S&P Global
Ratings

Research

Presale:

J.P. Morgan Mortgage Trust 2020-9

November 19, 2020

Preliminary Ratings

Class	Preliminary ratings	Amount ($)	Initial interest rate (%)(i)	Credit enhancement (%)	Class type
A-1	AAA (sf)	295,376,000	3.1566(iii)	5.00	Senior/MACR
A-2	AAA (sf)	295,376,000	2.5000(iv)	5.00	Senior/MACR
A-2-A	AAA (sf)	295,376,000	2.0000(v)	5.00	Senior/MACR
A-2-X	AAA (sf)	295,376,000(ii)	0.5000(vi)	5.00	Senior IO/MACR
A-3	AAA (sf)	279,830,000	2.5000(iv)	10.00	Super senior/sequential/MACR
A-3-A	AAA (sf)	279,830,000	2.0000(v)	10.00	Super senior/sequential/MACR
A-3-X	AAA (sf)	279,830,000(ii)	0.5000(vi)	10.00	Senior IO/MACR
A-4	AAA (sf)	209,873,000	2.5000(iv)	10.00	Super senior/sequential/MACR
A-4-A	AAA (sf)	209,873,000	2.0000(v)	10.00	Super senior/sequential/MACR
A-4-X	AAA (sf)	209,873,000(ii)	0.5000(vi)	10.00	Senior IO/MACR
A-5	AAA (sf)	69,957,000	2.5000(iv)	10.00	Super senior/sequential/MACR
A-5-A	AAA (sf)	69,957,000	2.0000(v)	10.00	Super senior/sequential/MACR
A-5-X	AAA (sf)	69,957,000(ii)	0.5000(vi)	10.00	Senior IO/MACR
A-6	AAA (sf)	166,484,000	2.5000(iv)	10.00	Super senior/sequential/MACR
A-6-A	AAA (sf)	166,484,000	2.0000(v)	10.00	Super senior/sequential/depositable
A-6-X	AAA (sf)	166,484,000(ii)	0.5000(vi)	10.00	Senior IO/depositable
A-7	AAA (sf)	113,346,000	2.5000(iv)	10.00	Super senior/sequential/MACR
A-7-A	AAA (sf)	113,346,000	2.0000(v)	10.00	Super senior/sequential/MACR
A-7-X	AAA (sf)	113,346,000(ii)	0.5000(vi)	10.00	Senior IO/MACR
A-8	AAA (sf)	43,389,000	2.5000(iv)	10.00	Super senior/sequential/MACR
A-8-A	AAA (sf)	43,389,000	2.0000(v)	10.00	Super senior/sequential/depositable
A-8-X	AAA (sf)	43,389,000(ii)	0.5000(vi)	10.00	Senior IO/depositable
A-9	AAA (sf)	34,979,000	2.5000(iv)	10.00	Super senior/sequential/MACR
A-9-A	AAA (sf)	34,979,000	2.0000(v)	10.00	Super senior/sequential/depositable
A-9-X	AAA (sf)	34,979,000(ii)	0.5000(vi)	10.00	Senior IO/depositable

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2558109

Preliminary Ratings (cont.)

Class	Preliminary ratings	Amount ($)	Initial interest rate (%)(i)	Credit enhancement (%)	Class type
A-10	AAA (sf)	34,978,000	2.5000(iv)	10.00	Super senior/sequential/MACR
A-10-A	AAA (sf)	34,978,000	2.0000(v)	10.00	Super senior/sequential/depositable
A-10-X	AAA (sf)	34,978,000(ii)	0.5000(vi)	10.00	Senior IO/depositable
A-M	AAA (sf)	15,546,000	2.5000(iv)	5.00	Senior support/sequential/MACR
A-M-A	AAA (sf)	15,546,000	2.0000(v)	5.00	Senior support/depositable
A-M-X	AAA (sf)	15,546,000(ii)	0.5000(vi)	5.00	Senior IO/depositable
A-X-1	AAA (sf)	295,376,000(ii)	0.6566(vii)	5.00	Senior IO/depositable
B-1	AA (sf)	6,218,000	3.1566(viii)	3.00	Subordinate
B-2	A (sf)	2,954,000	3.1566(viii)	2.05	Subordinate
B-3	BBB (sf)	2,954,000	3.1566(viii)	1.10	Subordinate
B-4	BB (sf)	933,000	3.1566(viii)	0.80	Subordinate
B-5	B (sf)	1,399,000	3.1566(viii)	0.35	Subordinate
B-6	NR	1,088,480	3.1566(ix)	0.00	Subordinate
A-R	NR	0	N/A	N/A	REMIC Residual

Note: This presale report is based on information as of Nov. 19, 2020. The ratings shown are preliminary. Subsequent information may result in the assignment of final ratings that differ from the preliminary ratings. Accordingly, the preliminary ratings should not be construed as evidence of final ratings. This report does not constitute a recommendation to buy, hold, or sell securities. (i)Coupons are subject to the Net WAC rate. (ii)Notional balance. (iii)The product of (x) 12 and (y) an amount equal to the aggregate amount of interest accrued on the class A-6-A, A-6-X, A-8-A, A-8-X, Class A-9-A, A-9-X, A-10-A, A-10-X, A-M-A, A-M-X, and A-X-1 certificates for such distribution date divided by the outstanding class principal amount of the class A-1 certificates on such distribution date (without giving effect to any distributions of principal to be made on such distribution date). (iv)The lesser of 2.500% and the Net WAC for such distribution date. (v)The lesser of 2.000% and the Net WAC for such distribution date. (vi)The excess, if any, of the lesser of 2.500% and the Net WAC for such distribution date over the lesser of 2.000% and the Net WAC for such distribution date. (vii)The excess, if any, of the Net WAC for such distribution date over 2.500%. (viii)The Net WAC for such distribution date. (ix)The greater of zero and the excess of the net WAC for such distribution date over an amount equal to the product of 12 and a fraction, the numerator of which equals the sum of the aggregate delinquent servicing fee and the aggregate additional servicing fee for such distribution date, and the denominator of which equals the class principal amount of the class B-6 certificates immediately prior to such distribution date. WAC--weighted average coupon.

Profile

Expected closing date	Nov. 30, 2020.
Cut-off date	Nov. 1, 2020.
First payment date	Dec. 28, 2020.
Stated maturity date	Distribution date in May 2051.
Certificate amount	$310.92 million, including unrated certificates.
Collateral type	First-lien, fixed-rate, fully amortizing mortgage loans secured by one- to three-family residential properties, condominiums, cooperatives, and planned-unit developments to primarily prime borrowers.
Collateral	Residential mortgage loans.
Credit enhancement	For each class of rated certificates, subordination in the form of certificates that are lower in payment priority.

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Participants

Issuer	J.P. Morgan Mortgage Trust 2020-9.
Sponsor and seller	J.P. Morgan Mortgage Acquisition Corp.
Depositor	J.P. Morgan Acceptance Corp. II.
Master servicer	Nationstar Mortgage LLC.
Securities administrator and Delaware trustee	Citibank N.A.
Non-incentive framework servicers	Johnson Bank and Amerihome Mortgage Co. LLC.
Incentive framework servicers	JPMorgan Chase Bank N.A., loanDepot.com LLC, and Shellpoint Mortgage Servicing (as interim servicer)
Resident trustee	Citicorp Trust Delaware N.A.
Custodian	Wells Fargo Bank N.A.

Originators Holding Greater Than 5.0% Of The Collateral

Originator	By balance (%)	Due diligence (%)	Originator ranking
Guaranteed Rate Inc.	33.9	100	N/A
Fairway Independent Mortgage Corp.	14.4	100	N/A
Sprout Mortgage LLC	6.0	100	N/A
Guaranteed Rate Affinity LLC	5.8	100	N/A
loanDepot.com LLC	5.6	100	N/A
Top five originators	65.7	100	N/A
Top 10 originators	81.4	100	N/A

N/A--Not applicable.

Servicers

Primary Servicers	By balance (%)	On S&P Global Ratings' select servicer list?	Originators
JPMorgan Chase Bank N.A.(i)	95.0	Yes	Guaranteed Rate Inc., Fairway Independent Mortgage Corp., Sprout Mortgage LLC, and various other originators
loanDepot.com LLC	2.4	No	loanDepot.com LLC
Johnson Bank	2.4	No	Johnson Bank
Amerihome Mortgage Co. LLC	0.2	No	Amerihome Mortgage Co. LLC

(i)Shellpoint will act as interim servicer for 95% of mortgage loans from the closing date until the expected servicing transfer date on or about Feb. 1, 2021. After the servicing transfer date, these loans will be serviced by JPMorgan Chase Bank N.A.

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Rationale

The preliminary ratings assigned to J.P. Morgan Mortgage Trust 2020-9's (JPMMT 2020-9) $310.92 million mortgage pass-through certificates reflect our view of:

- The high-quality collateral in the pool (see the Collateral Summary section below);
- The available credit enhancement;
- The transaction's associated structural mechanics;
- The representation and warranty framework (R&W) for this transaction;
- The geographic concentration;
- The experienced aggregator;
- The 100% due diligence results consistent with represented loan characteristics; and
- The impact that the economic stress brought on by the COVID-19 pandemic is likely to have on the performance of the mortgage borrowers in the pool (for additional information see "S&P Global Ratings Is Assessing The Impact Of COVID-19 On Mortgage Market Outlooks For Global RMBS" published April 17, 2020) and liquidity available in the transaction.

S&P Global Ratings believes there remains a high degree of uncertainty about the evolution of the coronavirus pandemic. Reports that at least one experimental vaccine is highly effective and might gain initial approval by the end of the year are promising, but this is merely the first step toward a return to social and economic normality; equally critical is the widespread availability of effective immunization, which could come by the middle of next year. We use this assumption in assessing the economic and credit implications associated with the pandemic (see our research here: www.spglobal.com/ratings). As the situation evolves, we will update our assumptions and estimates accordingly.

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Noteworthy Features

No loans currently in forbearance at closing

On March 31, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act enacted COVID-19 pandemic-related relief for borrowers with government-backed mortgage loans in the form of a temporary forbearance of up to 12 months of scheduled payments. While non-agency loans do not fall under the CARES Act as it relates to this forbearance, servicers have been granting forbearance plans to non-agency borrowers also, typically with some variations to those of the CARES Act (e.g., timeframe, approval requirements, etc.). The updates we made on April 17, 2020, to our mortgage outlook and corresponding archetypal foreclosure frequency levels (see "Guidance: Methodology And Assumptions For Rating U.S. RMBS Issued 2009 And Later," published April 17, 2020) account for a portion of borrowers entering COVID-19 pandemic-related temporary forbearance plans and their impact to the overall credit quality of collateralized pools. The guidance document reflects a revision to our 'B' (base case) projected foreclosure frequency assumption for an archetypal loan to 3.25% from 2.50%. To the extent a securitization pool exhibits growth levels in forbearance over time beyond those otherwise expected, additional adjustments may be applied.

As of the cut-off date, no borrower of any mortgage loan in the pool is currently in a COVID-19 pandemic-related forbearance plan. However, one borrower had previously entered and exited a forbearance plan but the related borrower had nonetheless made all of the scheduled payments due during the related forbearance period. In addition, in the event a borrower requests or enters into a COVID-19-related forbearance plan after the cut-off date but prior to the closing date, that mortgage loan will be removed from the mortgage pool before closing. While we recognize that temporary forbearance related to the COVID-19 pandemic could be granted at some level in the pool going forward, we determined not to apply an additional pool-level loss adjustment factor because no mortgage loan will be in an active forbearance plan at closing.

We will continue to monitor the credit behavior related to temporary forbearance as the situation evolves and more performance information becomes available, and may adjust our loss coverage levels accordingly, which could impact the ratings.

Collateral Summary

JPMMT 2020-9 is an RMBS transaction backed by a collateral pool that consists of prime jumbo mortgages (97.6%) and loans conforming to government-sponsored enterprise (GSE) underwriting standards (2.4%).

As of the cut-off date, the $310.92 million collateral pool consists of 360 fully amortizing, fixed-rate mortgage loans secured by first liens on single-family residences (65.7% of the pool balance), planned-unit developments (24.8%), condominiums (8.9%), and two- family homes (0.6%).

The weighted average seasoning is approximately two months, and the average loan balance is $863,674. All of the mortgage loans are qualified mortgage (QM)/non-higher-priced mortgage loans (safe harbor loans; 100%).

The mortgage pool has a weighted average FICO score of 779 and a weighted average current combined loan-to-value (LTV) of 71.1%. Approximately 37.7% of the pool is concentrated in

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California, with the next largest concentrations in Illinois (10.1%), Washington (6.9%), Massachusetts (6.1%), and Florida (4.7%); the remaining concentrations are dispersed throughout 26 states and Washington D.C. The 'AAA' loss coverage requirement for the pool was determined to be 3.85% (see table 1).

Per our criteria ("Methodology And Assumptions For Rating U.S. RMBS Issued 2009 And Later," published Feb. 22, 2018), we applied a neutral documentation type adjustment factor to 100% of the loans in the pool because we believe these loans have similar risk profiles to the loans that meet our criteria for full documentation. Of the 360 loans, 349 are prime jumbo mortgages that are classified as QM/ability-to-repay (ATR) rule-compliant, while the remaining 11 loans are GSE-eligible conforming mortgages.

Table 1

Collateral Characteristics

	JPMMT 2020-9	PSMC 2020-3	JPMMT 2020-7	S&P Global Ratings' archetypal prime pool(i)
Closing pool balance (mil. $)	311	418	640	N/A
Closing loan count (no.)	360	532	782	N/A
Avg. loan balance ($)	863,674	785,508	817,955	N/A
WA original LTV (%)	71.3	69.2	69.6	75.0
WA original CLTV (%)	71.4	69.6	70.5	75.0
WA current CLTV (%)	71.1	69.0	69.0	75.0
WA updated FICO	779	779	768	725
WA current rate (%)	3.3	3.7	3.8	N/A
WA seasoning (mos.)	1.7	5.0	11.0	0.0-6.0
WA debt-to-income (%)	30.9	32.4	32.7	36.0
Owner-occupied (%)	92.8	98.5	96.0	100.0
Single-family (including planned-unit development) (%)	90.5	97.6	90.7	100.0
30-year amortization term (%)	99.8	97.5	99.8	100.0
Fixed-rate (%)	100.0	100.0	100.0	100.0
Fixed-rate IO (%)	0.0	0.0	0.0	N/A
ARM (%)	0.0	0.0	0.0	N/A
ARM IO (%)	0.0	0.0	0.0	N/A
Purchase loan (%)	51.2	25.9	41.7	100.0
Cash-out refinancing (%)	4.5	6.0	21.5	N/A
Loans with two or more borrowers	67.5	63.3	61.8	0.0
Self-employed borrowers	5.2	23.9	23.3	0.0
Current (%)	100.0	100.0	100.0	100.0
Pool-level adjustments (multiplicative factors)				
Geographic concentration	1.02	1.00	1.02	1.0
Mortgage operational assessment	0.95	0.95	0.94	1.0
Representations and warranties	1.00	1.00	1.00	1.0

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Table 1

Collateral Characteristics (cont.)

	JPMMT 2020-9	PSMC 2020-3	JPMMT 2020-7	S&P Global Ratings' archetypal prime pool(i)
Other (i.e., loan modification/PCE/due diligence)	1.00	1.00	1.00	1.0
Combined pool-level adjustments	0.97	0.95	0.96	1.0
Loss estimates(ii)				
'AAA' loss coverage (%)	3.85	3.70	4.80	7.50
'AAA' foreclosure frequency (%)	7.58	7.59	9.47	15.00
'AAA' loss severity (%)	50.79	48.75	50.69	50.00
'BBB' loss coverage (%)	1.05	0.85	1.25	1.92
'BBB' foreclosure frequency (%)	3.18	3.02	4.01	6.41
'BBB' loss severity (%)	33.07	28.15	31.17	30.00
'B' loss coverage (%)	0.35	0.30	0.45	0.65
'B' foreclosure frequency (%)	1.64	1.65	2.06	3.25
'B' loss severity (%)	21.34	18.18	21.84	20.00

(i)As defined in our Feb. 22, 2018, criteria article. (ii)The guidance document published April 17, 2020, reflects a revision to our 'B' (base case) projected foreclosure frequency assumption for an archetypal loan to 3.25% from 2.50%. WA--Weighted average. LTV--Loan-to-value ratio. CLTV--Combined LTV ratio. ARM--Adjustable-rate mortgage. IO--Interest only. PCE--Prior credit event. N/A--Not applicable.

Table 2

Updated Credit Score Statistics

FICO score	Current balance (%)	No. of loans	Average current balance ($'000)
750+	84.7	309	852.4
725-749	11.1	37	928.7
700-724	3.6	11	1,006.3
675-699	0.7	3	695.1
Below 675	0	0	0
Total	100.0	360	863.7

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Transaction Structure

Chart 1 shows an overview of the transaction's structure.

Transaction Structure

Mortgagors

Various Originators

JPMorgan Chase Bank N.A., loanDepot.com LLC, Johnson Bank, and Amerihome Mortgage Co. LLC (Servicers)

J.P. Morgan Mortgage Acquisition Corp. (Sponsor and Seller)

Nationstar Mortgage LLC (Master Servicer)

J.P. Morgan Acceptance Corp. II (Depositor)

J.P. Morgan Securities LLC (Initial Purchaser)

Wells Fargo Bank N.A. (Custodian)

J.P. Morgan Mortgage Trust 2020-9 (Issuer)

Citibank N.A. (Securities Administrator and Delaware Trustee)

Investors

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The transaction is structured as a double true sale of the underlying receivables from the sponsor (J.P. Morgan Mortgage Acquisition Corp.) to the depositor (J.P. Morgan Acceptance Corp. II), and from the depositor to the issuing trust. The issuing trust transfers the newly issued certificates to the depositor. The depositor sells them to the initial purchasers, who sell them to third-party investors.

In rating this transaction, S&P Global Ratings will review the legal matters that it believes are relevant to its analysis, as outlined in its criteria

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2558109

Strengths And Weaknesses

We believe the following characteristics strengthen the JPMMT 2020-9 transaction:

- The mortgage pool generally consists of loans to borrowers of high credit quality (weighted average FICO of 779) with considerable home equity, as demonstrated by the pool's weighted average original combined LTV ratio of 71.4%.
- Approximately 67.5% of the loans have two or more borrowers. We applied a 0.75x adjustment factor to our loss estimates for these loans.
- J.P. Morgan Mortgage Acquisition Corp. (JPMMAC) is an experienced aggregator. We generally apply a 0.95x adjustment to our loss coverage estimates for the loans that JPMMAC aggregates.
- The third-party due diligence providers--AMC Diligence LLC (AMC), Clayton Services LLC (Clayton), Digital Risk, and Inglet Blair, which are all on our list of reviewed providers--performed due diligence on 100% of the pool's loans. Their reviews encompassed credit (underwriting) compliance, property valuations, regulatory compliance, and data quality. The results are consistent with high-quality underwriting.
- The senior classes benefit from a credit support floor whereby the principal allocation to the subordinate classes falls to zero on any distribution date where the subordinate certificates' aggregate balance is less than or equal to 1.9% of the closing collateral balance or 5.0% of the current collateral balance. The subordinate classes benefit from a separate credit support floor equal to 1.4% of the closing collateral balance.

We believe the following factors weaken the series 2020-9 transaction:

- Cash-out loans comprise 4.5% of the pool by balance. We applied a 1.25x adjustment factor to our loss estimates for these loans.
- Approximately 8.9% and 0.6% of the loans in the pool (by balance) are backed by condominiums and two- family home properties, respectively. We applied a 1.10x and 2.00x adjustment factor to the condominiums and two- family homes, respectively, to our loss estimates for these loans.
- Approximately 5.2% of the pool by balance were made to self-employed borrowers. We applied a 1.10x adjustment factor to our loss estimates for these loans.

QM/ATR Standards

The Consumer Financial Protection Bureau issued final regulations for mortgage loans with applications submitted on or after Jan. 10, 2014, specifying the standards for a QM. The rule applies to all of the mortgage loans included in this securitization.

Under the ATR rule, as more fully described in our criteria (see Appendix I of "Methodology And Assumptions For Rating U.S. RMBS Issued 2009 And Later," published Feb. 22, 2018), the originator and any assignee are jointly and severally liable for certain damages that may be incurred from noncompliance with the rule. For each loan in the pool subject to the rule, we applied our criteria and determined that no additional credit enhancement was needed. The data provided by the issuer to S&P Global Ratings--including additional fields that validate the loan's QM designation--were reviewed by the due diligence firms under the third-party due diligence

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firms' scope to verify that documentation exists to support the QM designation. In addition, in conjunction with our mortgage operational assessment (MOA) review of the aggregator we concluded that the aggregator's processes appropriately address ATR risks.

Of the 360 loans, 349 loans are prime jumbo non-conforming loans and 11 are conforming. All 360 of these loans are classified as QM/safe harbor.

Structural Features

The transaction has a typical shifting-interest structure, with a five-year lockout period. The subordinate certificates are available as credit support for the senior certificates as long as they are outstanding. To the extent the subordinate certificates are written down, the senior-support certificates will absorb losses, and then any remaining losses will be applied to the super-senior certificates.

Principal and interest (P&I) collections are co-mingled and distributed to the senior and subordinate certificates, per the payment priority. The paying agent will make monthly distributions from the monthly available distribution amounts (see table 3). This generally includes all funds that the servicer collects from the borrowers (excluding servicing, trustee, independent reviewer, and master servicing fees, but including the excess servicing fees, insurance and liquidation proceeds, subsequent recoveries, and repurchase amounts) minus servicer advance reimbursements allowed under the deal documents and the extraordinary expense payments (i.e., trustee, master servicer, and independent reviewer fees) reimbursements. Extraordinary expense payment reimbursements are capped annually at $550,000. Because these expenses are passed through as reduced contractual interest due to certificateholders, there was no impact on our assessment of the transaction's credit enhancement. However, we consider the extraordinary expenses when analyzing projected interest reduction amounts, as described further in the Imputed Promises Analysis section below.

Table 3

Payment Waterfall (Before The Credit Support Depletion Date)(i)

Priority	Payment(ii)
1	Interest due (including any accrued unpaid interest shortfall), pro rata, to the senior class A-6-A, class A-6-X, class A-8-A, class A-8-X, class A-9-A, class A-9-X, class A-10-A, class A-10-X, class A-M-A, class A-M-X, and class A-X-1 certificates.
2	The senior PDA(iii) is divided proportionally into super senior and senior support portions. The super senior portion is allocated sequentially to the classes A-6-A, A-8-A, A-9-A and A-10-A certificates. Concurrently, the senior-support portion is allocated to the class A-M-A certificates.
3	Interest due (including any accrued unpaid interest shortfall) to a subordinate class followed by such subordinate class' pro rata share of the subordinate PDA(iv) is paid sequentially to classes B-1, B-2, B-3, B-4, B-5, and B-6 (the subordinate certificates), with both interest and principal are paid to a class before payments to the next class IPIP.
4	To reimburse previously allocated realized losses and certificate writedown amounts to the subordinate certificates in order of payment priority until fully reimbursed.
5	To pay any remaining unpaid trust expenses.

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Table 3

Payment Waterfall (Before The Credit Support Depletion Date)(i) (cont.)

Priority	Payment(ii)
6	To pay any remainder to the residual interestsholders.

(i)The first date at which the subordinate certificates' balances have been reduced to zero. (ii)MACRs that were exchanged for initial MACRs shall be entitled to a proportionate share of the interest and principal payments otherwise allocated to the initial MACRs. (iii)The senior PDA is generally the senior percentage of the scheduled principal amounts on the mortgage loans plus the senior prepayment percentage of the unscheduled principal collections on the mortgage loans. (iv)The subordinate PDA is the subordinate percentage (100% minus the senior percentage) of the scheduled principal amounts on the mortgage loans plus the subordinate prepayment percentage (100% minus the senior prepayment percentage) of the unscheduled principal collections on the mortgage loans. PDA--Principal distribution amount. MACR--Modifiable and exchangeable certificate. IPIP--Interest principal interest principal.

Table 4

Payment Waterfall (On Or After The Credit Support Depletion Date)(i)

Priority	Payment
1	Interest due (including any accrued unpaid interest shortfall), pro rata, to the senior class A-6-A, A-6-X, A-8-A, A-8-X, A-9-A, A-9-X, A-10-A, A-10-X, A-M-A, A-M-X, and A-X-1 certificates.
2	Principal, pro rata, to the class A-6-A, A-8-A, A-9-A, and A-10-A certificates until each balance is reduced to zero.
3	Principal to class A-M-A certificates until its balance is reduced to zero.
4	Reimbursement for prior realized losses and certificate writedown amounts previously allocated to the class A-6-A, A-8-A, A-9-A, and A-10-A certificates, pro rata.
5	Reimbursement for prior realized losses and certificate writedown amounts to the class A-M-A certificates.
6	Interest (including any accrued unpaid interest shortfalls), sequentially to the subordinate certificate then principal to such class; with both interest and principal being distributed to one class before any distributions are made to the next class with a lower distribution priority.
7	Reimbursement for prior realized losses and certificate writedown amounts to the subordinate certificates, sequentially.
8	To pay any remaining unpaid trust expenses.
9	To pay any remainder to the residual interestsholders.

(i)The terms used in this table are used in the same capacity as in table 3.

The following classes serve as initial exchangeable (base/depositable) certificates: classes A-6-A, A-6-X, A-8-A, A-8-X, A-9-A, A-9-X, A-10-A, A-10-X, A-M-A, A-M-X and A-X-1. The certificateholders can exchange the base/depositable certificates for several combinations of exchangeable certificates, some of which are IO classes, and vice versa, as specified in the offering documents. If an exchange is made, the exchanged certificates will receive a proportionate share of the P&I payments otherwise allocable to the classes of initial exchangeable certificates.

The senior percentage of scheduled principal collections and, for the first five years, 100% of unscheduled principal collections on the mortgage loans will be allocated to the senior certificates, excluding the IO certificates. After five years, the portion of unscheduled principal collections allocated to the senior certificates (excluding the IO certificates) gradually decreases (see table 5).

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Table 5

Senior Prepayment Principal Distributions

Distribution date occurring in the following period	Senior prepayment
December 2020–November 2025	100%.
December 2025–November 2026	The senior percentage plus 70% of the subordinate percentage.
December 2026–November 2027	The senior percentage plus 60% of the subordinate percentage.
December 2027–November 2028	The senior percentage plus 40% of the subordinate percentage.
December 2028–November 2029	The senior percentage plus 20% of the subordinate percentage.
December 2029 and thereafter	The senior percentage.

However, if the step-down test is not satisfied, the senior allocation of unscheduled principal collections on the mortgage loans will not decrease. The step-down test will be satisfied on any distribution date if:

- The six-month average principal balance of all loans 60 days or more delinquent, as well as loans (without duplication) that are subject to a servicing modification within the previous 12 months, is less than 50.0% of the principal balance of the subordinate certificates; and
- Cumulative realized losses on the mortgage loans do not exceed the levels listed in table 6.

Except in certain circumstances, scheduled principal payments will be distributed pro rata between senior certificates and subordinate certificates. These payments to the subordinate tranches will reduce the absolute level of credit enhancement to the senior certificates and require additional initial subordination above the expected loss in a given rating scenario.

Table 6

Step-Down Test

Distribution date occurring in the following periods	Cumulative realized losses as a % of the original aggregate subordinate class principal amounts
December 2025-November 2026	20
December 2026-November 2027	25
December 2027-November 2028	30
December 2028-November 2029	35
December 2029 and thereafter	40

Principal distributions to subordinate certificates are directed to more-senior classes if the ratio of the sum of the balances of a particular subordinate class and all the classes lower than it in the capital structure to the total outstanding balance of all of the certificates falls below the applicable credit support percentage for that class at issuance (see table 7).

Table 7

Applicable Credit Support Percentage At Issuance

Class	(%)
B-1	5.00
B-2	3.00

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Table 7

Applicable Credit Support Percentage At Issuance (cont.)

Class	(%)
B-3	2.05
B-4	1.10
B-5	0.80
B-6	0.35

In addition, the transaction structure includes a subordination floor that protects senior classes from tail risk as the pool pays down. If the aggregate class balance of the subordinate certificates is less than or equal to 1.9% of the closing collateral balance or less than or equal to 5.00% of the current collateral balance, all principal collections will be paid to the senior certificates. The transaction also has a separate 1.4% (of closing collateral balance) floor that benefits the subordinate certificateholders, locking out principal payments to subordinate certificates with lower payment priorities (see the Large Loans And Tail Risk Considerations section).

Realized losses are applied in reverse sequential order until each class' principal balance has been reduced to zero: first to class B-6, then to class B-5, then to class B-4, then to class B-3, then to class B-2, and then to class B-1, until all subordinate certificates are reduced to zero. If no subordinate certificates are outstanding, realized losses will be applied to the senior-support certificates and then pro rata to the super-senior certificates.

Geographic Concentration

S&P Global Ratings analyzes the pool's geographic concentration risk based on the concentrations of loans in each of core-based statistical areas (CBSAs) defined by the U.S. Office of Management and Budget (see Appendix II of "Methodology And Assumptions For Rating U.S. RMBS Issued 2009 And Later," published Feb. 22, 2018). In this transaction, the top five CBSAs account for approximately 36.6% of the aggregate pool.

Because of this concentration, we applied a geographic Herfindahl factor (a concentration measure based on the sum of the squared CBSA concentrations related to a benchmark concentration) of 1.02x to our base loss coverage estimate.

Table 8

Geographic Concentration

CBSA code(i)	CBSA	State(s)	% by balance
31084	Los Angeles-Long Beach-Glendale	California	9.9
16984	Chicago-Naperville-Evanston	Illinois	9.7
42644	Seattle-Bellevue-Kent	Washington	6.1
41940	San Jose-Sunnyvale-Santa Clara	California	5.5
41884	San Francisco-San Mateo-Redwood City	California	5.4
Top five	--	--	36.6

(i)CBSA code refers to the metropolitan division code, if available. CBSA—Core-based statistical area (includes metropolitan statistical areas and metropolitan divisions where defined, as well as micropolitan statistical areas).

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Large Loans And Tail Risk Considerations

To address mortgage pools that contain large-balance loans, which may result in less diversification, we also perform a top concentration test when we assign an initial rating. For this analysis, we compare the loss coverage projection from our LEVELS analysis (in conjunction with any qualitative overlays) at each applicable rating level with minimum loss coverage projections as outlined in our criteria, based on the closing collateral pool balances. In our loss coverage analysis for this collateral pool, the large loan analysis was a driver for the loss coverage at certain rating levels.

Furthermore, with respect to tail risk, fast prepayments on shifting-interest structures typically benefit the senior certificates because unscheduled principal is applied to them disproportionally early in the transaction's life. However, as the number of loans in the transaction decreases, the effect of a single loan's losses becomes greater. If conditional prepayment rates are slow and collateral pool losses are not realized until later in a transaction's life (back-loaded losses), pro rata pay mechanisms can then leave the senior certificates exposed to event risk later in the transaction's life (for more information on tail risk in RMBS transactions, see "Older RMBS Transactions Face Increased Tail Risk As Their Pools Shrink," published Aug. 9, 2012). To mitigate this risk, the transaction documents provide for a credit enhancement floor, specifying principal payments will not be made to subordinate classes if the credit support available to the senior classes is less than or equal to 1.9% of the pool's closing collateral balance or 5.00% of the current collateral balance.

The transaction structure also has a "push-down" floor that protects the more-senior subordinate certificates from tail risk by locking out the more-junior subordinate classes and redirecting their subordinate principal payments to the relatively more-senior classes. This floor becomes effective when the aggregate balance of a subordinate class (other than the then-outstanding subordinate class with the lowest numerical designation) and all other classes with a lower distribution priority is less than or equal to 1.4% of the closing collateral balance.

To gauge the appropriateness of this credit enhancement floor, instead of focusing on the largest loans by balance at issuance, we risk-weight the loans in the transaction by focusing on those loans with the largest expected loss exposure, assuming default. Because the risk of substantial hard credit support erosion to the senior certificates can take years, and given the lockout period, we estimate this risk by amortizing the loans through the lockout expiration at the end of year nine, when the transaction begins paying all principal pro rata.

After considering loan amortization, our projected tail risk loss, when rounded to the nearest five basis points, was 1.9% for the 'AAA' rating category and 1.4% or less for the 'AA' and below rating categories. We believe these credit support floors will sufficiently protect the rated certificates from tail risk as the transaction seasons.

Servicing Fee Framework

For this transaction, the issuer will incorporate an incentive-servicing fee framework for all loans serviced by JPMorgan Chase Bank N.A. (JPMCB) and loanDepot.com LLC. Shellpoint Mortgage Servicing will act as interim servicer for 95.0% of the mortgage loans and will also use the incentive-servicing fee framework from the closing date until the expected servicing transfer date on or about Feb. 1, 2021. After the servicing transfer date, these loans will be serviced by JPMCB. In total, 97.4% of the loans (by balance) are subject to this incentive-servicing fee framework (table 9). For the remaining 2.6% loans, a servicing fee of 25 basis points will be utilized. We

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reviewed the incentive-servicing fee framework and believe it aligns the incentive servicer's interests with the cost of servicing a loan in different stages of performance and could positively affect collateral performance. Furthermore, in our view, the servicing fees under the incentive-servicing fee framework are adequate to entice a successive servicer, if the need arises.

While the base incentive-servicing fee for performing loans of $40.00 per month (as well as 25 basis points for the traditionally serviced loans) reduces the net weighted average coupon (WAC), any delinquent and incentive-servicing fees first reduce the unrated class B-6 certificates' net WAC and secondly, reduce available funds, which effectually reduces the class B-6 certificates' principal payment. Should this class be reduced to zero, then the class B-5 certificates' principal, then interest, would absorb the costs and so on, reverse sequentially up the capital structure as determined by the payment priority. To address this potential reduction in available funds, we accounted for certain fees in table 9, along with our archetypal liquidation timelines (see "Methodology And Assumptions For Rating U.S. RMBS Issued 2009 And Later," Feb 22, 2018), which increased loss severity proportionately for the incentive-serviced mortgage loans.

Table 9

Incentive Servicing Fee Framework

Type of servicing fee	Incentive framework ($ per loan)
Base servicing fee(i)	40
Delinquent servicing fee(i)(iii)	
60-119 days delinquent and not in foreclosure or REO	211
120+ days delinquent or in foreclosure but not REO	252
REO	172
Bankruptcy but not REO	45
Incentive servicing fee(iii)(iv)	
Re-performing--completed modification	2,500
Re-performing--cures from 60+ days delinquent(v)	1,000
Default resolution—completed short sale	1,500
Default resolution--deed-in-lieu foreclosure	500
Default resolution--completed REO sale or third-party sale	1,000

(i)Paid monthly. (ii)Fees are paid in addition to the base servicing fee. (iii)To be paid upon completion. (iv)Only applies to a mortgage loan that cures for reasons other than by modification and only if this fee has not been paid with respect to the mortgage loan in the previous 11 months. REO--Real estate owned.

MOAs

JPMMAC

We conducted an MOA of JPMMAC as an aggregator and assigned an overall AVERAGE ranking to JPMMAC. Based on the results of our MOA, we determined a loss coverage adjustment factor of 0.95x was appropriate. We believe the company's experienced management team, thorough seller review and monitoring process, and 100% due diligence on purchased loans are strengths. Certain weaknesses include the unavailability of its internal audit reports and limited loan performance history.

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Our qualitative review is based on our assessment of three primary focus areas for operational reviews. For aggregators, the primary focus areas are management and organization, loan purchase and aggregation, and internal controls. For the quantitative review, we compared the performance of JPMMAC securitizations issued under the JPMMT shelf from 2013 onward with its peers.

As a conduit, JPMMAC (a Delaware corporation) was organized in 2002 primarily to securitize mortgage and home equity loans. The company is a direct wholly owned subsidiary of JPMCB, which is a subsidiary of the holding company, JPMorgan Chase and Co.

JPMMAC's whole-loan conduit is the centralized distribution center of non-agency mortgages for Chase Mortgage Banking and select third-party originators. As of our review, the company had purchased loans from about 35 sellers and planned to add approximately two-to-four sellers per month to the program. The program is designed around different RMBS product types. The conduit's main products are prime (fixed- and adjustable-rate) mortgages with nonconforming or conforming balances that were purchased with either servicing-released or retained and with delegated and non-delegated underwriting authority.

JPMMAC has a thorough review process for new sellers and comprehensive monitoring of existing sellers, including the use of seller scorecards. Senior management approval is needed to start discussions with a prospective seller. Once senior management has approved a prospective seller, the process of full counterparty approval begins. The approval process includes verification through the eligibility program of all licenses, systems, and adherence to stringent loan eligibility requirements.

JPMMAC conducts 100% due diligence on loans that it acquires using a third-party review firm that is on S&P Global Ratings' reviewed list (see "S&P Global Ratings Publishes List Of Third-Party Due Diligence Firms Reviewed For U.S. RMBS As Of Aug. 5, 2019," published Aug. 5, 2019). The scope of the review, which is consistent with market standards, comprises a full re-underwrite on these loans (credit, compliance, property valuation, and fraud). All loans must be submitted to an automated fraud and data check tool.

We consider the following to be strengths of JPMMAC:

- Experienced management team averaging over 15 years of industry experience;
- Long operational track record for its parent company;
- Relatively stable financial performance supported by our 'A+/Stable/A-1' rating on JPMCB and our 'A-/Stable/A-2' rating on the bank holding company, JPMorgan Chase and Co.;
- A thorough review process for new sellers and comprehensive monitoring of existing sellers, including the use of seller scorecards;
- Required 100% due diligence on loans that it acquires, which includes a full review of credit, compliance, collateral valuation, and fraud;
- Continuous systems and controls improvements around its quality control (processes via a loan quality validator that confirm loan guidelines are met at each segment of sourcing, diligence, and securitization lifecycle); and
- Strong asset quality of loans purchased 2013 and forward.

Partly offsetting the above strengths, in our view, are the following weaknesses:

- No internal audit reports were made available to us for review; however, we recognize that JPMCB is regulated by the Federal Deposit Insurance Corp., Office of the Comptroller of the

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Currency, the Federal Reserve, and the Consumer Financial Protection Bureau, which mitigates this weakness to an extent;

- There is limited information on the company's post-purchase quality control processes; and
- There is limited loan performance history because the company was formed in 2012, but loan performance has been in line with its peers.

Mortgage originator concentration--Guaranteed Rate Inc.

In addition to an MOA of JPMMAC, we reviewed historical performance data of loans in JPMMAC's securitizations from 2013 to 2020 that were purchased from Guaranteed Rate Inc. We noted that any observed delinquencies and losses were comparable to the remaining loans in such securitizations. Based on the results of this analysis, we applied JPMMAC's adjustment factor of 0.95x to the approximately 33.9% by pool balance of loans in JPMMT 2020-9 that were originated by Guaranteed Rate Inc.

Third-Party Due Diligence Review

AMC, Clayton, Digital Risk, and Inglet Blair performed third-party due diligence on 100% of the loans in the transaction. The scope of the loan-level review encompassed credit (underwriting) compliance, property valuations, regulatory compliance, and data quality. The third-party firms followed the Structured Finance Assn. (SFA) RMBS 3.0 TRID Compliance Review Scope in conducting their final loan reviews to verify the QM/ATR status of the mortgage loan (see "Standard & Poor's Comfortable With SFIG Draft Proposal Regarding TRID Due Diligence," published April 25, 2016). According to our published third-party due diligence criteria, we adjust our loss expectations based on our view of the firm's findings (see Appendix III of "Methodology And Assumptions For Rating U.S. RMBS Issued 2009 And Later," published Feb. 22, 2018). All 360 loans have a grade level of 'A' and 'B' for credit, compliance, and property valuation exceptions. There are no level 'C' or 'D' exceptions reported. After reviewing the third-party due diligence results, we applied an adjustment of 1.00x to the pool-level loss coverage.

Representations And Warranties (R&Ws)

Our review of the R&Ws for JPMMT 2020-9 focused on whether the representations made by the R&W providers were substantially consistent with the set of representations we published in our criteria (see Appendix IV of "Methodology And Assumptions For Rating U.S. RMBS Issued 2009 And Later," published Feb. 22, 2018). In addition, our review of the R&W framework accounts for automatic review triggers, knowledge qualifiers, sunset provisions, gap reps, and enforcement mechanisms. We evaluated the strength of the R&W framework and considered whether any breach could have a materially adverse impact on the interests of the transaction's certificateholders. If the R&Ws and framework do not address the issues in our published R&W framework, we will determine whether we believe it is appropriate to assess additional credit enhancement. Lastly, we considered the R&W providers' ability to fulfill their obligations in the event of a breach.

The collateral pool consists of loans from 16 sellers sold to JPMMAC. Each originator made R&Ws that are generally consistent with our criteria for the loans they contributed to the transaction. Many originators provide R&Ws until the securitization's closing date; however, some originators only provide R&Ws up to the date that they sold their loans to JPMMAC. In these cases, JPMMAC

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provides R&Ws covering the gap period between the dates that the originators sold their loans to JPMMAC and the date that the loans are sold to the trust.

The R&W framework is similar to other recent JPMMT transactions and has significant strengths and certain weaknesses. We note that JPMMT will not backstop any of the originators (or aggregator) if they cannot repurchase mortgage loans.

Attributes of the R&W framework

Knowledge qualifiers: The transaction has knowledge qualifiers that relate to the following representations: all parties with an interest in the loan are in compliance with licensing requirements; there is no nonmonetary default on the loans; there is no proceeding to condemn property; and the property is in compliance with environmental law. Overall, these knowledge qualifiers are not material to the R&W framework.

Sunset: There are certain R&Ws that contain sunset provisions. Two of these relate to underwriting guidelines (adherence to the underwriting guidelines and income, asset, and employment verification), and one relates to the fraud R&W (excluding conspiratorial fraud involving multiple persons). The sunset period is 36 months. However, if the loan becomes 30-days delinquent during the first 36 months since issuance, the sunset period for that loan increases to 72 months. These sunset provisions are a weakness in the framework; however, we acknowledge that the delinquency test helps mitigate such risk.

Review triggers: Review triggers occur when any mortgage loan becomes 120-days delinquent, has a servicer that stops advancing because of nonrecoverability, is liquidated at a loss, or is modified before 120-days delinquency. For loans that are from a classified Federal Emergency Management Agency (FEMA) disaster area and became 120-days delinquent, a 90-day grace period is provided before a review can be commenced (in case of any mortgage loans subject to a forbearance plan, a 90-day grace period is provided following the end of the related forbearance period); a review may not be conducted if the loans become less than 120-days delinquent in the grace period. Similarly, FEMA disaster area loans that are modified before 120-days delinquency are reviewed only if they were 60-days delinquent before the location was declared a FEMA disaster area. Although these restrictions may prevent reviews from being conducted, there could be some benefit to not conducting the reviews too soon after a disaster because the review may just find that the delinquency was a result of the disaster and unnecessarily increase costs to the trust. Overall, we believe these review triggers are sufficient to cover a wide range of scenarios that may indicate a loan at risk of having an R&W breach.

The breach reviewer: The reviewer shall have sole authority to determine whether a breach has occurred. JPMMAC, as the sponsor, named Pentalpha Surveillance LLC (Pentalpha) as an independent breach reviewer, who has been engaged on prior JPMMT transactions. Pentalpha is compensated via an annual fee plus a fee for each review. Having an independent breach reviewer is a positive feature of the R&W framework, in our view.

Breach effectiveness: To determine whether a breach warrants a repurchase obligation, the breach reviewer must follow the prescribed guidelines detailed in the offering materials. One feature concerns a materiality test failure in which the breach reviewer must determine whether the defect materially increased the loan's credit risk at origination; resulted in, or will result in, a higher loss at liquidation; or impaired the payment's or loan's enforceability.

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In determining these factors, the reviewer must consider whether an underwriter, at origination, would have believed the defect to comply with the underwriting guidelines; whether an underwriter, at origination, would have considered the loan as having the same substantial credit risk after accounting for the defect and any compensating factors; and whether the defect caused any actual or projected default or loss considering knowledge of the defect. The breach effectiveness is prescribed, which has pros and cons. Although it reduces uncertainty of the process to the representation providers and investors, the specific procedures and thresholds may limit the scope of the breach reviewer and could prevent certain loans from being put back. Furthermore, the R&Ws are subject to "material and adverse effect" standards, which can be ambiguous and

subjective.

Enforcement mechanisms: Enforcing the breach reviewer's decision is automatic after a material test failure is delivered to the securities administrator. If the representation provider disputes the decision, it may provide evidence to the contrary or choose arbitration proceedings.

Arbitration: Certificateholders that disagree with the reviewer's determination that no material test failure exists can choose to bring the case to arbitration or, in certain cases and upon 90 days' written notice, remove the reviewer. Each case can only occur at the written direction of the certificateholders holding 25.00% or more of the outstanding balance. If a representing party or a review quorum of certificateholders disputes the reviewer's final finding of a material test failure, the dispute resolution will be by arbitration. The arbitrator's decision will be final and binding.

Overall, we applied a 1.00x R&W adjustment to the loss coverage, taking into account the overall R&W framework, the strong credit quality of the assets, JPMMAC's solid aggregation platform, and the third-party due diligence performed on every loan to mitigate the risk.

Cash Flow And Scenario Analysis

We reviewed the transaction structure and performed a cash flow analysis to simulate various rating stress scenarios (see charts 2 and table 10) to determine the preliminary ratings for each class of certificates consistent with our criteria, accounting for the available credit enhancement. We analyzed various scenarios for each rating category, including combinations of:

- Front- and back-loaded default timing curves;
- Two-year recovery lag assumption; and
- Fast and slow prepayment assumptions.

For further detail on our cash flow stresses, please refer to our criteria "Methodology And Assumptions For Rating U.S. RMBS Issued 2009 And Later," published Feb. 22, 2018.

Chart 2

Table 10

Cash Flow Assumptions

	Scenario					
	AAA	AA	A	BBB	BB	B
Recovery lag (mos.)	24	24	24	24	24	24
Prepayments (%)(i)						

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Table 10

Cash Flow Assumptions (cont.)

	Scenario					
	AAA	AA	A	BBB	BB	B
Low CPR	1	2	3	4	5	6
High CPR	20	20	20	20	20	20
Servicer stop advance (%)	N/A	N/A	N/A	N/A	N/A	N/A
Foreclosure frequency (%)	7.58	5.77	4.47	3.18	2.40	1.64
Loss severity (%)	50.79	45.93	36.91	33.07	27.08	21.34
Loss coverage (%)	3.85	2.65	1.65	1.05	0.65	0.35

(i)Using a standard prepayment convention. CPR--Conditional prepayment rate. N/A--Not applicable.

We applied the foreclosure frequencies, loss severities, and combinations of the stresses noted above in our cash flow runs, and the results show that each class in the transaction is enhanced to a degree consistent with its assigned preliminary rating with the following exceptions due to the minimum credit enhancement at the breakeven ratings not being met: class B-2 was capped at 'A (sf)' from a cash flow breakeven level of 'A+ (sf)', class B-3 was capped at 'BBB (sf)' from a cash flow breakeven of 'BBB+ (sf)', and class B-4 was capped at 'BB (sf)' from a cash flow breakeven of 'BB+ (sf)'.

Servicer stop advance stresses

The pool consists of prime collateral and the servicers are contractually obligated to advance monthly P&I payments through liquidation on delinquent loans. Therefore, we did not apply any servicer stop advance stresses due to the prime nature of the collateral and structural features that protect against potential liquidity problems. Although the current COVID-19 crisis may cause some mortgage loans to enter forbearance after closing, we decided not to apply an additional liquidity stress to cash flows, considering the servicers are obligated to provide full P&I advancing on mortgage loans that post-closing enter a COVID-19 related forbearance plan throughout the forbearance period.

WAC deterioration stress

The pool is relatively homogenous in its distribution of coupons. Moreover, the securities are net WAC-capped pass-throughs; therefore, we did not apply WAC deterioration stresses.

Interest stresses

All of the certificates have coupons subject to the net WAC rate cap, as is the case in the majority of post-2009 transactions that we have rated. If the net WAC rate decreases below the cap, the interest due to the certificates will decrease by a similar amount. We have generally seen two forms of net WAC rate definitions in transactions that we have rated since 2009. In some transactions, the net WAC rate is defined generally as the current net mortgage rate of the outstanding loans in the previous period (minus servicing fees, trustee fees, etc.). In these cases, extraordinary expense payments will reduce the available distribution amount and cash flow to the certificateholders, thereby potentially limiting the cash available to pay interest or principal to

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the subordinate tranches.

However, in this transaction, extraordinary trust expense payments reduce the net WAC rate, which effectively allocates the extraordinary trust expenses pro rata across all senior and subordinate certificateholders by reducing their interest payments by the amount of the extraordinary trust expenses paid (subject to the annual cap). Because subordination does not absorb these expense amounts, our trust expense analysis does not have an impact on the transaction's credit enhancement.

Imputed Promises Analysis

As noted above, our extraordinary trust expense analysis does not have an impact on the transaction's credit enhancement. However, as per our criteria "Methodology And Assumptions For Rating U.S. RMBS Issued 2009 And Later," published Feb. 22, 2018, and associated guidance "Guidance: Methodology And Assumptions For Rating U.S. RMBS Issued 2009 And Later," published April 17, 2020, we impute the interest owed to the security holders when rating U.S. RMBS transactions where credit-related events can reduce interest owed to the tranches across the capital structure rather than an allocation of such credit-related loss to the available credit support. WAC deterioration that occurs because of defaults, repurchases, or prepayments is not considered credit-related and we therefore don't consider it as part of this analysis.

Because this transaction provides for credit-related loan modifications and extraordinary trust expenses to reduce the net WAC, at which the transaction's certificate coupons are capped, we assessed the maximum potential rating (MPR) that could apply based on our projected interest reduction amount (PIRA). Because this is a new issue transaction, we did not account for any cumulative interest reduction amount.

Consistent with our criteria, we assumed that 50.00% of the loans projected to default would be modified, which, when added to the extraordinary trust expenses, resulted in a maximum PIRA on the rated certificates that is significantly below the 4.50% threshold. We stressed extraordinary trust expenses by the relevant extraordinary expense application factor as documented in our criteria. Based on the results of our analysis, there was no impact on the securities' MPR.

Historically, we have observed that extraordinary trust expenses have been minimal when they occur and have been extremely limited in pre-2009 RMBS transactions. We continue to expect their actual occurrence in post-2009 transactions to be rare.

Operational Risk Assessment

Our criteria, "Global Framework For Assessing Operational Risk In Structured Finance Transactions," published Oct. 9, 2014, present our methodology and assumptions for assessing certain operational risks (severity, portability, and disruption risks) associated with asset types and key transaction parties (KTPs) that provide an essential service to a structured finance issuer. Per the criteria, we cap the ratings on a transaction if we believe operational risk could lead to credit instability and affect the ratings.

As provided in the criteria, for severity risk and portability risk, there are three possible rankings: high, moderate, or low. For disruption risk, there are four possible rankings: very high, high, moderate, or low. The rankings for each of the risks determine the maximum potential rating that can be assigned to a structured finance security for a given KTP before giving consideration to any provisions for a backup KTP, such as a master servicer.

Per our criteria, we rank severity and portability risk for prime U.S. residential mortgage collateral

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as low and low, respectively. In accordance with our criteria, if severity and portability risk are each assessed as being low, then the maximum potential rating typically would not be constrained and a disruption risk assessment is not necessary. For JPMMT 2020-9, the master servicer, Nationstar Mortgage LLC, is the KTP. Given these risk assessments, our operational risk criteria does not cap the ratings on the transaction.

Related Criteria

- Criteria | Structured Finance | Legal: U.S. Structured Finance Asset Isolation And Special-Purpose Entity Criteria, May 15, 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: Methodology And Assumptions For Rating U.S. RMBS Issued 2009 And Later, Feb. 22, 2018
- Criteria | Structured Finance | RMBS: U.S. Residential Mortgage Operational Assessment Ranking Criteria, Feb. 22, 2018
- Criteria | Structured Finance | RMBS: Assumptions Supplement For Methodology And Assumptions For Rating U.S. RMBS Issued 2009 And Later, Feb. 22, 2018
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- Criteria | Structured Finance | General: Global Framework For Assessing Operational Risk In Structured Finance Transactions, Oct. 9, 2014
- Criteria | Structured Finance | General: Global Framework For Cash Flow Analysis Of Structured Finance Securities, Oct. 9, 2014
- Criteria | Structured Finance | General: Criteria Methodology Applied To Fees, Expenses, And Indemnifications, July 12, 2012
- General Criteria: Global Investment Criteria For Temporary Investments In Transaction Accounts, May 31, 2012
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011
- Criteria | Structured Finance | General: Global Methodology For Rating Interest-Only Securities, April 15, 2010
- Criteria | Structured Finance | General: Methodology For Servicer Risk Assessment, May 28, 2009

Related Research

- Select Servicer List, Sept. 25, 2020
- The U.S. Economy Reboots, With Obstacles Ahead, Sept. 24, 2020
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