

Dilosk RMBS No.6 (STS) DAC Irish Notes Assigned

April 20, 2023

Ratings

Class	Rating*	Amount (mil. €)
A	AAA (sf)	471.056
B-Dfrd	AA (sf)	25.211
C-Dfrd	AA- (sf)	14.596
D-Dfrd	BBB (sf)	7.961
E-Dfrd	BB+ (sf)	2.653
X-Dfrd	B (sf)	3.980
Z1	NR	9.291
Z2	NR	7.431
R	NR	N/A

*Our ratings address timely receipt of interest and ultimate repayment of principal on the class A notes, the timely receipt of interest when they become most senior outstanding and ultimate repayment of principal on the class B-Dfrd notes, and the ultimate payment of interest and principal on all the other rated notes. outstanding. NR--Not rated. N/A--Not applicable.

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Overview

- We assigned ratings to Dilosk RMBS No.6 (STS) DAC's class A to X-Dfrd notes.
- Dilosk RMBS No.6 (STS) DAC is an Irish RMBS transaction that securitizes a portfolio of prime owner-occupied mortgage loans secured over residential properties in Ireland.

DUBLIN (S&P Global Ratings) April 20, 2023—S&P Global Ratings today assigned its credit ratings to Dilosk RMBS No.6 (STS) DAC's class A to X-Dfrd notes. At closing, the issuer issued unrated class Z1, and Z2, and R note (see list).

Dilosk RMBS No.6 (STS) DAC is an Irish RMBS transaction that securitizes a portfolio of prime owner-occupied mortgage loans secured over residential properties in Ireland.

The portfolio is a combination of loans originated by Dilosk DAC a nonbank specialist lender, under its ICS Mortgages brand over the last two years, and loans from the Dilosk RMBS No. 1 Ltd. transaction, which were also originated under the ICS Mortgage brand.

While Dilosk was established in 2013, it has only been originating (buy-to-let) BTL mortgages since 2017 and owner-occupied mortgages since late 2019, and thus historical performance data is limited.

All of the pool comprises prime owner-occupied loans.

The collateral comprises prime borrowers. Most of the loans (97%) from Dilosk No. 1 RMBS were originated between 2001 and 2014. The newly originated loans in the portfolio were originated between 2020 and 2022 and thus under the Irish Central Bank's mortgage lending rules limiting leverage (through loan-to-value [LTV] ratio limits) and debt burden (through loan-to-income ratio limits).

The transaction benefits from liquidity provided by a non-amortizing general reserve fund, and, in the case of the class A notes, the class A liquidity reserve fund.

Principal can be used to pay senior fees and interest on the notes subject to various conditions.

The transaction incorporates a swap to hedge the mismatch between the notes, which pay a coupon based on the three-month Euro Interbank Offered Rate (EURIBOR), and certain loans, which pay fixed-rate interest before reversion.

At closing, the issuer used the issuance proceeds to purchase the beneficial interest in the mortgage loans from the seller. The issuer grants security over all its assets in favor of the security trustee.

There are no rating constraints in the transaction under our counterparty, operational risk, or structured finance sovereign risk criteria.

Related Criteria

- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- Criteria | Structured Finance | General: Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities, Dec. 22, 2020
- Criteria | Structured Finance | General: Methodology To Derive Stressed Interest Rates In Structured Finance, Oct. 18, 2019
- Criteria | Structured Finance | General: Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019
- Criteria | Structured Finance | General: Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions, Jan. 30, 2019
- Criteria | Structured Finance | RMBS: Global Methodology And Assumptions: Assessing Pools Of Residential Loans, Jan. 25, 2019
- Legal Criteria: Structured Finance: Asset Isolation And Special-Purpose Entity Methodology, March 29, 2017
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- Criteria | Structured Finance | General: Global Derivative Agreement Criteria, June 24, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009

Related Research

- New Issue: Dilosk RMBS No.6 (STS) DAC, April 20, 2023
- European RMBS Index Report Q4 2022, Feb 09, 2023
- European RMBS Outlook 2023: Permafrost Or Thaw?, Jan 12, 2023
- European Structured Finance Outlook 2023: Close To The Edge, Jan. 12, 2023
- Irish Nonbank Lenders May Capture More Of The Irish Mortgage Market, Oct. 25, 2022
- ESG Industry Report Card: Residential Mortgage-Backed Securities, March 31, 2021
- 2017 EMEA RMBS Scenario And Sensitivity Analysis, July 6, 2017
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- European Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016

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