



Yale SCHOOL OF MANAGEMENT  
*Program on Financial Stability*

## EliScholar – A Digital Platform for Scholarly Publishing at Yale

---

YPFS Resource Library

---

10-5-2004

### **Moodys Email from Jay Siegel Regarding Benefit For SQ1 Servicer**

Jay Siegel

Warren Kornfeld

Wen Zhang

Shelly Garg

Wioletta Frankowicz

<https://elischolar.library.yale.edu/ypfs-documents/5683>

---

This resource is brought to you for free and open access by the Yale Program on Financial Stability and [EliScholar](#), a digital platform for scholarly publishing provided by Yale University Library. For more information, please contact [ypfs@yale.edu](mailto:ypfs@yale.edu).

**From:** Siegel, Jay <SIEGELJ@local>  
**Sent:** Tuesday, October 5, 2004 8:39 PM (GMT)  
**To:** Kornfeld, Warren <Warren.Kornfeld@moodys.com>; Zhang, Wen <Wen.Zhang@Moody's.com>; Garg, Shelly <Shelly.Garg@Moody's.com>; Frankowicz, Wioletta <Wioletta.Frankowicz@moodys.com>; Moody's - SFG/Mortgage Pass Through <Moody'sSFGMortgagePassThrough@moodys.com>  
**Subject:** RE: Benefit For SQ1 Servicer

---

I've seen SQ1 or SQ2 get 1 point at Aaa benefit vs. unknown, and have seen SQ2 and SQ1 treated essentially the same.

-----Original Message-----

**From:** Kornfeld, Warren  
**Sent:** Tuesday, October 05, 2004 10:16 AM  
**To:** Zhang, Wen; Garg, Shelly; Frankowicz, Wioletta; Moody's - SFG/Mortgage Pass Through  
**Subject:** RE: Benefit For SQ1 Servicer  
**Importance:** Low

The 5% and 10% are guidelines of the potential benefit that we may give. As to whether the benefit should be the same should be proposed by the analyst and discussed in committee. Another question comes up as to what if a servicer is unrated, at this juncture the analyst has been making an assessment and impact and proposing such assessment to committee.

-----Original Message-----

**From:** Zhang, Wen  
**Sent:** Tuesday, October 05, 2004 10:08 AM  
**To:** Garg, Shelly; Kornfeld, Warren; Frankowicz, Wioletta; Moody's - SFG/Mortgage Pass Through  
**Subject:** RE: Benefit For SQ1 Servicer

Regarding SQ1 servicer benefit, do we then give same benefit on Aaa and EL? How about the benefit to the lowest rated class which is most sensitive to servicing?  
Thank you!

**Wen Zhang**  
Structured Finance Group--RMBS  
Moody's Investors Service  
99 Church St.  
New York, NY 10007  
Phone: 212.553.7710  
Fax: 212.298.6613  
wen.zhang@moodys.com

-----Original Message-----

**From:** Garg, Shelly  
**Sent:** Tuesday, October 05, 2004 10:00 AM  
**To:** Kornfeld, Warren; Frankowicz, Wioletta; Moody's - SFG/Mortgage Pass Through  
**Subject:** RE: Benefit For SQ1 Servicer

so we give the deal benefit if there is a SQ1 servicer, SQ2 and SQ3 are the base cases(CE levels are based on this assumption), is that correct?

-----Original Message-----

**From:** Kornfeld, Warren

**Sent:** Tuesday, October 05, 2004 9:01 AM

**To:** Frankowicz, Wioletta; Moody's - SFG/Mortgage Pass Through

**Subject:** RE: Benefit For SQ1 Servicer

**Importance:** Low

Not sure whether this was answered. In the past general guidelines have been that all things being equal if a deal has an SQ1 servicer versus and SQ2 servicer, CE might be up to 5% lower. SQ1 versus SQ3 might be up to 10% lower.

-----Original Message-----

**From:** Frankowicz, Wioletta

**Sent:** Monday, September 27, 2004 9:46 AM

**To:** Moody's - SFG/Mortgage Pass Through

**Subject:** Benefit For SQ1 Servicer

Banker is asking to give him some flavor and preferably quantify the benefit of using an SQ1 servicer on a transaction vs. lower rated or no rated servicer.

Have we given guidance on servicer 'benefit' to the outside world? If you have, please help.

Wioletta  
212-553-1019