies on TPR firms to review loans for compliance issues.
- PRP performs a data integrity check reviewing for any inconsistencies between bid tape, TPR data and data pulled through Cracken. This analysis is performed through Cracken.
- PRP emphasis is on borrower equity rather than income.
- The aggregator rarely purchases DSCR loans with no ratio or < 1.0 DSCR.
- PRP is open to purchasing DSCR loans underwritten to short-term rental income. The aggregator will look to a 1007 as well as AirDNA and whether the property is in a short term rental area.

Not for redistribution

- In the NQM space, PRP is primarily acquiring loans underwritten to bank statements or full documentation with a smaller concentration of P&L loans. The aggregator tends to stay away from asset depletion and bank statements less than 12 months.
- PRP will only purchase loans graded 'A's or 'B' by a TPR firm for newly originated NQM and DSCR loans. PRP will also review 'B's to get comfortable with exceptions.

Appraisal/Valuation Controls

- PRP carries its property valuation focused mindset from purchasing NPL and RPL to its purchase of newly originated loans.
- Using Cracken, PRP hones in on property level characteristics by pulling data such as arrests for meth labs and building permits. Cracken also incorporates property aerial imagery so analysts can review for property condition such as roof condition and tree overhang. Cracken uses a mix of public and subscription-based data.
- PRP has also manually programed code violations in certain municipalities into its Cracken system.
- In addition to the analysis performed through Cracken, PRP orders AVMs and BPOs on all loans.

Risk Management

- PRP leverages Balbec Oversight Servicing System (BOSS) to monitor the performance of loans acquired. Servicing data is fed through to this system every morning. BOSS captures a breadth of data such as all servicing comments, originator, seller, all cash collected on the loan as well as what was projected. The system also is used as a workflow management tool where tasks can be assigned and disseminated through the system into individual's queue.
- Unique to other aggregators of newly originated loans, PRP orders a tax and title review on all loans.
- PRP leverages Balbec's compliance and legal department. The compliance team consist of four individuals plus the chief compliance officer and oversees servicing and legal regulatory changes. The legal team consists of five licensed attorneys.
- Companywide risk committee that consists of the CEO, CIO, CCO, CRO, Legal, plus a representative from finance and IT, hold a monthly call to discuss portfolio performance.
- PRP provides servicers a servicer management handbook for guidance. All loss mitigation efforts are approved by PRP.
- Rep and warranty responsibilities and repurchase activities are tracked in BOSS.
- KPMG audits the company's financials as well as conducts process audits. Recent audits found no material issues.

Information Technology

- Data on all local servers are backed up to cloud using Amazon Web Services (AWS).
- Annual PEN testing is conducted by Eze Castle Integration (ECI). PRP will rotate vendors periodically.
- Employees are utilizing firm provided devices using multifactor authentication.
- PRP last conducted its contingency and disaster recovery plan testing in February 2023 with no material issues noted.
- The company conducts periodic compliance and phishing testing.
- PRP's main proprietary system, Cracken, was internally developed by two internal developers. PRP is looking to hire an additional individual to assist with building out the system.

Performance History

- Limited performance history given the first rated NQM RMBS was issued in June 2022.

Not for redistribution

Transaction Parties: Originator (> 10% of Pool)

Originator: Rocket Mortgage (f/k/a Quicken Loans, LLC)

Assessment: Above Average

Assessment Date: Sept. 21, 2022

Fitch performed an operational risk review via teleconference of Rocket Mortgage and its mortgage origination platform on June 21–22, 2022. The review included meetings with senior management and materials provided by the originator. This assessment reflects Rocket Mortgage's experienced senior management, highly developed sourcing network, and a proprietary technology framework

Company Overview

- Rocket Mortgage was founded in 1985 as "Quicken Loans, LLC" and headquartered in Detroit, MI. Quicken Loans changed its name to Rocket Mortgage in 2021.
- The company has been originating loans since 1985 and began securitizing loans in 2007
- In 2019, Rocket Mortgage launched its prime jumbo private label securitization program.
- As of March 31, 2022, Rocket Mortgage is the number one mortgage lender, based on origination volume ($54 bil,), and the fifth largest loan servicer ($490 bil.).
- The company has closed more than $1 trillion in home loans since inception and is licensed to originate in all 50 states and the District of Columbia.
- The company exhibits platform scalability and continues to grow its origination volume from $145 billion in 2019 to $320 billion in 2020 and $351 billion in 2021.
- Rocket Mortgage offers digital mortgage closings (e-closings) in all 50 states and reports that e-closings comprise 30% of all closings.
- The company's origination channels include Direct-To-Consumer and a Partner Network that include Marketing Partnerships and Influencer Partnerships.
- The company reports average loan turn times that are 16 days faster than industry averages.
- Rocket Mortgage offers a number of proprietary tech-based applications for its clients and partners that are available under the company's Rocket brand. These applications include Rocket Mortgage, which provides clients the ability to apply, close and manage loans completely online. Rocket Pro connects mortgage professionals with the necessary tools to assist clients in the mortgage application process.

Management Team and Staff

- Rocket Mortgage is led by a team of 31 senior executives that average 25 years of industry experience and 20 years of company tenure,
- As of 1Q22, Rocket Mortgage and Rocket Companies employed more than 26,000 staff across its corporate footprint.
- New loan officers receive 260 hours of training as part of a multi-stage training program. Fitch views this positively compared to other originators.
- The senior leaders of Rocket Mortgage's functional business units comprise of their executive management team internally called the "Z Team." This team meets regularly (usually biweekly) and is the senior enterprisewide policy-making and advisory group for the company.
- A subset of Z-team members serves on the Audit and Risk Team (ART). The CEO, together with the multi-disciplinary Z-Team and ART, have general oversight over the company's enterprise-wide risk management program.
- The Audit and Risk Team (ART):

Not for redistribution

- is authorized and empowered to ensure visibility into, direct and coordinate the management of all enterprise risk types.
- is the senior-most risk-focused decision-making body at the company, and its members include the CEO and the other senior executives who are responsible for, or own the management of, each of the enterprise functional business units.
- has the ultimate accountability for risk and is responsible for ensuring that the company's risks are managed in a safe and sound manner.
- delegates day-to-day management of risk to the appropriate team leaders. A legal and compliance update is provided to the ART on a quarterly basis.

- Fitch observed during its review that the Rocket Mortgage teams and managers have clear understanding of each other's role and the impact on the company's strategy, including a focus on sound risk management and strong operational quality practices. Rocket Mortgage's management team is viewed favorably by Fitch.

Sourcing/Acquisition of Assets

- Rocket Mortgage sources most of its loans through its Direct to Consumer channel with the remainder coming from its Partner Network which includes Marketing Partnerships and Influencer Partnerships.
- Rocket Mortgage's prime jumbo origination comprises approximately 3.5% of its entire profile as of Dec. 31, 2021.
- Rocket Mortgage is the #1 issuer of both Fannie Mae and Freddie Mac, as well as the #3 issuer of Ginnie Mae MBS. The company also has numerous direct relationships with RMBS investors.
- Rocket Companies' various business subsidiaries combine to form a platform that provides a symbiotic relationship with cross-selling and referral opportunities among these businesses. Among these businesses is
  - Rocket Mortgage, the company's origination and servicing platform that provides a seamless end-to-end digital mortgage experience.
  - Rocket Homes consists of a home search site, real estate agent network and an extensive marketplace for selling your own home – ForSaleByOwner.com.
  - Rocket Loans is a digital personal lending business specializing in unsecured loans.
  - Rocket Auto is a growing online car sales platform.
  - Rock Connections is a sales and support platform that facilitates interactions between brands and consumers.
- In the 12-month period ending June. 30, 2022, approximately 30% of the total non-agency jumbo volume came from the top 5 correspondents.
- Rocket Mortgage reviews, underwrites and validates 100% of the loans purchased from originators prior to the loan closing.
- Rocket Mortgage's credit policy group, "Product Lab," does not negotiate guidelines with correspondent lenders.
- Rocket Mortgage's growing Partner Network is comprised of marketing and influencer partnerships. These partnerships include numerous high profile and recognizable corporations including State Farm, American Express, Intuit, Charles Schwab, Morgan Stanley and Realtor.com.
- Rocket Mortgage works with mortgage brokers and other third-party originators (TPOs) under its Rocket Pro TPO brand. TPOs need to pass a strict approval process, which includes capital requirements, a financial review, QC, and background checks.
- Rocket Mortgage reviews all TPOs bi-annually by examining similar requirements as in the initial review.

Not for redistribution

Underwriting Process

- Rocket Mortgage's underwriting team is centralized in its Detroit headquarters. As of June 30, 2022, the team is comprised of more than 1,500 underwriting staff and an additional 230 underwriting managers with an average of seven years' worth of company tenure. The non-agency underwriting team consists of 88 staff and 29 managers with an average of ten and nine years' worth of company tenure, respectively.
- Rocket Mortgage uses two proprietary loan management systems for originations to generate leads and assist in operations, processing, underwriting and closings. Amazing Mortgage Platform (AMP) is the proprietary loan origination system that Rocket Mortgage has been using for more than 23 years to process, underwrite and close mortgages. 100% of all loans utilize internal and external proprietary fraud detection tools to identify anomalies in the loan file. More than 300 data fields from both the loan application and public data sources are used to validate the information provided. Rocket Mortgage has a dedicated team who review and address fraud and misrepresentation that may be present in the origination pipeline. The "Do The Right Thing Team" utilizes various internal and external tools and alert systems to ensure that misrepresentation can be identified prior to the loan closing. External and internal proprietary systems and tools include, but are not limited to:
  - Data Verify;
  - Accurint/Real Estate Solutions (Lexis Nexis Fraud Detection);
  - Mortgage Electronic Registration System (MERS) Review;
  - Office of Foreign Asset Control (OFAC) Alerts;
  - Proprietary in-house risk rules;
  - Quality Control (QC) Alerts;
  - Previous Denial Alerts; and
  - Internal Watch Lists.
- During the 12-month period ending June 30, 2022, there were no instances of confirmed loan level fraud for non-agency jumbo originations.
- Underwriters who work on purchase transactions are expected to review approximately five loans per day, dependent on volume. Underwriters who work on refinance transactions are expected to review approximately seven loans per day, dependent on volume.
- Non-agency loans are manually underwritten by a limited number of team members who are specially trained on jumbo loans. Non-agency underwriters can work on agency loans; however, agency underwriters do not work on non-agency loans.
- In most cases, a non-agency underwriter is required to possess a minimum of one-year credit underwriting experience as a pre-requisite for training on non-agency guidelines. In addition, Rocket Mortgage requires that all non-agency loans undergo a second underwriting process. The company typically requires at least four years of non-agency underwriting to be moved to this non-agency final signoff role.
- Rocket Mortgage stated that exceptions to underwriting guidelines are infrequent and must have compensating factors. Rocket Mortgage will disclose any exception in the loan file for potential buyers to review. While underwriters are charged with the proper interpretation of income, assets and collateral valuation – they cannot make exceptions to Rocket Mortgage's credit policy.
- Underwriting guidelines are programmed into AMP and prevent any underwriter from deviating from product guidelines, while also providing the underwriter with the necessary information as to what supporting documentation is needed to comply with guidelines. If an underwriter requires clarification or a potential exception to credit underwriting and credit policy, a request can be made to the "Escalated Loan Advisor

Not for redistribution

Team." The Escalated Loan Advisors are subject matter experts on Rocket Mortgage's credit underwriting and credit policy.

Appraisal/Valuation Controls

- Rocket Mortgage currently works with 30 appraisal management companies (AMCs) - one of which is an affiliated company, Amrock - that manage the appraisal process.
- The appraisal order is submitted randomly to the AMC to avoid bias in the ordering process. The system automatically determines the appraisal order type based on the product and property type. The order is sent through Nexsys and transmitted to the AMC. The completed order is subsequently returned via the Nexsys system and uploaded to the loan origination file.
- Rocket Mortgage does not use AVMs in its appraisal process of non-agency loans.
- Approximately 60% of non-agency secondary appraisals, in a recent 12-month period, were desk reviews. Field reviews are not utilized in the appraisal validation process.
- Jumbo collateral underwriters are selected based on quality and efficiency.
- In addition to jumbo-specific training, the following three certification levels must be completed:
  - Fundamentals;
  - Full Underwriting; and
  - High risk.
- Rocket Mortgage's appraisal guidelines do not allow for the reduction of value without a full appraisal. If a value is not supported by a desktop review, reconciliation report or CU score, a new appraisal is ordered and the qualifying value would be based on the lower of the two appraised values. In a recent 12-month period, only 2% of non-agency loans received two appraisals.
- The following guidelines are in place for non-agency loans:
  - One appraisal is required for loan amounts greater than $1,500,000 unless a Valuation Reconciliation is required and is greater than 10% below the appraised value;
  - The lower of the two values must be used to qualify; and
  - Interior photos are required.
  - A third-party Collateral Desktop Analysis (CDA) is required on loans with 1 appraisal unless all of the following are true:
    - CU Score is 2.5 or less;
    - LTC/CLTV is less than or equal to 80%; and
    - Subject property is not a 2–4 unit.
- Rocket Mortgage has one active licensed appraiser on staff for complex appraisal issues.
- Fitch believes that Rocket Mortgage maintains a strong property valuation process and an independent appraisal ordering system that meets all applicable regulatory requirements.

Risk Management

- Rocket Mortgage's robust operational risk management and control environment is based on three lines of defense framework: line of business monitoring (LOB), risk/compliance (QA/QC) and internal audit. Each LOB executive is responsible for executing, monitoring and reporting their own risk control programs. Meetings are held monthly, and material issues are escalated as necessary.
- Rocket Mortgage's internal audit team consists of three managers and 13 staff auditors with an average of five years and one year of company tenure, respectively.

Not for redistribution

- Internal audit (IA) independently reviews the effectiveness of Rocket Mortgage's compliance, risk management and internal controls. IA reports independently to the company's audit committee with a dotted line to the CEO of Rock Central – the affiliated professional services company.
- IA incorporates a risk-based approach that has been developed in accordance with Rocket Mortgage's strategic objectives. The audit plan is updated quarterly to consider evolving business needs.
- Some additional considerations may enter into the audit plan including regulatory and industry needs, complexity and maturity of business processes and historical results from audits, exams QC and QA reports.
- Internal audits are performed on a 12–36-month schedule depending on the risk score. IA performs about 22 audits per year, 12 of which are operational audits and 10 of which are audits for other rocket companies. The results of each audit are reviewed by the business lead of each department being audited, as well as ART, which consists of senior executives from across the company. Fitch reviewed the company's audit results and found them to be satisfactory overall.
- Rocket Mortgage's internal Legal Team was restructured and rebranded in March of 2020. Additionally, Rock Central, a new professional services company, was created to support all of the Rocket Companies businesses with human resources, training, information security and other services.
- The Legal Team includes a staff of 331 team members dedicated to enterprise risk management, mortgage compliance, risk mitigation, anti-money laundering (AML), monitoring credit risk and fraud, licensing, a legal data team responsible for providing data to regulators and a communication team that manages external regulatory and investor examinations. Lastly, the team also includes a dedicated Law team consisting of counsel that review and interpret laws to set forth policy requirements. The Legal Team is responsible for regulatory change management consisting of a centralized intake and change management process with a dedicated government affairs attorney. The Legal Team also oversees policies and procedures as they relate to federal and state consumer protection laws and regulations as well as technology-based controls.
- The compliance function consists of 13 managers and 54 staff with an average of eight years and six years of company tenure, respectively.
- Rocket Mortgage has a QA team, which consists of one manager and seven staff that possess and average of eight years and five years of company tenure, respectively. QC has 10 managers and 70 team members that possess an average of 10 years and nine years of company tenure, respectively. Rocket Mortgage performs a pre-fund QC, and a post-close QC on discretionary and statistical samples.
- The pre-close sampling methodology consists of a statistical sample by product with a 95% confidence level with 5% precision. Eligible loans are selected daily during the QC cycle for review. The post-close sampling methodology consists of a 95% confidence level with 2% precision, or a 10% sample where appropriate. Results are reported monthly to business units and senior leaders. Significant findings are monitored at the underwriter level and reported weekly to individual business leaders. Findings may be reviewed at Credit Strategies, a meeting with senior leaders and key business stakeholders.
- Rocket Mortgage utilizes external and internal proprietary fraud tools on every loan to identify any anomalies in the loan file. More than 300 data points from the loan application and various sources of public record data are used to validate the veracity of the information provided.
- The company's credit policy structure is overseen by the Chief Risk Officer and includes origination and servicing policy, guideline and change management and exceptions and escalations under the Product Solutions banner. Credit policy is built around the three tenets of responsible lending, data-driven decisions and consistency. Credit decisions are informed by the company's risk appetite, fraud indicators, loan performance and

Not for redistribution

feedback loops. Credit policy is reviewed by Product Solutions, Risk Solutions, Compliance and Government Affairs.

- The "Pathfinder" application serves as the company's central knowledge repository for policies and processes and change management vetting and documentation. Pathfinder houses a controlled exception process for underwriters to search scenario-based questions. Pathfinder will provide two possible results: No leeway or submit for an exception. A centralized team of seasoned staff will review the exception request for approval or denial.
- Fitch believes that the originator has an effective corporate governance structure, with adequate systems and processes in place to sufficiently manage its mortgage origination activities.

Technology

- Technology innovation is a core principle at Rocket Mortgage. The company has more than 2,500 technology team members that continuously develop technology enhancements to maximize efficiencies across the enterprise. Machine learning is incorporated across the platform and generate more than one million decisions daily. The company reports that it is responsible for 90% of e-closings in the industry today. Rocket Mortgage continues to invest heavily in technology development since launching its Rocket Mortgage program in early 2016.
- The Strategy and Analytics group provides real-time performance monitoring, data capture and portfolio analytics in a dashboard format for various business units to use across the enterprise. QTRADE is used for pipeline pricing and hedging within Capital Markets. Primary loan origination system is Amazing Mortgage Platform (AMP) for loan processing, underwriting and closing using for 23+ years.
- An independent User Acceptance Team (UAT) performs user acceptance testing for borrower-facing and other critical functions as serves as a liaison for business units with technology and other stakeholders. UAT supports change management processes by identifying and implementing process updates and enhancements. UAT is also tasked with developing forecasting and staffing models and other tools to maximize efficiency and scalability.
- Rocket Mortgage employs a robust disaster recovery and business continuity contingency plan. Disaster Recovery (DR) coordinates with Business Continuity, Infrastructure Stability, IT Security, Enterprise Risk, Legal, and other teams to ensure an uninterrupted business environment. A business impact analysis is conducted for various business areas to identify the critical systems for each area. Business continuity testing is performed on systems based on their assessed tier, which determines response point objectives (RPO) and recovery point actual for each.
- Security controls and testing protocols are managed by the Information Security Team within Rock Central. Rock Central employs a Chief Information Security Officer who reports directly to the President and COO of Rock Central. Using dedicated full-time team members. as well as third-parties, the Information Security team regularly tests both external and internal systems. This includes penetration tests, vulnerability assessments, and code reviews. Any identified security vulnerabilities are assessed using an industry standard severity model and SLAs are in place for remediating vulnerabilities quickly. Rocket Mortgage conducts various monitoring and alert testing processes that are reviewed and remediated based on risk. A third-party vendor performs an independent assessment of Rocket Mortgage's security program on an annual basis.

Servicers

Master Servicer: None

Servicer: SN Servicing Corporation (RPS3/Stable)

SN Servicing Corporation (SNSC) is a wholly-owned subsidiary of Security National Master Holding Company, LLC (SNMHC). SNMHC is primarily owned by the Arkley Family Trust and members of the Arkley family. There is a formal succession plan in place. SNSC is headquartered in Baton Rouge, Louisiana with additional servicing locations in Eureka, California and

Not for redistribution

Charlotte, North Carolina and employs 212 individuals in its loan servicing operation. The company has 25 years of experience servicing residential loans and 25 years of servicing non-agency RMBS transactions. On Feb. 9th, 2023, SNSC's Residential Primary Servicer Ratings for Prime Loan and Special Servicing were affirmed at 'RPS3' and 'RSS3', respectively. Both ratings have a Stable Rating Outlook. As of Dec. 31, 2022, the SNSC servicing portfolio comprised a UPB of $6.2 billion and 39,535 loans. The company has consistently achieved 20% portfolio growth loan growth over the previous 7 years and anticipate continued stable growth throughout 2023 through subservicing agreements.

The servicer ratings and Stable Rating Outlook reflect the company's highly experienced management team, satisfactory loan servicing performance metrics and effective servicing technology. The ratings also reflect SNSC's solid homeowner retention efforts and management's focus on promoting a continuous improvement culture designed to drive operational and technology enhancements in support of the company's growth strategy.

Special Servicer: Fay Servicing, LLC (RSS2-/Stable)

Fay Servicing, LLC (Fay) is a wholly owned subsidiary of Fay Financial, and was incorporated in 2008. Fay is headquartered in Chicago, with additional offices in Illinois, Texas and Florida. Fay continues to pursue its high-touch servicing strategy for handling distressed assets for its clients. The company currently services prime, jumbo, re-performing, and non-performing mortgages

As of December 31, 2022, Fay serviced approximately 151,461 residential mortgage loans with an unpaid principal balance of $32.6 billion. The portfolio consists of 72,816 third-party serviced loans totaling $17.5 billion and 4,106 agency loans totaling $486.39 million.

The ratings reflect Fay's experienced management team, developing risk management framework, evolving regulatory compliance resolution, adequate servicing infrastructure and increased investment in technology.

Related Research

The ratings of SN Servicing Corp. and Fay Servicing LLC were determined in accordance with Fitch's criteria, "Criteria for Rating U.S. and Canadian Residential and Small Balance Commercial Mortgage Servicers" and "Criteria for Rating Loan Servicers," both of which are available on Fitch's website at www.fitchratings.com.

Third-Party Review Firms

Fitch assesses TPR firms as 'Acceptable' or 'Unacceptable'.

Third-Party Reviewer: SitusAMC (Acceptable)

SitusAMC is an institutionally owned and real estate-focused consulting, advisory and technology company formed in 2019 through the merger of Situs Group Holdings Corporation (Situs) and American Mortgage Consultants, Inc. The company has over 35 offices globally and employs over 7,000 people.

SitusAMC's due diligence business operates as AMC Diligence, LLC (AMC). AMC, founded in 1996, is a residential mortgage due diligence and consulting firm that performs loan and operational analysis, risk advisory, litigation support, verification agent and portfolio management services. AMC has evidenced itself as an industry leader in RMBS third-party due diligence and has been an active participant in this sector.

Fitch views AMC as having very good controls over the quality of the due diligence review process. AMC has a strong systems infrastructure including effective technology to capture and compute mortgage loan data and analyze compliance. AMC has a strong risk-management focused leadership team and is assessed by Fitch as an 'Acceptable' TPR firm.

Third-Party Reviewer: Infinity International Processing Services, Inc. (Acceptable)

Infinity International Processing Services, Inc. (Infinity) provides a wide array of mortgage services, including valuations, staffing, risk management and consulting work. Infinity was initially founded in 1998 as a tax and title services company. In 2013, the TPR form transitioned its service offerings to include due diligence loan file reviews on newly originated loans, re-performing loans (RPLs) and

Not for redistribution

nonperforming loans (NPLs). Infinity is headquartered in Rockville, Maryland, and has a small office in Tampa, FL along with remote staff located in various locations across the country.

Infinity has an experienced management team, standard due diligence review framework and uses industry standard operating technology. Infinity offers extensive training and maintains an onboarding process in place to ensure that they hire knowledgeable staff. Direct underwriters have an average of 20 years of underwriting experience. Fitch assessed Infinity as an acceptable third party review firm.

Not for redistribution

Appendix 2: ESG Relevance Score

Fitch Ratings **PRPM 2023-RCF1**

SF ESG Navigator
RMBS

Credit-Relevant ESG Derivation

PRPM 2023-RCF1 has 1 ESG rating driver and 7 ESG potential rating drivers

- PRPM 2023-RCF1 has exposure to counterparty risk; origination, underwriting and/or aggregator standards; borrower/lessee/sponsor risk; originator/servicer/manager/operational risk which, in combination with other factors, impacts the rating.
- PRPM 2023-RCF1 has exposure to asset, operations and/or cash flow exposure to extreme weather events and other catastrophe risk, including but not limited to flooding, hurricanes, tornadoes, and earthquakes but this has very low impact on the rating.
- PRPM 2023-RCF1 has exposure to accessibility to affordable housing but this has very low impact on the rating.
- PRPM 2023-RCF1 has exposure to compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security) but this has very low impact on the rating.
- PRPM 2023-RCF1 has exposure to macroeconomic factors and sustained structural shifts in secular preferences affecting consumer behavior and underlying mortgages and/or mortgage availability but this has very low impact on the rating.
- PRPM 2023-RCF1 has exposure to jurisdictional legal risks; regulatory effectiveness; supervisory oversight; foreclosure laws; government support and intervention but this has very low impact on the rating.

Showing top 6 issues

key driver	0	issues	
driver	1	issues	
potential driver	7	issues	
not a rating driver	1	issues	
	5	issues	

Overall ESG Scale: 5, 4, 3, 2, 1

Environmental (E)

General Issues	E Score	Sector-Specific Issues	Reference
GHG Emissions & Air Quality	1	n.a.	n.a.
Energy Management	1	n.a.	n.a.
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	2	Environmental site risk and associated remediation/liability costs; sustainable building practices including Green building certificate credentials	Asset Quality; Financial Structure; Surveillance
Exposure to Environmental Impacts	3	Asset, operations and/or cash flow exposure to extreme weather events and other catastrophe risk, including but not limited to flooding, hurricanes, tornadoes, and earthquakes	Asset Quality; Financial Structure; Surveillance

E Scale: 5, 4, 3, 2, 1

Social (S)

General Issues	S Score	Sector-Specific Issues	Reference
Human Rights, Community Relations, Access & Affordability	3	Accessibility to affordable housing	Asset Quality; Financial Structure; Surveillance
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Asset Quality; Operational Risk; Surveillance
Labor Relations & Practices	1	n.a.	n.a.
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	3	Macroeconomic factors and sustained structural shifts in secular preferences affecting consumer behavior and underlying mortgages and/or mortgage availability	Asset Quality; Financial Structure; Surveillance

S Scale: 5, 4, 3, 2, 1

Governance (G)

General Issues	G Score	Sector-Specific Issues	Reference
Rule of Law, Institutional and Regulatory Quality	3	Jurisdictional legal risks; regulatory effectiveness; supervisory oversight; foreclosure laws; government support and intervention	Asset Isolation and Legal Structure; Asset Quality; Rating Caps; Surveillance
Transaction & Collateral Structure	3	Asset isolation; resolution/insolvency remoteness; legal structure; structural risk mitigants; complex structures	Asset Isolation and Legal Structure; Asset Quality; Financial Structure; Rating Caps; Surveillance
Transaction Parties & Operational Risk	4	Counterparty risk; origination, underwriting and/or aggregator standards; borrower/lessee/sponsor risk; originator/servicer/manager/operational risk	Asset Quality; Financial Structure; Operational Risk; Rating Caps; Surveillance
Data Transparency & Privacy	3	Transaction data and periodic reporting	Asset Isolation and Legal Structure; Asset Quality; Financial Structure; Surveillance

G Scale: 5, 4, 3, 2, 1

How to Read This Page
ESG scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the individual components of the scale. The right-hand box shows the aggregate E, S, or G score. General Issues are relevant across all markets with Sector-Specific Issues unique to a particular asset class. Scores are assigned to each sector-specific issue. These scores signify the credit-relevance of the sector-specific issues to the transaction's or program's overall credit rating. The Reference box highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis.

The Credit-Relevant ESG Derivation table shows the overall ESG score. This score signifies the credit relevance of combined E, S and G issues to the transaction's or program's credit rating. The three columns to the left of the overall ESG score summarize the transaction's or program's sub-component ESG scores. The box on the far left identifies some of the main ESG issues that are drivers or potential drivers of the transaction's or program's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the score.

Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the Sustainability Accounting Standards Board (SASB).

CREDIT-RELEVANT ESG SCALE - DEFINITIONS

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant; a key transaction or program rating driver that has a significant impact on an individual basis.
4	Relevant to transaction or program ratings; not a key rating driver but has an impact on the ratings in combination with other factors.
3	Minimally relevant to ratings; either very low impact or actively mitigated in a way that results in no impact on the transaction or program ratings.
2	Irrelevant to the transaction or program ratings; relevant to the sector.
1	Irrelevant to the transaction or program ratings; irrelevant to the sector.

Not for redistribution

The ratings above were solicited and assigned or maintained at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link: https://www.fitchratings.com/understandingcreditratings. In addition, the following https://www.fitchratings.com/rating-definitions-document details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at https://www.fitchratings.com/site/regulatory. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third- party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US$1,000 to US$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US$10,000 to US$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001.

Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see https://www.fitchratings.com/site/regulatory), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

Copyright © 2023 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33 Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.