

NEW YORK--([BUSINESS WIRE](#))--Fitch Ratings assigns the following rating to the HLSS Servicer Advance Receivables Trust Advance Receivables Backed Notes (HSART), Series 2013-MM1 Class A Term Notes (the Term Notes):

--\$265,000,000 Class A Term Notes 'F1+(sf)'.

TRANSACTION SUMMARY

The Term Notes will be issued by HLSS Servicer Advance Receivables Trust (the Issuer) on Sept. 26, 2013 under the Indenture amended and restated (Base Indenture) and the Third Amended and Restated Indenture Supplement (Indenture Supplement) expected to be dated Sept. 26, 2013. Under the Indenture Supplement the Issuer has issued one class of Class A Draw Notes (the Draw Notes) and is expected to issue one class of Term Notes in the amount of \$265 million on Sept. 26, 2013.

The balance of the Term Notes will be repaid with the proceeds from the sale of the Draw Notes under a Note Purchase Agreement with Wells Fargo Bank, N.A. (Wells Fargo) as the purchaser. The purchases will be conducted in nine equal monthly installments (purchase dates), beginning with the January 2014 Payment Date and with the final payment scheduled for Sept. 15, 2014.

Fitch has not analyzed the underlying collateral, as its rating of the Term Notes addresses only the ability of Wells Fargo to meet its commitment under the Note Purchase Agreement, enforceability of this obligation and available remedies if Wells Fargo (or its potential transferee) fails to pay. Other aspects of Fitch's analysis are addressed below.

KEY RATING DRIVERS

Credit Quality of Wells Fargo Bank, N.A.: The rating is directly linked to the short-term

Fitch Rates HSART Series 2013-MM1 Class A Term Notes

Written by Australian Business

rating of Wells Fargo (rated 'AA-'/Outlook Stable by Fitch), 'F1+', as the purchaser of the Series 2013-MM1 Draw Notes.

Under the Note Purchase Agreement, Wells Fargo's committed to purchase the Draw Notes, with the proceeds used solely to pay down the principal of the Term Notes. The principal payments to the Term Notes will be effected according to the amortization schedule with the final payment on Sept. 15, 2014.

Reliance on Wells Fargo's Commitment: Source of funds for principal repayment is proceeds received from the sale of the Draw Notes to Wells Fargo (or its transferee). The proceeds will be deposited in a segregated trust account with Wells Fargo. Wells Fargo, in its capacity as a Securities Administrator, will remit the amounts from the account to pay the holders of the Term Notes on each monthly payment date.

The Term Notes accrue interest at the rate of one month LIBOR plus a margin that gradually steps up in the Full Amortization Period (see description below) and/or with the occurrence and continuation of an Event of Default. The interest will be paid first from the Collection and Funding Account following the priority of payments under the Base Indenture, then, for any shortfall, from the Term Note General Reserve Account (see further detail below), with any remaining shortfall paid by the Draw Noteholders.

The Term Note General Reserve Account will be established at issuance for the benefit of the Term Notes. Funds will be withdrawn from the reserve for the sole purpose to pay interest due on the Term Notes if funds available in the Collection and Funding Account are insufficient.

The reserve required amount will be equal to the interest due for all remaining periods until stated maturity of the Term Notes based on one-month LIBOR as of the relevant determination date and the principal balance of the Term Notes according to the scheduled amortization. The Term Notes General Reserve Account will be fully funded initially and replenished on each funding or payment date up to the required amount from the Collection and Funding Account with the funds available after application of the relevant priority of payments specified in the Base Indenture.

While the availability of the reserve account enhances the Term Notes' ability to receive timely interest, ultimately any shortfalls will be backstopped by the Draw Noteholders, as described above. Therefore, Fitch's rating does not rely on analysis of the adequacy of the reserve required amount. Nor does Fitch's rating reflect any analysis of the ability of the underlying cash flows to provide for timely reserve replenishment from the Collection and Funding Account.

Enforceability and Remedies if Wells Fargo Fails to Pay: A failure of Wells Fargo to provide for interest shortfalls, as described above, or purchase Draw Notes (Draw Note Default) constitutes an Event of Default under the Base Indenture which in turn triggers a Full Amortization Period. Following a Draw Note Default, the Term Notes will be paid according to the priority of payment applicable under a Full Amortization Period, as specified in the Indenture Supplement, and thereby have recourse to the underlying trust collateral. However, the adequacy of the recourse related to the underlying collateral is outside of the scope of Fitch's analysis for this rating.

Wells Fargo or its transferee's obligations to purchase the Draw Notes continue notwithstanding the commencement of the Full Amortization Period. In addition, the Term Noteholders will have the right to direct the trustee (Deutsche Bank National Trust Company) to institute a judicial proceeding for the collection of the unpaid amounts.

Draw Notes Transfer Conditions: Wells Fargo may transfer its commitment for future remaining purchases of the Draw Notes under certain restrictions that include, but not limited to, 100% consent of the Term Noteholders and the new investor having Fitch short-term rating of 'F1+'. In the absence of the Term Notes consent, the Draw Noteholders have the right to redeem the entire remaining balance of the Term Notes and interest due thereon on the next purchase date.

Counterparty Exposure & Qualified Investments Risks: Fitch reviewed definitions of Permitted Investments, Eligible Accounts and analyzed exposure to indirect counterparties and concluded that they meet Fitch's counterparty criteria.

RATING SENSITIVITY

Fitch will rely on the issuer to provide it with relevant reporting to confirm the timely payment of interest due to and principal amortization of the Term Notes as provided for in the Indenture Supplement.

A default by Wells Fargo or any potential transferee to fulfill its commitments described above, whether waived or not by the Term Noteholders, may be considered a default from a rating perspective, or lead to a rating withdrawal.

Additionally, a downgrade to the short-term rating of Wells Fargo or its transferee by Fitch will lead to a downgrade of the Term Notes.

LEGAL ANALYSIS

Given that Fitch did not analyze the underlying collateral standard structured finance legal opinions were not reviewed by Fitch's counsel.

For this transaction Fitch did not receive an Enforceability Opinion with respect to Wells Fargo's commitments under the Note Purchase Agreement. Instead, Fitch relied on the corporate rating and reputation of Wells Fargo.

An assessment of the transaction's representations and warranties was also completed and found to be consistent with the ratings assigned to the Term Notes. For further information, see 'HLSS Servicer Advance Receivables Trust Advance Receivables Backed Notes, Series 2013-MM1 Class A Term Notes Representation & Warranties Appendix', dated Sept. 24, 2013.

Additional information is available at 'www.fitchratings.com'.

Applicable Criteria & Related Research:

--'Global Structured Finance Rating Criteria' (May 24, 2013);

--'Counterparty Criteria for Structured Finance and Covered Bonds' (May 13, 2013).

--'HLSS Servicer Advance Receivables Trust Advance Receivables Backed Notes, Series 2013-MM1 Class A Term Notes Representation & Warranties Appendix'.

Applicable Criteria and Related Research:

Global Structured Finance Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=708661

Counterparty Criteria for Structured Finance and Covered Bonds

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=707155

HLSS Servicer Advance Receivables Trust Advance Receivables Backed Notes, Series 2013-MM1 Class A Term Notes

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=719400

Additional Disclosure

Solicitation Status

http://www.fitchratings.com/gws/en/disclosure/solicitation?pr_id=803359

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