

News

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MOODY'S ANALYTICS LAUNCHES MORTGAGE PORTFOLIO ANALYZER (MPA)

NEW YORK – MARCH 8, 2011 – Moody's Analytics, a leader in enterprise risk management solutions, today announced the release of Mortgage Portfolio Analyzer (MPA), a powerful new risk management and capital allocation tool to help retail portfolio managers analyze and manage the credit risk of their mortgage portfolios.

MPA is a full-featured credit risk management, stress testing and capital allocation tool, designed from its inception to provide retail credit portfolio managers with a transparent view into the risk of their mortgage portfolios. Featuring a range of customizable models and forecasting tools, MPA gives retail credit and fixed-income portfolio managers the information they need to hedge or rebalance their portfolios using techniques similar to those widely used for corporate credit risk management.

MPA analyzes newly originated, seasoned and delinquent loans, providing a single framework for analysis of all mortgage assets. It is fully integrated with Moody's Structured Finance Workstation (SFW), allowing institutions to use the same framework to analyze the whole-loan and securitized portions of their portfolios. MPA's analytic output can also be formatted for use with other waterfall and cashflow products.

"MPA is a breakthrough product that brings loan-level analysis detail and enhanced transparency to mortgage portfolios, similar to the products that Moody's Analytics offers for corporate bond and loan portfolios," said Roger M. Stein, President of Moody's Research Labs. "MPA simplifies and streamlines core credit portfolio risk management activities, such as capital allocation, monitoring and transfer pricing, bringing them together within a single, powerful product."

MPA also includes robust simulation tools to model loan-level and portfolio-level performance as they evolve, and to project defaults, prepayments and severity dynamics. In addition, MPA can explicitly model the effect of mortgage insurance at the loan level. Portfolio managers can stress-test portfolios by using macroeconomic scenarios and by shocking default, prepayment and recovery rates directly. Macroeconomic stress-tests may be run using either Moody's Analytics macroeconomic forecasts or user-defined macroeconomic scenarios. MPA's models use key macroeconomic data at the national, state and MSA levels including home price changes, unemployment levels and various interest rates. This macroeconomic data is provided by Moody's Analytics and is refreshed quarterly.

MPA was developed by Moody's Research Labs, Inc., which serves as a research incubator for new quantitative products. MRL's senior management has led teams that have developed models and risk products used by more than 300 financial institutions around the world for commercial credit risk management, including RiskCalc, LossCalc, GCorr and Risk Frontier. For more information, visit www.moodysresearchlabs.com.

ABOUT MOODY'S ANALYTICS

Moody's Analytics helps capital markets and credit risk management professionals worldwide respond to an evolving marketplace with confidence. The company offers unique tools and best practices for measuring and managing risk through expertise and experience in credit analysis, economic research and financial risk management. By providing leading-edge software, advisory services and research, including the proprietary analysis of Moody's Investors Service, Moody's Analytics integrates and customizes its offerings to address specific business challenges. Moody's Analytics is a subsidiary of Moody's Corporation (NYSE: MCO), which reported revenue of \$2 billion in 2010, employs approximately 4,500 people worldwide and maintains a presence in 26 countries. Further information is available at www.moodysanalytics.com.

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