

Preliminary Ratings Assigned To NZF Mortgages 2010-1 Trust RMBS

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OVERVIEW

- NZF Mortgages 2010-1 Trust is a securitization of prime residential mortgages originated by NZF Homeloans Ltd.
- We have assigned our preliminary ratings on the three classes of notes issued by Public Trust as trustee of the transaction.
- The preliminary ratings reflect our opinion of the transaction's credit support, collateral pool, servicer, and other features based on our current criteria and assumptions.

MELBOURNE (Standard & Poor's) May 26, 2010--Standard & Poor's Ratings Services today assigned its preliminary ratings to the three classes of prime residential mortgage-backed securities (RMBS) to be issued by Public Trust as trustee of NZF Mortgages 2010-1 Trust (see list). This will be the first issue of securitized mortgage loans sponsored by NZF HomeLoans Ltd.

The preliminary ratings are based on:

- Our view of the credit risk of the underlying collateral portfolio;
- Our view that the credit support for each class of notes, which comprises both note subordination and mortgage insurance covering 100% of the face value of all loans, accrued interest, and reasonable costs of enforcement, is sufficient to withstand the stresses we apply;
- Our expectation that the various mechanisms to support liquidity within the transaction are sufficient under our stress assumptions to ensure timely payment of interest; and
- Our expectation of the timely payment of interest and ultimate payment of principal by June 2041 for all classes of notes.

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A copy of Standard & Poor's complete report for NZF Mortgages 2010-1 Trust can be found on RatingsDirect, Standard & Poor's Web-based credit analysis system, at www.globalcreditportal.com.

PRELIMINARY RATINGS ASSIGNED

Class	Rating	Amount (mil. NZ\$)
A1	AAA	87.8
A2	AAA	9.1
B	AA-	2.5
C	N.R.	0.6
N.R.—Not rated		

RELATED RESEARCH

This media release is based in part on the following criteria articles:

- Principles-Based Rating Methodology For Global Structured Finance Securities, published May 29, 2007
- Criteria: Australia and New Zealand RMBS: Analyzing Credit Quality, published Feb. 21, 2007

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