

At IAS Part 60 of the Supreme Court of the State of New York, held in and for the County of New York, at the Courthouse located at 60 Centre Street, New York, New York on the 9th day of Aug., 2022

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

In the matter of the application of
U.S. BANK NATIONAL ASSOCIATION, WELLS
FARGO BANK, NATIONAL ASSOCIATION,
WILMINGTON TRUST, NATIONAL ASSOCIATION,
WILMINGTON TRUST COMPANY, and CITIBANK,
N.A. (as Trustees, Indenture Trustees, Securities
Administrators, Paying Agents, and/or Calculation Agents
of Certain Residential Mortgage-Backed Securitization
Trusts),

Petitioners,

For Judicial Instructions under CPLR Article 77 on the
Administration and Distribution of a Settlement Payment.

Index No. 651625/2018

Crane, J.

**~~PROPOSED~~ PARTIAL
SEVERANCE ORDER
AND PARTIAL FINAL
JUDGMENT**

WHEREAS, the Petitioners identified in the above case caption commenced this proceeding under CPLR Article 77 by filing a petition (the "Petition") seeking judicial instructions concerning the administration and distribution of settlement payments (the "Settlement Payments") for 208 residential mortgage-backed securities trusts identified in Exhibit A to the Petition (the "Subject Settlement Trusts") under a Covered Loan Settlement Agreement dated as of November 30, 2016 and modified as of March 17, 2017 and a Transferor Loan Settlement Agreement dated September 5, 2017 and executed and accepted on October 13, 2017 (together with the Covered Loan Settlement Agreement, the "Settlement Agreements"); and

WHEREAS, all capitalized terms used and not otherwise defined herein shall have the meanings ascribed to such terms in the Petition; and

WHEREAS, pursuant to the Settlement Agreements, the Settlement Payments are to be apportioned among the Subject Settlement Trusts; and

WHEREAS, by Order dated May 30, 2018 (the "Escrow Order"), the Court authorized and directed the Petitioners to place the Settlement Payments for the Subject Settlement Trusts in escrow; and

WHEREAS, the Petitioners represent that they have complied with the escrow provisions of the Escrow Order and that the Settlement Payments for the Subject Settlement Trusts, plus any investment earnings thereon, are currently invested as directed in the Escrow Order; and

WHEREAS, under the Order to Show Cause dated April 18, 2018 (the "Show Cause Order"), the Court directed the Petitioners to provide notice of this proceeding pursuant to the notice program described in the Show Cause Order (the "Notice Program"), and the Court found that the Notice Program was the best notice practicable, was reasonably calculated to put interested persons on notice of the proceeding, and constituted due and sufficient notice of the proceeding in satisfaction of federal and state due process requirements and other applicable law; and

WHEREAS, the Notice Program directed that interested persons respond to the Petition on or before May 30, 2018; and

WHEREAS, the AIG Parties (American General Life Insurance Company; American Home Assurance Company; American International Reinsurance Company, Ltd.; Lexington Insurance Company; National Union Fire Insurance Company of Pittsburgh, Pa.; The United States Life Insurance Company in the City of New York; and The Variable Annuity Life Insurance Company), the Institutional Investors (AEGON USA Investment Management, LLC, BlackRock Financial Management, Inc., Cascade Investment, LLC, the Federal Home Loan Bank of Atlanta, Goldman Sachs Asset Management L.P., Voya Investment Management LLC, Invesco Advisers,

Inc., Kore Advisors, L.P., Metropolitan Life Insurance Company, Pacific Investment Management Company LLC, The TCW Group, Inc., Thrivent Financial for Lutherans, and Western Asset Management Company), Poetic Holdings VII LLC, and Nover Ventures, LLC (collectively, the “Responding Parties”) have asserted an interest in the Subject Settlement Trusts identified in Exhibit A hereto (the “Undisputed Trusts”); and

WHEREAS, the Responding Parties agree and consent to this Partial Severance Order and Partial Final Judgment (this “Order”), which resolves the issues for which judicial instructions were sought concerning the administration and distribution of the Settlement Payments for the Undisputed Trusts (the “Subject Allocable Shares”); and

WHEREAS, as identified in Exhibit A hereto, U.S. Bank National Association (“U.S. Bank”), Wells Fargo Bank, National Association (“Wells Fargo”), Wilmington Trust National Association, and Wilmington Trust Company, and any successors thereto, are the trustees, successor trustees, and/or indenture trustees for the Undisputed Trusts (in such capacities, the “Subject Trustees”) and U.S. Bank, Wells Fargo, and Citibank, N.A., and any successors thereto, are the securities administrators, paying agents, and/or calculation agents for the Undisputed Trusts (in such capacities, the “Subject Payment Administrators”); and

WHEREAS, as used herein, the term “Judgment Entry Date” means the date on which the Clerk’s docketing of this Order first appears publicly on the New York State Court Electronic Filing System, without regard to when the Court actually signs or the Clerk actually enters this Order; and

WHEREAS, as used herein the term “Transfer Month” means the second calendar month after the Judgment Entry Date; and

WHEREAS, as used herein, the term “AS Distribution Date” means the Distribution Date (as that term is defined in the applicable Governing Agreements) for each of the Undisputed Trusts occurring in the Transfer Month; and

WHEREAS, as used herein, the term “Transfer Target Date” means the 15th day of the Transfer Month; and

WHEREAS, the term “Overcollateralization Amount Calculation” is used herein to refer to the terms in the applicable Governing Agreements prescribing that the “overcollateralization amount” is equal to the excess of the aggregate balances of the mortgage loans held by the Undisputed Trust over the aggregate certificate principal balances of certain designated classes of certificates and the term “Undercollateralization Amount Calculation” is used herein to refer to the terms in the applicable Governing Agreements prescribing that the “undercollateralization amount” is equal to the excess of the aggregate certificate principal balances of certain designated classes of certificates over the aggregate balances of the mortgage loans held by the Undisputed Trust, in each case as more fully defined and described in the applicable Governing Agreements; and

NOW, THEREFORE, on the motion of the Petitioners and the Responding Parties, it is hereby

ORDERED, ADJUDGED and DECREED that, on or before the Transfer Target Date, the Subject Trustees (each with respect to the Undisputed Trusts for which each act as trustee) are to (i) cause escrowed assets to be liquidated to cash with a value equal to the Settlement Payment for each Undisputed Trust (the “Subject Allocable Shares”) plus any investments earnings thereon, and (ii) cause the Subject Allocable Shares and investment earnings thereon to be deposited in the respective distribution accounts of the Undisputed Trusts. From the time of the aforescribed

deposit, the amount so deposited shall be deemed the Subject Allocable Shares for the Undisputed Trusts for all purposes under the Settlement Agreements and this Order; and it is further

ORDERED, ADJUDGED and DECREED that sums representing investment earnings accrued on the Subject Allocable Shares not received at the time escrowed assets are liquidated to cash pursuant to the immediately preceding paragraph ("Trailing Interest") shall (i) for Undisputed Trusts where the Subject Trustee and Subject Payment Administrator are the same party, be distributed on the later of the AS Distribution Date or the Distribution Date for the month following the month such Trailing Interest is received by the Subject Trustee or (ii) for Undisputed Trusts where the Subject Trustee and Subject Payment Administrator are different parties, be distributed on the later of the AS Distribution Date or the Distribution Date for the month following the month such Trailing Interest is transferred from the Subject Trustee to the Subject Payment Administrator (which transfer shall take place within five days after the Subject Trustee receives such Trailing Interest). Any Trailing Interest shall be deemed a Subject Allocable Share for the Undisputed Trust on whose Allocable Share such Trailing Interest was accrued, and any Trailing Interest shall be administered and distributed as a Subject Allocable Share subject to the terms of the Settlement Agreements and this Order; and

ORDERED, ADJUDGED and DECREED that the Subject Payment Administrators shall distribute the Subject Allocable Shares to certificateholders of the Undisputed Trusts on the AS Distribution Date; and it is further

ORDERED, ADJUDGED and DECREED that in administering and distributing the Subject Allocable Shares for each Undisputed Trust identified in Exhibit B, the Subject Payment Administrators (i) shall first distribute the Subject Allocable Shares to certificateholders based on certificate principal balances that have not been adjusted by the Settlement Payment Write-Up, and,

after such distribution, (ii) shall then increase the applicable certificate principal balances in the amount of the Settlement Payment Write-Up using the write-up instructions in a manner consistent with this Order; and it is further

ORDERED, ADJUDGED and DECREED that in administering and distributing the Subject Allocable Shares for each Undisputed Trust identified in Exhibit B hereto, the Subject Payment Administrators shall ignore both the distribution of the Subject Allocable Shares and the accompanying Settlement Payment Write-Up when performing the Overcollateralization Amount Calculation or the Undercollateralization Amount Calculation and, further, for the avoidance of doubt, with respect to the Distribution Date on which the Subject Allocable Shares are distributed, the instructions in this paragraph are intended to and shall prevent the Undisputed Trusts identified in Exhibit B hereto from being overcollateralized or undercollateralized solely as a result of the receipt, administration, and/or distribution of the Subject Allocable Shares (but shall not impact whether the Undisputed Trusts in Exhibit B are overcollateralized or undercollateralized on such Distribution Date as result of anything unrelated to the receipt, administration, and or distribution of the Subject Allocable Shares); and it is further

ORDERED, ADJUDGED and DECREED that in administering and distributing the Subject Allocable Share for each Undisputed Trust identified in Exhibit C, the applicable Subject Payment Administrator (i) shall first increase the applicable certificate principal balances in the amount of the Settlement Payment Write-Up in a manner consistent with this Order; and, after such write-up, shall distribute the Subject Allocable Shares to certificateholders based on certificate principal balances that have been adjusted by the Settlement Payment Write-Up; and it is further

ORDERED, ADJUDGED and DECREED that in administering and distributing the Subject Allocable Shares for each Undisputed Trust included in Exhibit B hereto, the applicable Subject Payment Administrator shall not apply any Zero Distribution Provision to prevent the write up of, or distribution of the Subject Allocable Shares to, any zero-balance certificate; and it is further

ORDERED, ADJUDGED and DECREED that any aspects of the administration and distribution of the Subject Allocable Shares not expressly addressed in this Order shall be performed as provided for in the Governing Agreements and the Settlement Agreement; and it is further

ORDERED, ADJUDGED and DECREED that this Order is not applicable to, and shall be without prejudice to and shall have no precedential effect on, (i) any argument of any party concerning the appropriate administration and distribution of the Settlement Payments where there is a dispute among the parties regarding how the Settlement Payments should be administered and distributed; (ii) the Subject Settlement Trusts for which no parties have appeared in this proceeding or any trust, indenture, or other securitization other than the Undisputed Trusts, or (iii) any applications to certificate balances (*e.g.*, write-ups) or distributions of payments or funds other than the Subject Allocable Shares; and it is further

ORDERED, ADJUDGED and DECREED that certificateholders, noteholders, and any other parties claiming rights or interests in any of the Undisputed Trusts are barred from asserting claims against any Petitioner with respect to any conduct taken to implement and comply with the terms of this Order and with respect to such Petitioner's administration and distribution of the Settlement Payments with respect to such Undisputed Trust, so long as such conduct is performed in accordance with the terms of this Order; and it is further

ORDERED, ADJUDGED and DECREED that upon the occurrence of the Judgment Entry Date, Petitioners shall promptly post a copy of this Order, bearing the Court's signature, on <http://www.lbhirmsbsettlement.com/>, the website established by Petitioners; and it is further

ORDERED that the Clerk of New York County be, and hereby is, directed to enter this Order forthwith and without delay.

Dated: New York, New York
August 9, 2022

8-9-2022

[Signature]

Hon. Melissa A. Crane, J.S.C.

Judgment signed and entered this 17 thy of Aug., 2022

[Signature]

Clerk of New York County

FILED
AUG 17 2022
AT 12:49 P M
N.Y. CO. CLK'S OFFICE

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NEW YORK
COUNTY CLERK'S OFFICE

Judgment
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