

# Think Tank Residential Series 2024-1 Trust RMBS Assigned Ratings

April 18, 2024

MELBOURNE (S&P Global Ratings) April 18, 2024--S&P Global Ratings today assigned its ratings to eight of the nine classes of residential mortgage-backed, floating-rate pass-through notes issued by BNY Trust Co. of Australia Ltd. as trustee of Think Tank Residential Series 2024-1 Trust (see list).

Think Tank Residential Series 2024-1 Trust is a securitization of loans to residential borrowers, secured by first-registered mortgages over Australian residential properties originated by Think Tank Group Pty Ltd. (Think Tank).

The ratings reflect the following factors.

We have considered the credit risk of the underlying collateral portfolio, including the fact that this is a closed portfolio, which means no further loans will be assigned to the trust after the closing date.

The credit support is sufficient to withstand the stresses we apply. This credit support comprises note subordination for each class of rated note.

The transaction's cash flows can meet timely payment of interest and ultimate payment of principal to the noteholders under the rating stresses. Key factors are the level of subordination provided, the condition that a minimum margin will be maintained on the assets, an amortizing liquidity facility sized at 1.5% of the outstanding balance of the rated notes, the yield reserve, and the principal draw function.

There is an extraordinary expense reserve of A\$150,000, funded from day one by Think Tank, available to meet extraordinary expenses. The reserve will be topped up via excess spread if drawn.

Our ratings also reflect the legal structure of the trust, which has been established as a special-purpose entity and meets our criteria for insolvency remoteness.

We have also considered the counterparty exposure to Commonwealth Bank of Australia as bank account provider and National Australia Bank Ltd. as liquidity facility provider. The transaction documents for the bank account and liquidity facility include downgrade language consistent with our counterparty criteria.

A copy of S&P Global Ratings' complete report for Think Tank Residential Series 2024-1 Trust can be found on RatingsDirect, S&P Global Ratings' web-based credit analysis system, at <https://www.capitaliq.com>.

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## 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
- 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 | RMBS: Assumptions: Australian RMBS Postcode Classification Assumptions, July 10, 2013
- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- Criteria | Structured Finance | RMBS: Australian RMBS Rating Methodology And Assumptions, Sept. 1, 2011
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Structured Finance | RMBS: Methodology And Assumptions For Analyzing The Cash Flow And Payment Structures Of Australian And New Zealand RMBS, June 2, 2010
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009

## Related Research

- An Overview Of Australia's Housing Market And Residential Mortgage-Backed Securities, Dec. 10, 2023
- ESG Industry Report Card: Residential Mortgage-Backed Securities, March 31, 2021
- Australia And New Zealand Structured Finance Scenario And Sensitivity Analysis: Understanding The Effects Of Macroeconomic Factors On Credit Quality, April 17, 2017
- Global Structured Finance Scenario And Sensitivity Analysis 2016: The Effects Of The Top Five Macroeconomic Factors, Dec. 16, 2016
- RMBS Performance Watch: Australia, published quarterly
- RMBS Arrears Statistics: Australia, published monthly

## Ratings Assigned

### Think Tank Residential Series 2024-1 Trust

- Class A1-S, A\$150.00 million: AAA (sf)
- Class A1-L, A\$450.00 million: AAA (sf)
- Class A2, A\$90.00 million: AAA (sf)
- Class B, A\$17.62 million: AA (sf)
- Class C, A\$16.13 million: A (sf)
- Class D, A\$11.25 million: BBB (sf)
- Class E, A\$6.75 million: BB (sf)
- Class F, A\$4.50 million: B (sf)
- Class G, A\$3.75 million: Not rated

The issuer has not informed S&P Global Ratings Australia Pty. Ltd. whether the issuer is publicly disclosing all relevant information about the structured finance instruments that are subject to this rating report or whether relevant information remains nonpublic.

#### REGULATORY DISCLOSURES

Please refer to the initial rating report for any additional regulatory disclosures that may apply to a transaction.

#### AUSTRALIA

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