

## MDX Calculation Rules

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Vista MDX Indices™ are intended to be accurate and reliable representations of loan performance in the U.S. residential mortgage credit market as measured by borrower “Credit Events”. The indices themselves are organized into numbered six-month intervals with a new index series being released on the 6<sup>th</sup> business day of March and September each calendar year. MDX indices are equal weighted and use loan counts - not unpaid principal balances. Therefore, “severity” is 100% on all Credit Events. Below are the calculation rules that are used to determine the index values. Please refer to the Glossary of Terms for further information about MDX.

### MDX CREDIT EVENTS

Credit Events are defined as loans experiencing either a 120-day delinquency or a modification. Modified loans are identified as loans that are removed from the MBS pool database after 90 days of delinquency. If the two Credit Events occur in the same reporting month, they are only counted once. Forbearance is not considered. Once a loan has experienced a Credit Event, it is never cured.

### MDX CALCULATION FORMULAS

1. MDX Index Values are calculated as below:

$$\left(1 + \left(\frac{\text{cumulative \# of loans experiencing a Credit Event}}{\text{total \# of loans in MDX Series}}\right)\right) \times 100 = \text{MDX Value}$$

2. MDX Factor is the inverse of the MDX Index Value, therefore:

$$1 - \left(\frac{\text{cumulative \# of loans experiencing a Credit Event}}{\text{total \# of loans in MDX Series}}\right) = \text{MDX Factor}$$