Mosaic Solar Loan Trust 2020-2

$222,000,000 Asset Backed Securities

MOSAIC

Analytical Contacts:

Melvin Zhou, CFA, Senior Director
mzhou@kbra.com, (646) 731-2412

Eric Neglia, Managing Director
eneglia@kbra.com, (646) 731-2456

Pritam Patel, Associate
ppatel@kbra.com, (646) 731-3374

Abby Barkwell, Director
abarkwell@kbra.com, (646) 731-3304

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Executive Summary

This pre-sale report is based on information regarding the underlying solar consumer loans and the terms of the securitization as of September 24, 2020. The ratings shown are preliminary and subsequent information may result in the assignment of a final rating that differs from the preliminary rating. This report does not constitute a recommendation to buy, hold, or sell securities.

Rated Notes					
Class	Initial Amount ($'000)	Interest Rate	Final Scheduled Payment Date	Initial Credit Enhancement (%)	KBRA Preliminary Rating
Class A	$107,370	TBD	Aug 20, 2046	54.66%	AA- (sf)
Class B	$93,870	TBD	Aug 20, 2046	13.96%	A- (sf)
Class C	$9,570	TBD	Aug 20, 2046	9.81%	BBB- (sf)
Class D	$11,190	TBD	Aug 20, 2046	4.96%	BB- (sf)
Total	$222,000				

Transaction Overview

Solar Mosaic, Inc. ("Mosaic" or the "Company") is a California-based specialty finance company focused on originating and servicing consumer loans used for the purchase of residential solar systems. Mosaic was founded in 2011 and began originating residential solar system loans in June 2014. Mosaic originates loans to mostly prime credit quality homeowners through its partnerships with more than 300 approved solar system installers/dealers. Mosaic disburses funds directly to installers, equal to the system cost minus installer discounts. This discount depends on the loan term and dealer agreements and is generally netted out proportionately with each disbursement to the installer/dealer.

Mosaic directly originates loans in 46 states and the District of Columbia through its state lending licenses where required, and across all 50 states and the District of Columbia through lending partnerships with financial institutions.

This transaction, Mosaic Solar Loan Trust 2020-2 ("Mosaic 2020-2"), represents the eighth rated term ABS securitization collateralized by secured consumer loans originated by the Company. Mosaic 2020-2 will issue four classes of notes in an aggregate principal amount of $222.0 million. The notes will be backed by a pool of mostly prime quality residential consumer solar loans originated to finance solar energy systems, including, without limitation, solar panels or modules, inverters, electricity storage, charging/monitoring equipment (including batteries and automobile charging equipment), prepaid operations and maintenance agreements and related landscaping, roofing or re-roofing, wiring, electrical system upgrades and any additional equipment or services related to installation ("Solar Energy Systems"). Credit enhancement on the notes consists of i) overcollateralization, ii) subordination (in the case of Class A, Class B, and Class C Notes), iii) amounts on deposit in a capitalized interest account, iv) amounts on deposit in a reserve account, and v) excess spread. For a summary of the transaction structure and credit enhancement, see "**Key Credit Considerations**" and "**Transaction Structure**" section of this report.

The solar loans are secured by the Solar Energy Systems and Mosaic files a UCC-1 and county fixture disclaimer filings on the solar equipment. Loans typically have original balances of $10,000 - $50,000 (but may not exceed $100,000), original terms of 10 – 25 years and interest rates of 2.49% - 8.49%. The collateral pool will include approximately $26.80 million of residential solar loans at closing. The average current balance weighted average remaining loan term and "choice" interest rate of loans in the initial collateral pool as of the September 18, 2020 statistical cutoff date was, $33,790, 17.6 years (211 months) and 4.4%, respectively. The average customer in the statistical pool is a homeowner with a weighted average FICO score of 755, and approximately 91% of the initial solar loans (based on aggregate balance of loans that have reached first payment dates) is currently remitting monthly payments via ACH. All of the solar loans in the closing collateral pool will have achieved permission to operate (PTO).

Approximately $103.8 million, or 45% of the total collateral pool, will be prefunded at closing. During the prefunding or Supplemental Purchase Period, which ends on the 90th day following closing, additional solar loans that meet the eligible solar loan criteria will be purchased into the trust, subject to certain concentration limits. No pre-PTO loans will be eligible for the supplemental purchases.

Mosaic's underwriting approach considers i) the quality of the equipment manufacturer, ii) experience and quality of installers and iii) credit quality of borrowers. This three-tier approach helps ensure the solar equipment is of high quality, operational, and correctly installed and the borrower has the ability and willingness to make loan payments. Mosaic's proprietary borrower underwriting model is based on the borrower's FICO score, prior credit history, and other limitations based on various credit metrics.

Mosaic does not provide any operation and maintenance ("O&M") coverage. It is the borrower's responsibility to service the solar system and fulfill loan payment obligations. If the system is not operational, the borrower may contact the installer.

The Company previously issued seven term ABS transactions beginning with Mosaic 2017-1 which closed on February 2, 2017. All Mosaic securitizations were rated by KBRA.

The transaction parties for Mosaic 2020-2 are listed below:

Transaction Parties	
Sponsor / Originator / Servicer / Administrator	Solar Mosaic, Inc.
Seller and Retained Interest Holder	Solar Mosaic, Inc.
Issuer	Mosaic Solar Loan Trust 2020-2
Issuer Trustee / Indenture Trustee / Paying Agent / Underlying Trustee	Wilmington Trust, National Association
Subservicer	Concord Servicing Corporation
Back-Up Servicer / Custodian / Verification Agent	Vervent, Inc.
Lead Managers and Initial Purchasers	RBC Capital Markets, BNP PARIBAS and Deutsche Bank Securities

Key Credit Considerations

Potential COVID-19 Implications The economic effects of COVID-19 have the potential to impact this transaction and Mosaic's business operations, including the Company's financial performance and liquidity, originations, and credit performance of its managed portfolio. The financial impact of COVID-19 has resulted in an economic slowdown and high unemployment, which can adversely impact the performance of the transaction and consumer loans in general. In considering this risk, KBRA applied additional stress scenarios by increasing its expected base case cumulative gross loss assumptions for this transaction. The assumption increase was derived from KBRA's analysis of the relationship between the historical unemployment rate and annualized gross loss rates through the 2008-2009 financial crisis for different types of lending products.	**-**
Company's Response to COVID-19 The Company has taken the following steps to manage their business in response to the pandemic: ▪ Staffing: In April 2020, Mosaic reduced its workforce which it expects will result in a meaningful decrease in operating expenses compared to FY 2019. As of May 31, 2020, all Mosaic employees in both its Oakland and Phoenix offices are working from home. ▪ Origination: Mosaic's origination volume declined in March and early April 2020 due to COVID-19. However, loan applications have since returned to pre-COVID levels. ▪ Underwriting: Mosaic has temporarily tightened and added new underwriting criteria for certain borrower segments, introduced additional methodology for onboarding new installers and regularly evaluating installers and contractors on its platform. ▪ Servicing and Collections: Mosaic has implemented a short-term payment relief program for impacted borrowers to defer up to 6 months of payments. Following the deferral, the loan maturity would be extended by the number of deferred payments. As of August 31, 2020, approximately 0.29% of Mosaic's managed portfolio was granted COVID-related extensions. There are no loans in active deferral/extension status in the Mosaic 2020-2 statistical pool and they are not eligible for the prefunding pool.	**-/+**
Transaction Structure Total initial credit enhancement levels inclusive of the capitalized interest and reserve accounts, as a percent of the total pool balance, will be 54.66% for the Class A notes, 13.96% for the Class B notes, 9.81% for the Class C notes, and to 4.96% for the Class D notes. The capitalized interest account will be funded with $0.49 million in cash at closing and will be used to cover the negative carry of the prefunding account. The reserve account will be funded at closing with $2.3 million and is required to be maintained at 1% of the pool balance. Prior to the occurrence of an Equity Lockout Period (see definition in "**Transaction Structure**"), the Class A and Class B notes will receive principal pro rata until the Trigger Credit Enhancement Percentage builds from 12.75% at closing to the targeted level of 16.45%. Once this target is reached, the Class A and B notes continue to receive principal	

pro rata to maintain this percentage. Class C and D will receive principal pro rata of 75% of the remaining funds. The remainder will go to the Class R Certificates.

If an Equity Lockout Period is in effect, all of the available funds will be used to paydown the notes, and the structure will revert to a sequential payment priority where the Class A Notes receive principal until paid in full, followed by the Class B, Class C and Class D Notes, in that order.

In addition, interest payments to the Class C and D notes will be deferred if the Cumulative Default Trigger is breached.

The credit enhancement levels are sufficient to cover KBRA's corresponding stressed cash flow assumptions for the ratings on the Notes.

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Experienced Management Team

Mosaic's current management team bring experience from technology companies, financial services, banking and the energy sector. Key personnel on the management team have experience in consumer finance, risk management, legal and regulatory compliance, underwriting processes and marketing. See "**Management Overview**" section for additional detail.

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Limited Performance Data

Mosaic has limited operating history compared to the term of the solar loans held as collateral in this securitization. The Company began originating solar loans in June 2014 and therefore provided KBRA with no more than 70 months of performance data on loans that may be as long as 25 years (300 months). These loans have not been through a full loan life-cycle and therefore losses could be higher than what they are currently experiencing.

In addition, Mosaic recently updated the underwriting approach for its 25-year loan program. Back-testing results provided by the Company indicate that the performance of the 25-year loans with the additional underwriting criteria would be in-line with the performance history of Mosaic's 20-year loan product over the last 4.5 years.

Although still limited, the actual performance data does show increased loss levels after the vintages have seasoned beyond the 18-month point where customers are expected to apply the Investment Tax Credit ("ITC") payment to prepay the loan and maintain the choice interest rate and/or choice monthly payment. Additionally, the data does not show how loan performance will be impacted when the customer is required to perform additional maintenance (e.g. inverter replacements), when system efficiency deteriorates or when new technology is more desirable and efficient than existing technology.

Given the limited data, Mosaic commissioned a major credit bureau to conduct a proprietary study of "home related" secured consumer loans and unsecured consumer loans for loans closely resembling residential solar loans. The study excluded mortgage-secured home equity loans. KBRA used this gross default data, in combination with Mosaic's actual performance data, to derive a loss timing curve and gross default assumptions and then compared our results to other consumer loan defaults for similar credit quality. Additional losses were added at key maintenance periods when inverter replacement is likely and to account for performance guarantors failing to honor their obligation which may cause the consumers to try to offset this amount against their

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corresponding loan. Break-even loss coverage multiples were stressed to KBRA's loss coverage multiple range for each note rating category.

Financial Condition and Liquidity As of August 31, 2020, the Company had stockholder's equity of $157.6 million. Mosaic finances loan originations through multiple bank warehouse lines, whole loan sale agreements and a programmatic securitization program. As of August 31, 2020, Mosaic had access to three warehouse facilities for its solar lending program with an aggregate commitment amount of $600 million. Mosaic will sell approximately $231 million of loans to Mosaic 2020-2 and use the net proceeds from the sale to pay down existing warehouse debt and for general corporate purposes. The Company plans to fund future operations with a combination of proceeds from securitizations, proceeds from whole loan sales, fee income generated from direct origination programs and positive cash flow from operations. Mosaic's reliance on debt financing to fund operations increases the risk that Mosaic may not have the resources to originate new loans and perform their servicing responsibilities, but this is expected for a developing company. The Company's strong support from equity providers and ability to secure liquidity from a variety of capital market sources is viewed positively by KBRA.	-/+
Servicing, Sub-servicer, Backup Servicer & Verification Agent Mosaic, as the primary servicer, is responsible for collecting and processing borrower payments and enforcing the collateral securing the loans. Mosaic typically employs, in accordance with its customary servicing practices and policies, the services of a third-party collection agency to pursue collection of the amounts owing under delinquent and defaulted loans, however Mosaic remains obligated and liable for the servicing of the collateral. Concord Servicing Corporation ("Concord") performs certain servicing functions on behalf of Mosaic on all Solar Loans and related Solar Assets under the Sub-Servicing Agreement. However, Mosaic will not be relieved of its obligations to the Issuer under the Servicing Agreement. Vervent, Inc. ("Vervent") will be responsible for all backup servicing responsibilities. If Mosaic is terminated as Servicer or Concord is terminated as the Sub-Servicer, loan performance may be negatively impacted while servicing responsibilities are transferred to the Back-Up Servicer. This may result in a disruption in collections and modification of the ways in which the loans are serviced and payments are processed. Approximately 90.91% of the initial solar loans, based on the aggregate balance of loans, are on ACH). The level of payments coming through ACH and the ongoing involvement and preparedness of the backup servicer should minimize the impact of a servicing disruption in the event servicing must be transferred.	-/+
Focus on Quality Equipment Manufacturers and Installers Mosaic has a three-pronged underwriting approach and reviews i) the quality of the equipment manufacturer, ii) experience and quality of installers and iii) credit quality of borrowers. This approach helps ensure the solar equipment is of high quality,	+/-

operational, and correctly installed and the borrower has the ability and willingness to make loan payments. Mosaic works with over 300 active approved installers/dealers. Mosaic maintains an internal process to assess and monitor the financial strength of their installers. As the price of solar equipment installations increases from historical lows in part due to the U.S.'s safeguard tariffs, competition among installers increases and the pace of residential solar installation slows, margins will likely drop and put pressure on installers.	
Prefunded Solar Loans Approximately 45% of the 2020-2 total collateral pool will be prefunded. The additional solar loans will be purchased into the securitization trust within the 90-day prefunding period after closing. These additional solar loans will be subject to Eligibility Criteria with concentration limits. See **Transaction Structure** at the end of this report for a complete definition of the Eligibility Criteria. KBRA notes that no pre-PTO loans will be allowed to be purchased into the trust during the prefunding period. A capitalized interest account will be established and funded at closing to cover the interest accrued on the Notes during the prefunding period. In its cash flow analysis, KBRA assumes the worst pool mix for the prefunded pool as allowed by the concentration limits specified in the Eligibility Criteria. In addition, all purchases are assumed to be made on the last day of the prefunding period.	**-/+**
Geographic Concentration Adverse economic conditions, regional recessions, natural disasters and pandemics like COVID-19 may negatively impact loan performance or collections. Mosaic 2020-2 loan portfolio has significant geographic concentrations, with California borrowers representing 37.55% of the initial collateral pool balance as of the September 3, 2020 statistical cutoff date. The next largest state concentrations are in Florida (16.29%), Texas (10.66%), Arizona (4.35%), and New Jersey (3.98%). The concentration of receivables in the top five states is 71.99% of the initial pool balance. Mosaic is not expecting the current wildfires in California will have a material impact of loan performance. Wildfires are covered by Mosaic's natural disaster policy and Mosaic offers the same loan extension terms (up to 6 months of extension) for those affected by the fires as the Company has in response to COVID-19. According to Mosaic, all borrowers made representations to Mosaic at origination that they had homeowner insurance policies and Mosaic's representatives work with borrowers to ensure that the loan is paid off once a borrower has received insurance proceeds.	**-**
The ITC and Potential Increase to Borrower's Monthly Loan Payment The solar federal tax incentive - ITC - is designed to support the adoption of solar energy in the United States. The 30% tax incentive remained in effect through December 31, 2019 then decreased to 26% for 2020. The residential tax incentive decreases to 22% for 2021, and 0% thereafter. The 2020-2 statistical collateral pool comprises of 98.23% Single Rate Solar Loan program, which is also referred to as "Choice" or "PowerSwitch CHOICE". The Choice loans contain a feature where the loan re-amortizes to a higher monthly payment if a 30% or 26% prepayment is not made by month 18, resulting in an increase of the	**+/-**

monthly payment amount. The loan also re-amortizes to a lower monthly payment if a higher than 30% or 26% prepayment is made.

Mosaic views the payment structure of the Choice loans as offering consumers an initial low payment followed by the payment necessary to fully amortize the loan based on the amount prepaid by the consumer. Mosaic acknowledges that the structure and all consumer disclosures have been informed by a thorough legal review process. KBRA notes that loans structured to provide increases in monthly payments when borrowers fail to make a required prepayment during the term of a loan may potentially invite the scrutiny of consumer protection regulators. KBRA further notes that the increase in the required monthly payments due to a borrower's failure to prepay the loan in an amount equal to 30% or 26% of the original principal balance may result in higher monthly payment amounts and potential defaults.

The remaining 1.77% of the collateral pool are PLUS Solar Loans, also referred to as "PowerSwitch PLUS", which provide a loan amortization schedule designed for customers who don't expect to receive a tax credit or who want to re-roof or make other energy efficiency improvements on their home at the same time as adding solar or solar and batteries, with payments reassessed at 18 months to account for any principal prepayments made during the first 18 months of loan life.

Operations Maintenance and Monitoring

O&M is the borrower's responsibility for Solar Energy Systems that are purchased and financed with loans. Mosaic does not provide any O&M coverage on the financed solar equipment, instead it is the borrower's responsibility to service the system and make loan payments. Failure to maintain and service the solar system could lead to system breakdown, which could lead to delinquencies or losses on the loans. Certain installers offer O&M as part of a Performance Guarantee ("PeGu") which is added to the financed amount at the time of sale. Once installed and connected, rooftop solar systems require minimal ongoing maintenance where most service related issues are related to installation problems or defective equipment which are covered by the workmanship warranty and equipment warranty.

Mosaic attempts to mitigate any O&M risk by relying on equipment warranties provided by the equipment manufacturers related to the solar system, workmanship warranties related to the quality of installation by the installer.

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Solar Loans result in Savings on Utility Bills

Solar loan payments can be viewed as displacing utility payments and reducing the overall household electricity payments rather than increasing monthly debt payments. Solar loans with longer tenors typically result in monthly savings, while shorter tenor loans typically result in lifetime savings but not necessarily monthly savings. Borrowers have an incentive to pay their solar loan to avoid reverting to the higher monthly utility expenses. Energy costs are expected to rise over time which would create additional value/savings for Mosaic's borrowers when compared to traditional utility sources and solar leases/PPAs that include escalator clauses to account for rising energy prices. This value creation has the potential to reduce losses compared to other consumer loan portfolios.

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Safeguard Tariffs on Imported Solar Cell and Modules The solar tariffs imposed by the Trump administration may put upward pressure on prices of PV systems, reduce PV supply, result in fewer residential installations and less loan volume for solar finance companies. KBRA expects the price increase to have a minimal impact on Mosaic and the consumers for the following reasons i) prices on PV systems have dropped significantly over the past few years, ii) technological advancements are expected to lower overall production costs iii) the 26% investment tax credit remains in place through December 2020 and iv) PV cell and module cost is only one component of the solar energy system value proposition. Installation costs, profit margins, energy prices (including net metering decisions and related policies), financing options, interest rates also impact the customers decision. In Mosaic's experience, the imposition of tariffs does not appear to have had a significant impact to date on the volume or cost of solar installations in the residential solar sector.	-
Layering of Risks The interplay of multiple risk factors may result in default or loss rates, which are higher than expected. The risks include: limited performance data and use of proxy data, the impact of manufacturers, installers or performance guarantors failing to honor their obligations, collateral with monthly payments that may increase, longer term consumer loans, changing technology and O&M risk borne by the borrower.	-

KBRA KROLL BOND RATING AGENCY

Transaction Summary

The chart below summarizes the characteristics of the collateral pool and credit enhancement structure of this transaction compared to Mosaic's earlier securitizations.

Deal name	Solar Mosaic 2020-2	Solar Mosaic 2020-1	Solar Mosaic 2019-2	Solar Mosaic 2019-1	Solar Mosaic 2018-2-GS
Transaction Date	10/7/2020*	6/25/2020	11/6/2019	2/6/2019	6/29/2018
Collateral Stratification					
Initial Pool Balance	$230,648,910**	$315,097,333**	$224,000,000**	$281,289,350	$381,546,026
Number of Loans	3,754	7,963	4,871	9,746	14,109
Avg Current Loan Balance	$34,226	$33,576	$29,892	$29,784	$27,043
W.A Avg Coupon (Choice Rate)	4.40%	4.62%	4.67%	4.52%	4.55%
W.A Avg Coupon (Standard Rate)	N/A	N/A	4.67%	4.53%	4.57%
Wtd Avg FICO	755	753	752	752	741
Wtd Avg Original Term (months)	215	212	212	208	224
Wtd Avg Remaining Term (months)	211	207	203	201	214
Wtd Avg Seasoning (months)	4	5	9	7	10
FICO Distribution					
640-660	3.94%	3.96%	2.87%	2.69%	5.08%
661-680	8.31%	8.37%	8.28%	8.39%	10.82%
681-700	7.39%	7.99%	10.24%	10.10%	11.35%
701-720	10.39%	10.96%	11.40%	11.82%	13.94%
721-740	11.13%	11.67%	11.63%	10.80%	12.33%
741-760	10.85%	10.61%	11.24%	11.08%	9.63%
761-780	11.15%	10.88%	10.18%	10.22%	9.97%
781-800	11.55%	11.20%	10.29%	11.27%	8.65%
801-820	11.02%	10.76%	11.10%	10.68%	8.36%
821-840	9.30%	9.26%	8.52%	8.85%	7.05%
841-850	4.99%	4.33%	4.25%	4.10%	2.82%
Geographic Concentration					
State 1	CA: 37.55%	CA: 35.68%	CA: 43.60%	CA: 47.58%	CA: 43.74%
State 2	FL: 16.29%	FL: 14.93%	FL: 10.18%	AZ: 7.06%	AZ: 9.04%
State 3	TX: 10.66%	TX: 8.82%	NJ: 6.99%	FL: 5.98%	TX: 7.13%
% Credit Enhancement					
Initial Credit Enhancement (1)	12.75%	17.67%	15.98%	16.20%	21.95%
Initial Reserve	1.00%	1.00%	1.00%	1.00%	1.09% (2)
Reserve Floor	1.00%	0.50%	0.50%	0.50%	0.09% (2)
YSOC Specified Discount Rate	0.00%	3.35%	4.00%	5.00%	5.00%
Gross Excess Spread					
Effective WA Interest Rate	4.40%	5.34%	4.78%	5.16%	5.23%
Note Coupon (Weighted)	1.94%	2.73%	3.22%	4.02%	4.50%
Servicing Fees	0.55%	0.55%	0.55%	0.80%	0.80%
Total Gross Excess Spread	1.91%	2.06%	1.01%	0.34%	-0.07%
% Total Initial Credit Enhancement (2)					
AA- Class	54.66%	64.01%	59.19%	--	--
A+ Class	--	--	17.28%	--	--
A Class	--	18.77%	--	17.23%	--
A- Class	13.96%	--	--	--	23.04%
BBB Class	--	13.47%	--	--	--
BBB- Class	9.81%	--	--	--	18.18%
BB+ Class	--	12.36%	13.83%	--	--
BB Class	--	--	--	--	--
BB- Class	4.96%	--	--	6.20%	13.90%
B+ Class	--	--	7.92%	--	--
B Class	--	--	--	--	10.59%
KBRA Base Case					
KBRA Base Case Loss Range	5.30% - 7.30%	5.50% - 7.50%	4.40% - 6.40%	4.13% - 6.13%	6.20% - 8.20%

* Expected Closing Date; Collateral File as of 9/18/2020

** Includes prefunding

(1) Class A and B Notes for 2020-2, 2020-1, 2019-2, and 2017-2, and Class A Notes only for other transactions; as a % of Initial Adjusted Pool Balance

(2) % of Intial Adjusted Pool Balance (except for Mosaic 2020-2, which uses Initial Pool Balance)

Key changes from Mosaic 2020-1

Summarized below are the key changes to the collateral, structure and company operations since Mosaic 2020-1:

Collateral	
Tighter 25-year loan term underwriting	Mosaic recently updated the underwriting approach for its 25-year loan program. Back-testing results provided by the Company indicate that the performance of the 25-year loans with the additional underwriting criteria would be in-line with the performance history of Mosaic's 20-year loan product over the last 4.5 years.
Larger Prefunded Collateral Pool	The total Mosaic 2020-2 pool balance will compose of 45% of prefunded collateral at the close of the transaction. The total Mosaic 2020-1 pool balance composed of 17% of prefunded collateral when it had closed. The concentration limits on the prefunded pool will restrict the prefunded collateral to a cumulative net loss assumption no worse than the pool at closing.

Transaction Structure

Transaction Structure

The Mosaic 2020-2 structure has changed compared to Mosaic 2020-1 in the following ways:

Credit Enhancement Summary	Mosaic 2020-2[(1)]	Mosaic 2020-1[(2)]
Initial Hard Credit Enhancement [(3)]	12.75%	17.67%
Required Hard Credit Enhancement	16.45%	23.00%
Initial OC	3.75%	11.26%
Capitalized Interest Account	0.21%	0.11%
YSOC Specified Discount Rate	N/A	3.35%

(1) % of Initial Pool Balance

(2) % of Initial Adjusted Pool Balance

(3) 1-(Class A + B)/Pool Balance

- The capitalized interest account for Mosaic 2020-2, which is used to cover the interest accrued on the Notes during the prefunding period, is higher than that of Mosaic 2020-1 due to the higher percent of prefunding collateral.
- In Mosaic 2020-2, the Class A and Class B will receive principal payments pro rata to reach and maintain the Required Hard Credit Enhancement Percentage. Once the required Hard Credit Enhancement Percentage is reached, Class C and D will receive principal pro rata with 75% of the amount of all available funds remaining after reaching the Reserve Account Required Amount.
- Under Mosaic 2020-1, the Class A and Class B will receive principal payments pro rata to reach and maintain the Required Hard Credit Enhancement Percentage. Once the required Hard Credit Enhancement Percentage is reached, Class C and D will receive principal sequentially with Class C receiving 80% of remaining funds, and Class D receiving the excess of (a) 90% of the amount of all available funds remaining after reaching the Reserve Account Required Amount over (b) the amount applied to the Class C principal in the previous step.

Removal of YSOC	In previous Mosaic transactions, the Yield Supplement Overcollateralization ("YSOC") was designed to compensate for receivables with interest rates below a predetermined rate. Given the excess spread generated by the assets in the pool, Mosaic 2020-2 will not have a YSOC.

Performance Summary of Prior Mosaic Securitizations

The table below provides the performance summary on all KBRA-rated transactions as of the September 2020 payment date.

Deal	Month Seasoned	Pool Factor	Note Factor	Delinquency Rate	Loss - Current CNL	Current Period Trigger Threshold	Current Monthly CPR	Most Senior Class Remaining	Initial Class Enhancement	Current Class Enhancement (1)	Current OC	Target OC	Current KBRA Base Case Loss Range	Closing Date
Mosaic 2017-1	43	47.41%	39.56%	0.71%	3.71%	11.00%	18.16%	A	20.53%	34.21%	32.01%	24.50%	5.70% - 7.70%	2/2/2017
Mosaic 2017-2	35	59.66%	55.66%	0.78%	3.11%	11.00%	14.35%	A	29.36%	35.18% (2)	29.00% (3)	29.00%	6.85% - 8.85%	10/27/2017
Mosaic 2018-1	29	66.05%	64.88%	0.73%	3.06%	11.00%	10.01%	A	23.57%	30.04% (2)	29.00% (4)	29.00%	6.10% - 8.10%	4/20/2018
Mosaic 2018-2-GS	27	68.14%	67.01%	0.71%	2.73%	11.00%	13.72%	A	23.15%	27.99% (2)	26.90% (5)	26.90%	6.35% - 8.35%	6/29/2018
Mosaic 2019-1	19	71.18%	69.56%	0.53%	1.36%	9.00%	13.16%	A	17.23%	20.78% (2)	19.75% (6)	19.75%	4.70% - 6.70%	2/6/2019
Mosaic 2019-2	10	85.10%	83.55%	0.44%	0.54%	5.00%	17.29%	A	59.19%	69.49% (2)	19.07% (3)	19.00%	4.40% - 6.40%	11/6/2019
Mosaic 2020-1	3	97.10%	95.38%	0.25%	0.04%	2.00%	13.10%	A	64.01%	64.39% (2)	18.73% (3)	23.00%	5.50% - 7.50%	6/25/2020

[1] Does not include YSOC and as a % of the Adjusted Pool Balance

[2] Includes OC, Reserve Account, and Subordination of All Notes Below Current Class

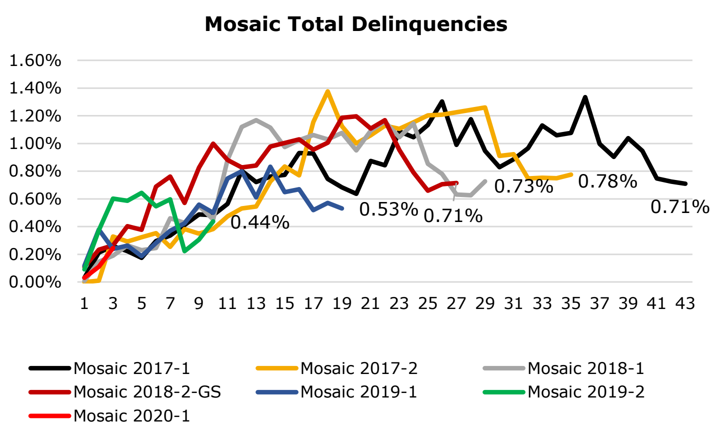
[3] Includes OC and Subordination of Class C & D

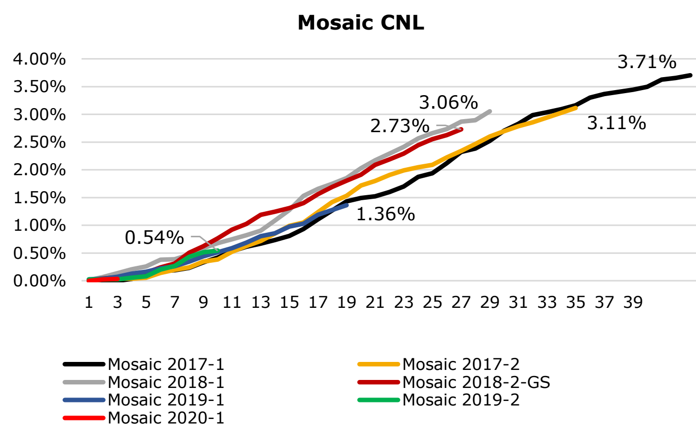
[4] Includes OC and Subordination of Class B & C

[5] Includes OC and Subordination of Class B, C & D

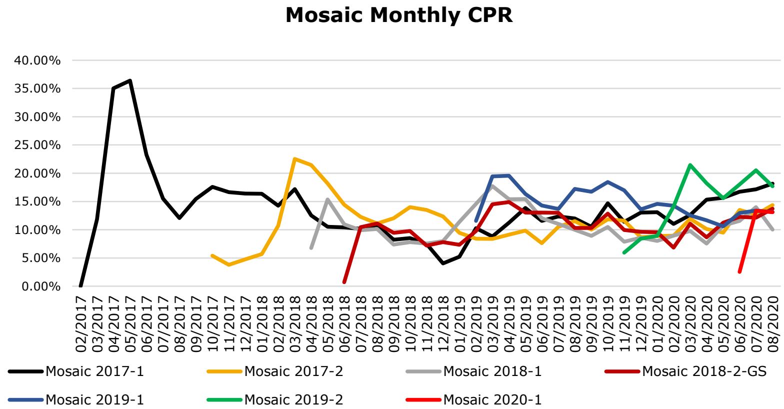
[6] Includes OC and Subordination of Class B

Total delinquency for each transaction increases as each transaction ages peaking at 1% to 1.5% and then has come down as seen in graph below. Cumulative net loss is generally following similar trends, and the CNL for each deal is well below their respective Cumulative Net Loss Triggers.





Monthly CPR typically increases around tax season before lowering. The chart below shows the monthly CPR trends for each Mosaic transaction.



Mosaic 2020-1 is still building towards its Required Hard Credit Enhancement Percentage of 23.00%. Each of the other Mosaic transactions has reached respective Required Hard Credit Enhancement Percentages or target overcollateralization percentages.

KBRA completed its first comprehensive review of each outstanding Mosaic transaction. For detailed analysis on surveillance report click on the following link: **Mosaic Solar Loans & Mosaic Solar Loan Trust Comprehensive Surveillance Report**.

KBRA Process

KBRA analyzed the transaction using the **Global General Rating Methodology for Asset-Backed Securities** published March 13, 2020, **Global Consumer Loan ABS Rating Methodology** published on November 28, 2017, and the **Global Structured Finance Counterparty Methodology** published on August 8, 2018. This transaction falls within "Category 1 – Financial Assets" categorization noted within the Global General Rating Methodology for Asset-Backed Securities, which typically relates to transactions that are backed by pools of consumer or commercial financial obligations owed by diverse obligors.

KBRA's Global General Rating Methodology for Asset-Backed Securities incorporates an analysis of: (1) the underlying collateral pool, (2) the Platform's historical static pool data, segmented by characteristics including credit quality and product type, (3) the proposed capital structure for the transaction, (4) KBRA's operational assessment of the Platform and servicer, and (5) the legal structure, transaction documents, and legal opinions. KBRA has performed an operational review of Mosaic in August 2017 at their operations center in Oakland, CA and has met with Mosaic frequently since that time for company updates.

Corporate Overview

The following corporate overview is based on information provided by Mosaic.

Liquidity and Equity

Mosaic began originating residential solar loans in 2014. All loans originated from 2014 to the end of 1Q2016 were sold to a whole loan purchaser. Beginning in 2Q2016, Mosaic made the strategic decision to retain loans on its balance sheet and finance loan growth through a hybrid strategy of warehouse and term securitizations and continued whole loan sales.

Mosaic has expanded its bank group and liquidity sources with multiple warehouses and has developed a regular securitization program, beginning with Mosaic 2017-1, which closed on February 2, 2017. As of August 31, 2020, Mosaic had $600 million in committed funding from its three solar warehouse lenders.

Management

Members of Mosaic's management team bring experience from backgrounds in clean energy, consumer lending, financial regulation, financial technology, marketing, sales, product development and engineering.

Management Overview

William (Billy) Parish, Chief Executive Officer and Co-Founder:

Mr. Parish is the Chief Executive Officer and Co-Founder of Mosaic. He previously co-founded and grew the Energy Action Coalition into the largest youth organization in the world focused on clean energy and climate solutions. Mr. Parish developed a proposal to create a Clean Energy Corps to produce 5 million green jobs, which shaped the American Recovery and Reinvestment Act (ARRA), the largest green investment in U.S. history. He has been honored as a Rolling Stone magazine "Climate Hero," an Utne Reader "50 Visionaries Who Are Changing Your World" and was elected as a Fellow by Ashoka, the global association of the world's leading social entrepreneurs. Mr. Parish is co-author of Making Good: Finding Meaning, Money & Community in a Changing World.

Patrick Moore, President and Chief Operating Officer

Mr. Moore has more than 20 years' experience growing and managing consumer lending businesses at leading institutions including Capital One and Toyota Financial Services. Over the course of three prior COO positions, Mr. Moore launched from inception and scaled three successful point of purchase financing businesses, most recently in the home improvement channel.

Steve Controulis, Chief Financial Officer:

Mr. Controulis has over 30 years of financial experience. Prior to joining Mosaic, Mr. Controulis spent 11 years as CFO of Triton Container International Limited. He has also held roles at GE Capital, Heller Financial, and The First National Bank of Chicago. Mr. Controulis has led financing initiatives that have raised in excess of $12 billion, including $4.6 billion in the term asset-backed securitized debt market. He also played a critical leadership role in Mergers & Acquisition efforts resulting in the merger of two companies to establish Triton as the world's largest container leasing company with $9 billion in assets.

Richard Lewis, Chief Risk Officer:

Mr. Lewis is a consumer lending executive with over 25 years of leadership experience at major banks, fintech lenders, and consulting firms. Mr. Lewis was previously Upgrade's Chief Risk Officer, responsible for credit risk, regulatory compliance, and operational risk. Prior to Upgrade, Mr. Lewis consulted for several fintech lenders in the development of their lending programs and partner bank arrangements. Previously, Richard served as an executive officer at Bank of the West, Providian, Washington Mutual, and Ford Credit, and as a consultant for Promontory Financial Group. At Bank of the West, Mr. Lewis was EVP, Group Risk Officer for consumer lending, responsible for the risk oversight and management of $22 billion in managed assets, including auto, credit card, home equity and mortgage portfolios. Mr. Lewis started his career at Fair, Isaac & Co (FICO), and received his Bachelors and Masters in Mathematics from the University of California, Berkeley.

KBRA KROLL BOND RATING AGENCY

Nagaraju Bandaru, Chief Technology Officer:

In May 2019, Nagaraju Bandaru joined the Mosaic executive team as chief technology officer. Mr. Bandaru has more than 20 years of experience in scalable technology deployment in multiple industries and product segments, including most recently at Clarivate Analytics (formerly part of Thomson Reuters), where he served as vice president and CTO for the Brand Division.

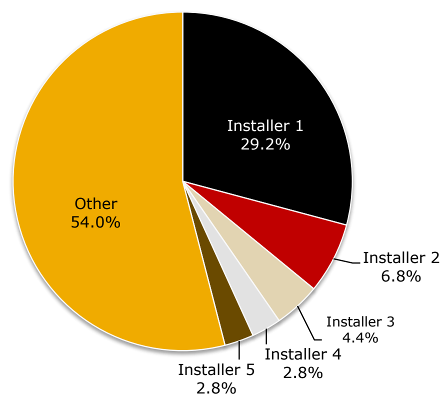
Originations & Underwriting

Mosaic has an internal sales team that is responsible for sales, marketing and onboarding installers on the Mosaic platform. Mosaic originates solar loans through its partnerships with approximately 300 active approved installers/dealers. Integration of technology with certain installers creates strong relationship ties and a deeper sense of partnership.

The graph below summarizes the top installer/dealers in the Mosaic 2020-2 initial collateral pool as of September 18, 2020.

Top Installers

(% of current balance as of September 18, 2020 statistical pool)



Mosaic's sales team trains the installers/dealers on its integrated portal, which is used to initiate the application for a new loan. Mosaic's loan portal can be used by installers while at the consumer's home and has been developed to offer the best experience for the customer. Mosaic manages its installer network with periodic training on new products and platform features. It works with installers in developing a monthly forecast and review of sales and collaborates on developments to improve sales and increase efficiencies.

Investment Tax Credit ("ITC")

The ITC is designed to support the adoption of solar energy in the United States. The 30% tax incentive was in effect through December 31, 2019. Since that date, it has decreased to 26% and will decrease to 22% for 2021, and 0% thereafter.

Individuals that purchase qualifying solar energy technologies may be eligible for the ITC of 26% of the system cost which may be used to offset a borrower's tax liability if the borrower owes federal taxes. A tax credit is different from a tax deduction. A tax deduction is used to offset gross income to determine a taxable income while a tax credit directly reduces a tax liability.

Loan Products

According to Mosaic, its residential solar loans are originated in connection with the solar sale/installation process. As part of that process, the borrower and the installation contractor sign a home improvement agreement to install residential solar power generation systems, including, without limitation, solar panels or modules, inverters, electricity storage, charging and monitoring equipment (including batteries and automobile charging equipment), prepaid operations and maintenance agreements and related landscaping, roofing or re-roofing, wiring, electrical system upgrades and any additional equipment or services related to installation. Mosaic does not specifically finance O&M in their loan agreement, but certain installers may include O&M as part of their Performance Guarantee limited warranty.

Mosaic currently offers fixed rate loans with 10, 15, 20 and 25 year original terms. Borrowers may select the financing option that meets their need. Mosaic loans do not include annual payment escalators to account for higher energy rates that are typical in solar leases.

PowerSwitch Loan Product

In April 2019, Mosaic launched "PowerSwitch 6" solar loan product, which bundles together several new features designed to improve solar installers' cash flow, streamline processing, expand their markets, and lower their customer acquisition costs.

The PowerSwitch 6 suite offers two loan structures—Single Rate Solar Loan, also referred to as "Choice" or "PowerSwitch CHOICE", and PLUS Solar Loan, also referred to as "PLUS" or "PowerSwitch PLUS". The previous "PowerSwitch 2.0" solar loan product has been renamed to "PowerSwitch CHOICE", which is designed for customers looking to add solar or solar and batteries to their home and take advantage of the Federal tax credit to pay down their loan during the first 18 months.

The "PowerSwitch CHOICE" loans contain a feature where the loan re-amortizes to a higher monthly payment if a 26% prepayment is not made by month 18, resulting in an increase of the monthly payment amount. The loan also re-amortizes to a lower monthly payment if a higher than 26% prepayment is made. There will be approximately 98.23% Choice loans in the 2020-2 collateral pool.

The borrower will not reach the target balance by the target payment date unless they make i) all regularly scheduled monthly payments and ii) the 26% prepayment. This information is disclosed to the consumer in their Mosaic Solar Loan Agreement but can still result in payment shock.

The new loan structure – PLUS Solar Loan, also referred to as "PowerSwitch PLUS", was designed as a "regular amortizing" loan with equal monthly payments that fully amortize the loan over its term without factoring a voluntary prepayment. Borrowers will still be able to make an elective prepayment prior to month 18 which will result in a re-amortization event after month 18 that will lower the customer's monthly payment thereafter. There will be approximately 1.77% "PowerSwitch PLUS" loans in the 2020-2 collateral pool.

Customer Savings

Solar loans typically result in monthly and/or lifetime energy savings for borrowers. Solar loans with longer tenors typically result in monthly savings, while shorter tenor loans typically result in lifetime savings but not necessarily monthly savings. Borrowers taking out 20- or 25-year loans are more focused on monthly savings compared to their prior utility bill. Borrowers taking out 10 and 15-year loans are usually more focused on their total energy cost savings over the life of the system. In the example provided by Mosaic below, a customer paying $240 per month, could reduce their energy bill by $66 per month by purchasing a Solar Energy System and financing the purchase with a Mosaic loan. The example assumes that energy from the solar system plus a portion of energy from the utility produces the required energy for the home.

The customer's $150 loan payment plus $24 utility bill ($174 total energy payment per month) is $66 per month less than their previous $240 utility bill.

Mosaic's example of increasing monthly savings rates assumes increasing electricity rates, however KBRA believes some of these savings will be offset by system degradation and the customer having to source a greater amount of energy from the grid. Monthly savings are shown to decline in years 10 and 20 when the system's inverter is beyond its useful life and must be replaced. Once the solar loan is paid off annual savings increases. While savings will likely play a role in how the borrower repays the loan, Mosaic does not underwrite to savings.

Loan Funding Timeline

Mosaic disburses loan proceeds directly to the Installer in staged disbursements, payment of which is tied to achieving specified milestones that correspond to the Solar Energy System's construction phases. The final milestone occurs when final completion milestone is received (i.e.) when the applicable utility serving the homeowner grants permission to operate ("PTO") or Mosaic receives evidence that the related Solar Energy System is complete and generating electricity, as determined in accordance with the Credit and Collection Policies. The actual amount of proceeds disbursed to the Approved Installer is net of an installer fee, which depends on (i) the term and interest rate applicable to the Solar Loan and (ii) the terms of Mosaic's agreement regarding installer fees with that Approved Installer.

Credit Approval and Loan Execution

- Installers log onto Mosaic's residential lending program website and enter the applicant's information. Mosaic's system generates a customer facing URL and emails the customer to complete the prequalification process.
- Mosaic will use this information to pull the consumer's credit report and identity information from one or more of the leading three credit bureaus to approve or decline applications based on this information.
- After the customer's credit is run, specific product availability is determined and presented to the customer. The dealer is prohibited from steering the customer into specific loans based on the fact that the dealer will pay varying levels of fees for the loan from Mosaic based on the loan product selected by the consumer.
- There is a 3 day "cooling off" period where the borrower has the right to cancel the contract without penalty.
- Once the credit is approved and the contract signed, the dealer controls the timeframe to install the solar system.

Installer Disbursement

- Installers receive disbursements from Mosaic, with relevant installer discounts / fees netted out, based on specific installation milestones.
- With its PowerSwitch 6, Mosaic typically funds installers within 1-2 business days after submission of milestone evidence.

Final Disbursement

- Final payment is made once the following has been completed: Permission to Operate (PTO) has been granted or Mosaic receives evidence that the related Solar Energy System is complete and generating electricity, as determined in accordance with the Credit and Collection Policies.
- Under the PowerSwitch 6, some installers are eligible to receive final loan disbursement at the time of installation.

Underwriting

Mosaic has a three-pronged underwriting approach which focuses on equipment manufacturers, installer partners and loan borrowers.

1. Mosaic finances solar systems manufactured by well-established, widely accepted equipment manufacturers. Mosaic has equipment manufacturers complete a detailed application and provide equipment specification sheets, testing results and certification, and warranties. Mosaic has developed product performance criteria which must be met prior to being financed. The Company utilizes its credit committee to review each equipment manufacturer.
2. Mosaic has an application process where installers/dealers complete an online application at www.joinmosaic.com. Key data points are manually verified and include the contractor's license, website and third-party reviews and sales contract and warranty information. Mosaic conducts a telephone interview to confirm application data, review sales strategy and objectives and go over the product review and selection. Staff then review the application for suitability. Those passing this screen are forwarded to the Chief Risk Officer to provide final approval to each installer/dealer. Mosaic is selective in reviewing and approving installers for the platform.
3. Mosaic's current application process for loan borrowers includes a minimum FICO score of 640. The applicant must be a fee-simple homeowner and must not have a recent prior bankruptcy. Applicants can not have any recent delinquencies on certain categories of consumer debt and must pass a fraud screening test.

Below is a summary of the underwriting requirements for equipment manufacturers, installers and loan borrowers:

Underwriting Requirements		
Equipment Manufacturers	**Installers**	**Loan Borrowers**
• Minimum cumulative sales • Certain ISO, UL and/or similar quality certifications • Warranty coverage • Equipment performance history • Other factors	• Licensing and insurance coverage • Business tenure and industry experience • Professional qualification • Warranty coverage • Financial risk	• Minimum FICO • Limitations on past delinquencies on other debt • Minimum Vantage Score requirements • Limit of number of recent credit inquiries • Minimum individual or household income • Maximum loan amount based on fixed amount or percentage of home value • Other Factors

Mosaic determined that for certain credit segments of the borrower population income is predictive of the borrower's ability to benefit from the investment tax credit. Mosaic includes income-related screens for borrowers with lower FICOs.

Servicing & Collections

Mosaic is responsible for performing servicing on the Mosaic 2020-2 loans and will receive a 0.50% per annum servicing fee calculated on the aggregate outstanding loan balance. Mosaic may subcontract with third-party service providers provided that i) Mosaic pays for the fees and expenses, ii) remains liable for the performance of any subcontractors and iii) subcontracting arrangements will be terminable following a servicer event of default. Concord currently performs routine servicing on the loans until the loan is charged off, at which time collections are outsourced to Turnstile Asset Management, a subsidiary of Goal Structured

Solutions, Inc. KBRA met with members of Turnstile Asset Management and believes Turnstile has adequate expertise in providing special servicing with respect to delinquent solar loans. The Servicer is not permitted to resign unless (a) performance of its duties becomes impermissible under applicable law and (b) there is no reasonable action that the Servicer could take to make the performance of its duties permissible under applicable law. The Servicer can be terminated and replaced as Servicer for cause upon the occurrence of a Servicing Termination Event.

Mosaic reports the on-time payment or delinquency status of all loans to the credit reporting agencies monthly. If an account is more than 30 days delinquent, Mosaic will report that delinquency to the credit bureaus and notify the borrower by e-mail and letter, which will also notify the borrower that Mosaic may shut down the system if they do not bring their account current.

Subservicer

Concord Servicing Corporation ("Concord") will perform certain servicing functions on behalf of Mosaic on all Solar Loans and related Solar Assets under the Sub-Servicing Agreement. However, Mosaic will not be relieved of its obligations to the Issuer under the Servicing Agreement.

Concord, founded in 1988, is a dual-site, full-scope servicer for clients who are owners and originators of consumer receivables, secured and unsecured, across a variety of asset classes including home improvement, solar, energy efficiency, vacation ownership and land holdings. Concord services two million consumer obligations totaling $6.7 billion, of which $1.7 billion are part of asset-backed securitizations. Concord also serves as a master/backup servicer for approximately 175,000 loans with combined balances of $2.9 billion.

Current Servicing Policies	
Forbearances	• delinquent borrowers who are unable to make payments required to get current on the loan may be offered a forbearance in which Mosaic alters the repayment schedule of the loan to find a workable solution with the borrower's financial situation to eventually bring the account back to current.
Delinquent Loan	• any loan as to which 10% or more of a scheduled payment remains unpaid for more than 30 days from the original due date as of the most recent determination date and that is not a defaulted loan.
Defaulted Loan	• An insolvency event has occurred with respect to the obligor; • A death certificate in the obligor's name is received by Mosaic; • A charge-off has been taken or any or all of the principal amount due under such collateral loan is reduced or forgiven; • 10% or more of a scheduled payment remains unpaid for more than 120 days from the original due date (without, for the avoidance of doubt, giving effect to any waiver or extension of such original due date); or • the related solar energy system has been repossessed.

Equipment Disconnect

If an account is more than 60 days delinquent, Mosaic will send a letter to the borrower warning that if they fail to respond, make payment on the loan, or cure the delinquency, within 30 days after receipt of the notice and if the delinquency proceeds past 90 days, Mosaic may shut off the system (if remote shutoff is possible) or dispatch a technician to the property to effect a shut-off on site, and may exercise legal rights with respect to the collateral. The borrower is also notified that the account will be referred to Mosaic's legal department.

Non-Delinquency Breach of Terms

The home solar loan agreement, between the borrower and Mosaic, includes representations and commitments by the borrower beyond making the required payments. Any breach of those obligations may constitute an event of default, and start the collections process. If Mosaic learns of a severe borrower misrepresentation, fraud, unauthorized transfer of the collateral, or similar issue, the Company will escalate the case to the legal department for review.

- Borrower modifies the collateral: Mosaic maintains a security interest in the solar system as collateral for the loan. Any movement, modification, transfer, or sale of the collateral without Mosaic's prior written permission is a breach of the terms of the loan, and will trigger the collections process.

- Borrower misrepresentation: If Mosaic learns of any misrepresentation by the borrower in the borrower's credit or loan applications, Mosaic may declare the misrepresentation to be a breach of the loan agreement and, may declare an event of default, and commence the collections process.

Backup Servicer and Verification Agent

Vervent will be responsible for all backup servicing responsibilities. Vervent as Backup Servicer will confirm certain data on the monthly servicer reports and will become the successor servicer if Mosaic is terminated under the servicing agreement. The Backup Servicer is responsible to i) reconcile certain data elements on the month-end servicer report and loan portfolio report ii) reconcile information on the month-end Loan Portfolio Production File and month-end servicer/loan reports and reconcile data elements between information in Vervent’s data warehouse and the servicer loan reports iii) issue a backup servicer certification with the complete reconciliations and iv) archive, with nightly backup, the most recent 3 months loan portfolio production files on Vervent’s network.

Vervent as Verification Agent will verify that the Home Solar Loan Agreement for each such Solar Loan is in the 2020-2 e-Vault established for this transaction and verify the conformity of the contents of each obligor’s loan documents with specified fields on a data file for this transaction.

Vervent and Mosaic entered into a backup servicing agreement that is in effect until the obligations under the Indenture are paid in full. Vervent can resign upon 120 days advance written notice provided that i) Vervent is not paid amounts due under the backup servicing agreement and such delinquency is not cured within ten days, ii) Vervent is unable to access information regarding the solar loans and perform its obligations as backup servicer and such inability is not cured within 30 days or iii) Vervent is no longer legally able to perform its duties as backup servicer. The resignation is not effective until a successor backup is appointed or there is a court order (at the point after 180 days without appointment of a successor).

Vervent will have a period of time from receipt of a transfer notice to begin performing successor servicer responsibilities. This may result in a disruption in collections and the manner in which the loans are serviced and payments are processed.

Equipment & Operations and Maintenance

With solar leases or PPAs, the provider of the solar equipment owns the O&M risk compared to solar loans where this risk shifts to the homeowner. Mosaic does not provide any operations maintenance and monitoring coverage on the financed solar equipment. Instead, it is the borrower’s responsibility to service the system and make loan payments. Failure to maintain and service the solar system could lead to system breakdown, which could lead to delinquencies or losses on the loans. Certain installers offer O&M as part of the PeGu. The risk to Mosaic’s borrowers related to system malfunction or breakdown is mitigated through equipment manufacturer warranties related to the solar system, workmanship warranties related to the installation by the installer. Most service related issues are related to installation problems or defective equipment which are covered by the workmanship warranty and equipment warranty.

The key risks and mitigants related to O&M risks are summarized below:

Risk	Mitigant
Workmanship:	Minimum installation warranty per Mosaic's Credit Policy
Equipment:	Minimum installation warranty per Mosaic's Credit Policy
Performance:	Manufacturer warranty typically covers 80% of nameplate production
Damage:	Assumed to be covered by borrower's homeowner policy
Soiling & Shading:	Washing and vegetation removal

Performance Guarantee

Under a Performance Guarantee ("PeGu"), the installer guarantees production output of the system. The guarantor agrees to pay the difference between a guaranteed system output and the actual measured system output multiplied by the agreed energy price per kWh. If the system generates more output than guaranteed output, the surplus is carried over and used to offset any deficits that may occur in the future.

The large majority of Solar Mosaic's installation partners do not offer a PeGu as it is not considered a standard industry practice to offer such guarantees for cash purchases (including those financed by a loan). However, approximately 7.25% of loan dollars as of the Statistical Cutoff date include PeGu.

The table below shows an example of a PeGu. In this case the borrower is owed $50 from the installer.

Example Guaranteed kWh	Example Actual kWh	Example Agreed $/kWh Energy Price	Payment to Customer under PeGu
10,000	9,500	$0.10	$50.00

Guarantees are generally based on an output assumption equal to a percentage of the expected production of the system. To maintain eligibility for a claim under the PeGu, the homeowner is responsible for washing the panels, clearing the panels of snow, trimming trees, and refraining from modifying the equipment or home that would cause the system to underperform.

Borrowers are required to pay Mosaic loan amounts regardless of system performance or payments made pursuant to a Performance Guarantee, however such conditions could result in borrowers selectively defaulting. The Company believes, in practice, the performance degradation sufficient to trigger a payout under a PeGu would likely be due to either an installation defect that would trigger the installer workmanship warranty or an equipment defect that would trigger the manufacturer warranties (which include a panel degradation warranty). However, KBRA assumed incremental losses based on borrower FICO and loan term to account for the scenario where borrowers selectively default when a PeGu payment is owed to them but not paid by the guarantor. Moreover, in its analysis, KBRA does not give any credit to equipment defects or workmanship warranties.

Legal and Compliance:

Mosaic is regulated by CFPB, FTC and various state agencies. Loans originated by Mosaic must comply with applicable federal and state law including (but not limited to):

- Truth in Lending Act ("TILA")
- Truth in Advertising
- Fair Credit Reporting Act ("FCRA")
- Fair Debt Collection Practices Act ("FDCPA")
- Equal Credit Opportunity
- Privacy and Data Security Laws

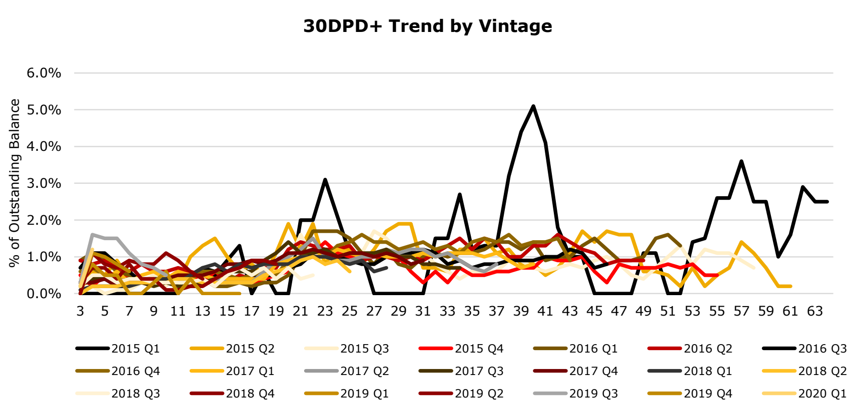
Mosaic's legal department works with outside legal resources to perform legal analysis on each state, supervises license application submissions and disclosure of changes to loan agreements and/or disclosure requirements.

Mosaic maintains licenses or registrations in each state jurisdiction where it has determined its lending activities require it to do so. Certain states do not require lending licenses given Mosaic's high minimum loan amount ($8,000 or $10,000 depending on state level regulations) or low APR (<12.5%). Mosaic actively originates loans in 46 states and the District of Columbia.

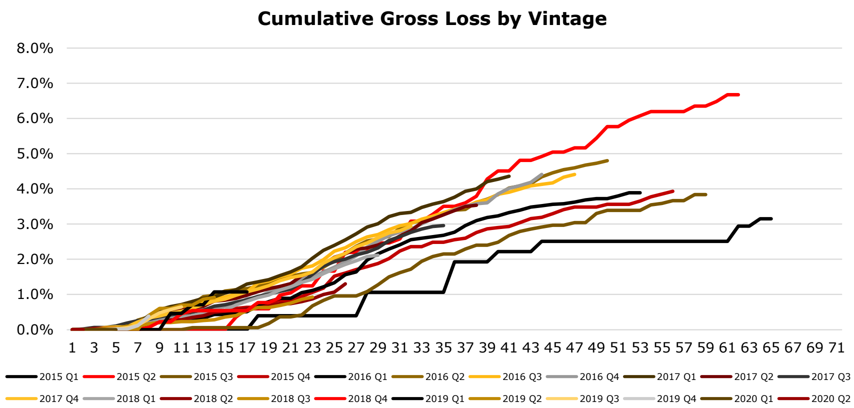
All staff must complete quarterly compliance training and recertification. Installers receive compliance training developed by consumer lending lawyers. The training educates installers and sales representatives of compliance "hot spots" and stresses requirements to accurately represent loan terms. The Company monitors ongoing compliance issues and analyzes customer complaints. Mosaic represents to KBRA that currently there are no material litigation, regulatory actions or allegations pending against Mosaic.

Historical Performance

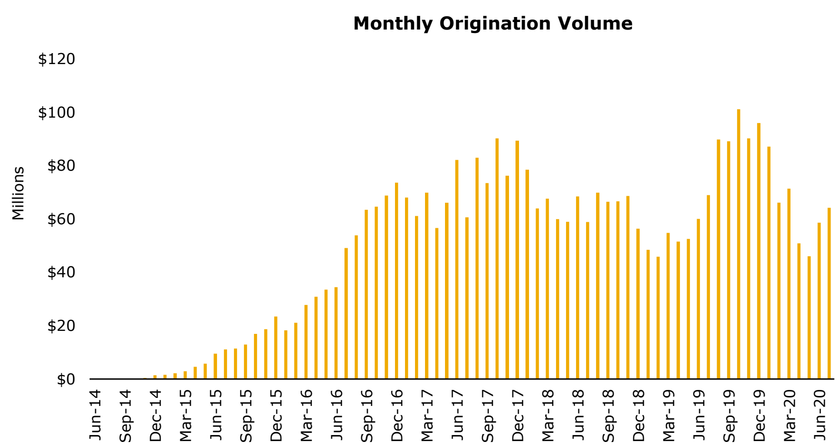
The charts below show the delinquency rate of monthly static pool vintages originated from Q1 2015. While the data is limited, it shows a low level of delinquency. The 2015 vintages consist of low origination volume with a small percentage of the initial balance remaining outstanding. A small number of loans drives volatility in delinquency performance in later months for this vintage. Losses are lower than delinquencies as not all delinquent loans roll in to charge off status.



KBRA analyzed Mosaic's static pool gross loss performance dating back to 2014 as well as data provided by a major credit bureau to determine the loss expectation of the Mosaic solar loan collateral pool. Below is cumulative gross loss data by quarterly vintage from 2015 Q1 to 2020 Q2.



The chart below shows Mosaic's monthly origination volume, since June 2014. As of July 31, 2020, Mosaic has originated approximately $3.6 billion in loans. Loan volume shows an increasing trend as the Company scales their business and expands dealer relationships.



Collateral Analysis

The tables below show the initial collateral pool composition of September 18, 2020.

Stratification by Choice Rate				
Choice Rate	Current Balance ($'000)	Distribution %	W.A FICO	WA Choice Rate
0.00% to 2.49%	132	0.10%	736	2.49%
2.50% to 4.99%	92,047	72.56%	757	3.93%
5.00% to 7.49%	34,182	26.95%	751	5.63%
7.50% to 9.99%	488	0.38%	779	8.11%
Total:	126,849	100.00%	755	4.40%

The Mosaic 2020-2 pool consists of loans made to mostly prime borrowers. The weighted average FICO score is 755.

Stratification by FICO				
FICO	Current Balance ($'000)	Distribution %	W.A FICO	WA Choice Rate
640 to 649	1,335	1.05%	645	5.09%
650 to 679	13,442	10.60%	666	4.44%
680 to 719	22,376	17.64%	701	4.40%
720 to 759	28,461	22.44%	740	4.37%
760 to 799	28,529	22.49%	781	4.40%
800 and Up	32,705	25.78%	824	4.38%
Total:	126,849	100.00%	755	4.40%

Mosaic currently offers fixed rate loans with 10, 15, 20, and 25 year original terms.

Stratification by Original Term				
Original Term	Current Balance ($'000)	Distribution %	W.A FICO	WA Choice Rate
10 Years	21,468	16.92%	776	4.01%
15 Years	13,874	10.94%	759	4.68%
20 Years	87,535	69.01%	749	4.47%
25 Years	3,972	3.13%	764	4.04%
Total:	126,849	100.00%	755	4.40%

Approximately 78.3% of the portfolio consists of loans with original balances of $10,000 - $49,999.

Stratification by Original Balance				
Original Balance	Current Balance ($'000)	Distribution %	W.A FICO	WA Choice Rate
$10,000.00 to $19,999.99	8,524	6.72%	767	4.56%
$20,000.00 to $29,999.99	27,909	22.00%	759	4.44%
$30,000.00 to $39,999.99	34,924	27.53%	751	4.44%
$40,000.00 to $49,999.99	28,014	22.08%	739	4.33%
$50,000.00 to $59,999.99	12,289	9.69%	772	4.25%
$60,000.00 to $69,999.99	6,508	5.13%	763	4.41%
$70,000.00 to $79,999.99	4,201	3.31%	763	4.41%
$80,000.00 to $89,999.99	1,594	1.26%	777	4.17%
$90,000.00 to $99,999.99	1,989	1.57%	770	4.57%
$100,000.00	895	0.71%	752	4.30%
Total:	126,849	100.00%	755	4.40%

Mosaic's top five installers represent approximately 45.99% of the pool balance as of the statistical cutoff date. The top installer represents 29.17% of the pool balance.

Stratification by Installer				
Borrower Installer	Current Balance ($'000)	Distribution %	W.A FICO	WA Choice Rate
Installer 1	36,999	29.17%	766	4.91%
Installer 2	8,606	6.78%	759	4.98%
Installer 3	5,621	4.43%	723	5.29%
Installer 4	3,579	2.82%	744	3.12%
Installer 5	3,533	2.79%	759	4.06%
Installer 6	3,487	2.75%	768	3.28%
Installer 7	3,468	2.73%	790	3.99%
Installer 8	3,330	2.62%	739	3.28%
Installer 9	2,732	2.15%	735	4.21%
Installer 10	2,353	1.86%	760	4.69%
Installer 11	2,011	1.59%	763	3.86%
Installer 12	1,910	1.51%	757	3.22%
Installer 13	1,502	1.18%	756	3.29%
Installer 14	1,203	0.95%	734	3.31%
Installer 15	1,178	0.93%	760	4.88%
Installer 16	998	0.79%	782	3.71%
Installer 17	926	0.73%	775	6.65%
Installer 18	850	0.67%	727	3.45%
Installer 19	842	0.66%	741	4.40%
Installer 20	832	0.66%	748	3.17%
Installer 21	814	0.64%	721	3.84%
Installer 22	813	0.64%	748	3.41%
Installer 23	788	0.62%	769	3.40%
Installer 24	775	0.61%	761	5.26%
Installer 25	764	0.60%	729	3.13%
Other Installers	36,937	29.12%	748	4.25%
Total:	126,849	100.00%	755	4.40%

KBRA Comparative Analytic Tool (KCAT)

The chart below compares the pool characteristics and structure of the Mosaic 2020-2 transaction against the recent consumer solar loan securitizations completed by Loanpal, Sunnova, and Dividend.

Deal name	Solar Mosaic 2020-2	LPSLT 2020-2-GF	Sunnova 2020-A	Dividend 2019-1
Transaction Date	10/7/2020*	7/22/2020	6/19/2020	7/11/2019
Collateral Stratification				
Current Pool Balance	$230,648,910**	$300,707,012	$181,133,916	$252,514,599
Number of Loans	3,754	8,739	5,601	8,750
Avg Current Loan Balance	$34,226	$34,410	$32,340	$28,859
W.A Avg Coupon	4.40%	3.37%	5.28%	5.32%
Wtd Avg FICO	755	743	735	751
Wtd Avg Original Term (months)	215	285	296	221
Wtd Avg Remaining Term (months)	211	282	291	215
FICO Distribution				
640-660	3.94%	600 to 649: 2.47%	6.13%	0.49%
661-680	8.31%	650 to 699: 22.53%	11.68%	7.73%
681-700	7.39%	700 to 749: 30.79%	11.64%	11.94%
701-720	10.39%	750 to 799: 24.21%	11.41%	12.64%
721-740	11.13%	800+: 20.00%	11.57%	11.82%
741-760	10.85%	--	12.34%	10.94%
761-780	11.15%	--	12.88%	11.75%
781-800	11.55%	--	12.23%	11.93%
801-820	11.02%	--	7.49%	11.94%
821-840	9.30%	--	2.53%	7.48%
841-850	4.99%	--	0.11%	1.33%
Geographic Concentration				
State 1	CA: 37.55%	TX: 22.47%	CA: 32.29%	FL: 20.10%
State 2	FL: 16.29%	FL: 16.45%	NJ: 20.01%	CA: 19.84%
State 3	TX: 10.66%	AZ: 14.01%	PR: 16.97%	TX: 17.71%
% Credit Enhancement				
Initial OC	3.75%	11.46%	12.50%	7.10%
Target OC	16.45%(1)	N/A	13.00%(3)	7.10%
OC Floor	N/A	1.85%	N/A	3.00%
Initial Reserve	1.00%	1.10%(2)	1.00%	1.00%
Reserve Floor	1.00%	0.10%	0.10%	0.25%
YSOC Specified Discount Rate	N/A	4.00%	N/A	N/A
Excess Spread Summary				
Effective WA Interest Rate	4.40%	4.10%	5.28%	5.32%
WA Bond Coupon	1.94%	2.91%	4.14%	3.80%
Servicing and Other Fees	0.55%	0.35%	0.69%	0.46%
Annual Excess Spread	1.91%	0.83%	0.45%	1.06%
% Total Initial Credit Enhancement				
AA- (sf) Class	54.66%	--	--	--
A (sf) Class	--	26.44%	--	--
A- (sf) Class	13.96%	--	27.21%	16.71%
BBB (sf) Class	--	20.10%	--	13.25%
BBB- (sf) Class	9.81%	--	--	--
BB (sf) Class	--	12.43%	--	8.10%
BB- (sf) Class	4.96%	--	14.71%	--
KBRA Base Case				
KBRA Base Case Loss Range	5.30% - 7.30%	7.50 - 9.50%	9.25% - 11.25%	5.80% - 7.80%

* Collateral File as of 9/18/2020; ** Includes prefunding

(1) For Class A and B Notes, initially at 12.75%; as a % of Pool Balance

(2) % of Initial Note Balance

(3) Percentage of the aggregate Closing Date Solar Loan Balance

To download the KCAT, please click **here**.

KBRA Loss Expectation

The Company began originating solar loans in June 2014 and therefore provided KBRA with no more than 70 months of performance data on loans that may be as long as 25 years (300 months). These loans have not been through a full loan life-cycle and therefore losses could be higher than experience to date suggests. As a result, KBRA performed the following analysis in order to develop a base case loss expectation per **KBRA's General Rating Methodology for Asset-Backed Securities**.

To account for the limited data:

1. Mosaic commissioned a major credit bureau to conduct a proprietary study of "home related" secured consumer loans and unsecured consumer loans for loans closely resembling residential solar project loans. The study excluded mortgage-secured home equity loans. KBRA relied on this gross default data, in combination with Mosaic's actual performance data, to derive a loss timing curve and gross default assumptions for credit score segments and loan term. KBRA treated the loans as unsecured loans, even though they are secured by the solar system, UCC1 filing and fixture disclaimer filing and the solar loan typically results in monthly or lifetime electrical savings compared to receiving power from the grid.
2. KBRA added additional losses at year 10 and 20 when inverter replacement is likely. This is to account for solar loan customers taking the operations and maintenance risk in solar loans.
3. KBRA added additional losses based on the percent of the pool that includes Performance Guarantees. In these scenarios the systems are expected to produce energy below the guaranteed amount and the guarantors are assumed to breach their payment obligation, which results in selective borrower defaults. Since the loans build equity over time and selective defaults are less likely for higher quality borrowers, KBRA's default assumptions decrease as loan term decreases and default assumptions decrease as borrower quality increases. The Mosaic 2020-2 initial collateral pool includes 0.5% and 6.8% of loans with 95% and 85% Performance Guarantees, respectively, as of the statistical cutoff date.
4. KBRA applied CGD assumptions to the statistical pool mix for the initial collateral pool, and the worst pool mix as allowed by the concentration limits for the prefunded pool. Loss expectations were higher for longer term loans and for borrowers with lower credit scores. Losses were also increased based on the selective defaults resulting from unpaid performance guarantees to arrive at a weighted average base case CGD of 7.00%. This base case CGD includes additional increased loss stress scenarios owing to the recent economic slowdown and high unemployment. The assumption increase was derived from KBRA's analysis of the relationship between the historical unemployment rate and annualized gross loss rates through the 2008-2009 financial crisis for different types of lending products.

Recovery Rates

Mosaic provided up to 49 months of static-pool recovery data on $61 million charged off loans from vintages beginning in Q1 2016. The life to date actual recovery rate on all charged off loans is approximately 10%. Recoveries from deceased borrowers, which account for 11% of all charge-offs, are highest, at 30%, while recoveries from other charged-off accounts are approximately 8% to date.

According to Mosaic, its solar loans have additional recovery drivers compared with other consumer loans:

- System disconnection: Mosaic works with contractors and has the right to turn off the solar systems of delinquent and defaulted borrowers, which provide incentive to the borrower to resume paying in order to realize the benefits of the system's energy production;

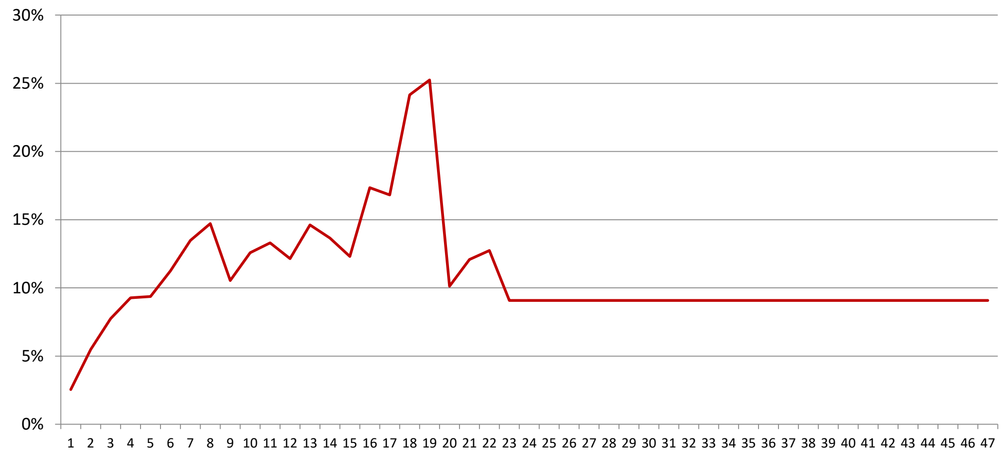
- UCC and fixture disclaimer filings: The state level UCC and county fixture disclaimer filings show up on a title search and will prompt the borrower to resolve the solar loan before the home can trade, providing leverage to Mosaic to achieve repayment or workout.

Given the limited history of Mosaic's recoveries, KBRA assumes a 10% recovery rate on the charged off solar loans in the 2020-2 trust. As a result, KBRA's base case CNL assumption ranges from 5.50% to 7.50%.

Prepayment Rates

KBRA reviewed Mosaic's actual prepayment data to determine its CPR assumptions. The historical data indicates that average CPR ramps up to 20-25% as loans approach their ITC payment date (Month 18), and then comes down to an average of 5-10% thereafter. KBRA's CPR assumptions are shown in the chart below.

KBRA Prepayment Rate (CPR) Assumptions



Cash Flow Modeling

KBRA performed cash flow modeling analysis on the Mosaic 2020-2 transaction to determine whether the proposed enhancement levels are sufficient to warrant the requested ratings for each of the rated Notes. KBRA's cash flow stresses included the following assumptions:

Cash Flow Modeling Inputs	
Item	Input
Weighted Average Gross Loss	7.00%
Recovery Rate	10.00%
Recovery Timing	1/18 for 18 months starting the month after charge-off
Weighted Average Net Loss	6.30%
CPR Speed	Variable (1)
Base Case Loss Timing Curve	Variable (2)

(1) Ranged from 5-25% based on historical data.

(2) Separate curves depending on loan term.

Under these assumptions, the cash flow stresses resulted in the following coverage levels of the base case cumulative net loss assumption:

Cash Flow Modeling Results				
Class	KBRA Preliminary Rating	Breakeven CGL	Breakeven CNL	Breakeven CNL Multiple
Class A	AA- (sf)	56.30%	50.67%	8.04x
Class B	A- (sf)	24.59%	22.13%	3.51x
Class C	BBB- (sf)	17.44%	15.70%	2.49x
Class D	BB- (sf)	12.27%	11.04%	1.75x

Break-even loss multiples were stressed to KBRA's loss multiple range for each note rating category.

Rating Sensitivity Analysis

The ratings assigned to this transaction will be monitored through the life of the transaction. If performance of the transaction, including losses, differs meaningfully from the expected levels, KBRA may consider making a rating change.

The table below illustrates the potential for downgrade of each rated class if the expected cumulative net loss levels exceed initial expectations based upon the leverage in the transaction currently. 'Stable' means a downgrade is unlikely. 'Moderate' means a potential downgrade of up to one rating category is possible. 'Severe' indicates a multi-category downgrade is possible.

In addition to providing insight into the risk of rating migration, the table also indicates which scenarios may cause particular classes to default. Any scenario that indicates 'Default' for a class means that our cash flow projection indicated a default in the payment of principal under that scenario.

		Class and Rating Sensitivity			
CNL Increase	Resulting CNL	Class A	Class B	Class C	Class D
Current Base Case CNL	6.30%	Stable	Stable	Stable	Stable
10%	6.93%	Stable	Stable	Stable	Stable
20%	7.56%	Stable	Moderate	Moderate	Moderate
30%	8.19%	Stable	Severe	Severe	Severe
40%	8.82%	Stable	Severe	Severe	Severe
50%	9.45%	Stable	Severe	Severe	Severe
60%	10.08%	Stable	Severe	Severe	Severe
70%	10.71%	Stable	Severe	Severe	Severe
80%	11.34%	Stable	Severe	Severe	Default

It should be noted that many factors, including economic stress, market conditions and servicing operations can impact the performance of the loan pool and influence rating decisions, both positively and negatively. To the degree that the pool performance meets or exceeds expectations for an extended period, rating stability can improve over time. Conversely, the emergence of compelling evidence that the pool will likely underperform could warrant significant rating action. If there is the need for any change in the rating of any class of notes, KBRA will provide a detailed explanation as to the rationale for such change in rating and the likelihood and factors surrounding any further potential rating changes.

ESG Considerations

KBRA ratings incorporate relevant credit factors, including those that relate to Environmental Social Governance (ESG). The following section highlights ESG considerations that are generally associated with ABS securitizations such as the subject transaction.

Environmental Factors

Geographic Concentration

High state concentration leaves the collateral pool susceptible to adverse economic conditions, regional recessions and natural disasters which may negatively affect loan performance or collections. Certain states are vulnerable to natural disasters such as earthquakes, wildfires, and hurricanes. The occurrence of such an event may cause increased voluntary or involuntary delinquencies for loans in the transaction. The collateral pool as of the statistical cutoff is geographically diverse as described here in the Key Credit Considerations section.

Social Factors

Demographic Trends

Demographic trends drive consumer preferences and the overall direction of the economy, which influences the demand for products and performance of financial assets. Changes in demographic trends and consumer preferences impact the long-term viability of the product and Company. KBRA considers changes in demographic trends, consumer preferences and the long-term viability of the product and Company in its rating assessment. Products with low customer satisfaction, that are inefficient or have not embraced technological developments have a greater likelihood of being disintermediated or replaced by newer products that address these factors. Demand for financial products are also affected by population growth and consumers' age, demographic changes, employment rates, consumer behavior and other secular trends. Further discussion can be found here in the Key Credit Considerations section.

Governance Factors

Experience of Management, Historical Performance

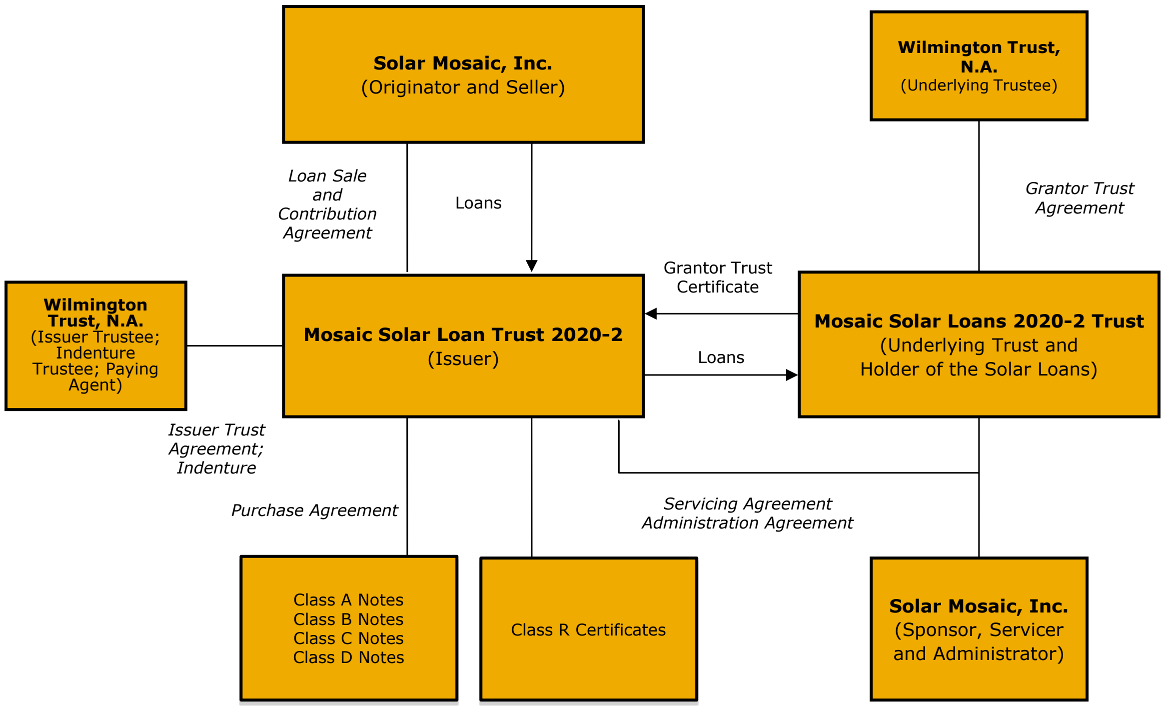
KBRA believes Mosaic's management team has the knowledge and industry experience mange the company's operations, underwrite loans in accordance with their credit policy and to service the securitized pool. This is discussed in the Management section.

Historical performance data, which includes defaults, recoveries and prepayments, are important considerations used to predict future performance of the underlying assets. Mosaic has limited operating history for its originations, servicing and underwriting criteria used to originate the solar loans held as collateral in this securitization. Further discussion can be found here in the Key Credit Considerations section.

Transaction Structure

Transaction structure is an important governance factor in structured finance transactions as many structural aspects, such as adherence to representations and warranties, compliance with origination standards and eligibility criteria, reporting of collateral performance, and segregation and application of cashflows, require parties to act in good faith and certify the accuracy of such information. Failure to do so could impact actual performance and KBRA's ratings. KBRA considers various aspects of the transaction structure in its analysis, including, but not limited to, the bankruptcy remoteness of collateral, perfection of collateral security interests, how loans are underwritten and serviced, and the transaction waterfall, as well as the operative documents and key parties involved in effectuating transaction functions. KBRA holistically considers these structural features, credit enhancement, transaction documents, and the capabilities of key parties during the course of our credit analysis and ratings assignment process. A summary of the transaction's structure can be found in the Transaction Structure section.

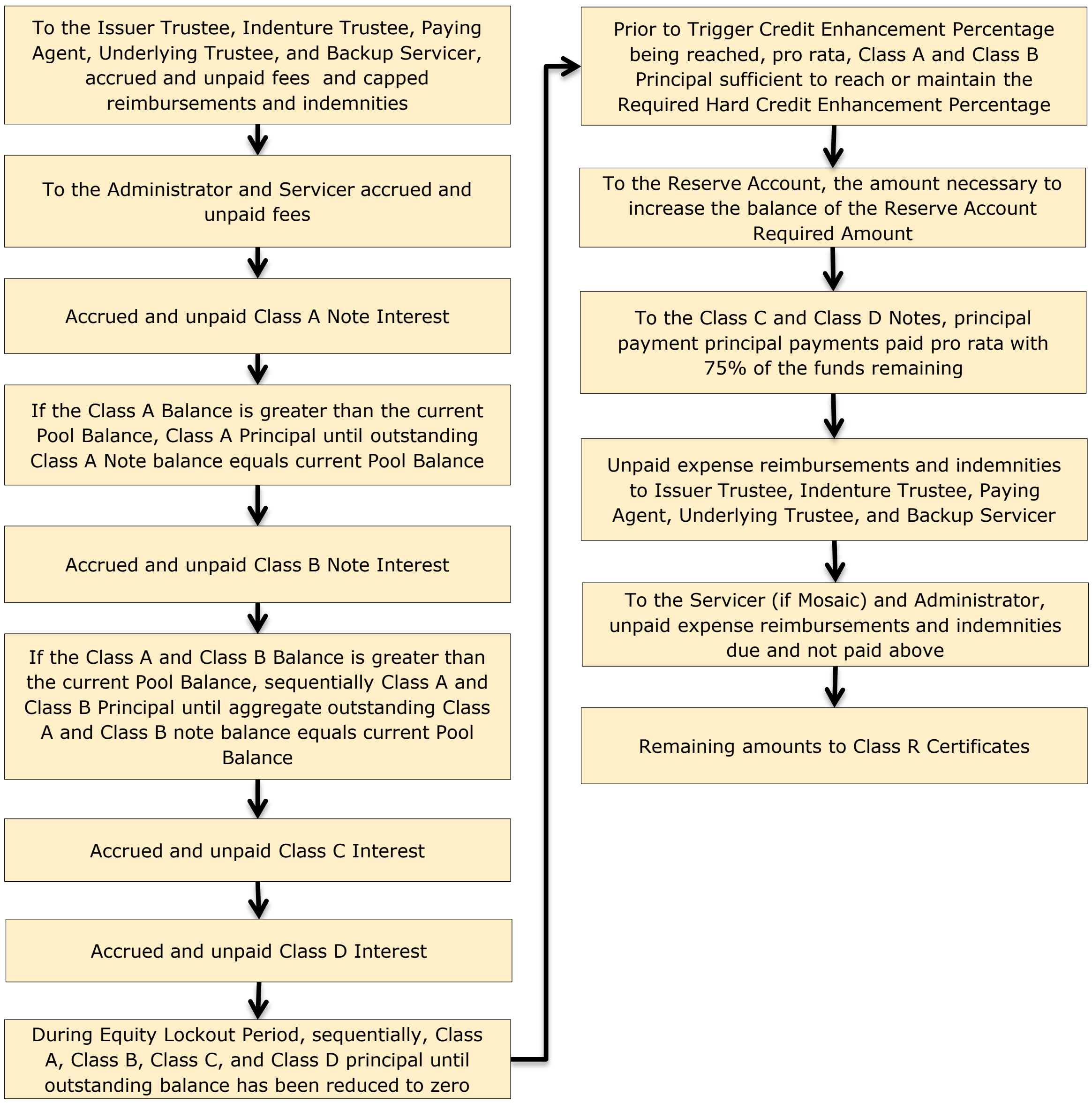
Transaction Structure

Legal Structure	
Transaction Structure	The following diagram illustrates the basic structure for Solar Mosaic 2020-2: 
Legal Final Maturity Date	August 20, 2046
Available Funds	means, as of any Monthly Payment Date, the sum of the following: a) all Collections with respect to the Solar Loans (including net recoveries on Defaulted Solar Loans not repurchased); b) amounts received from Mosaic upon its repurchase of Solar Loans; c) all amounts received as investment earnings on balances in the Collection Account, Capitalized Interest Account, Pre-Funded Account, and the Reserve Account; d) any amounts in the Reserve Account in excess of the Reserve Account Required Amount; e) any amounts transferred to the Distribution Account from the Capitalized Interest Account; f) Reserve Account, but only to the extent necessary to increase the balance of the Available Funds (after giving effect to clauses (a) through (e) above) to an amount sufficient to pay (i) the Transaction Fees, (ii) the reimbursable expenses and indemnities due service providers up to the applicable Senior Expense Cap, (iii) accrued and unpaid interest on the Class A notes and the Class B notes, (iv) principal of the Notes on any Monthly Payment Date when the balance of the Reserve Account, together with other Available Funds, is sufficient to repay the Outstanding Principal Amount of the Notes in full, (v) principal on the Class A notes and Class B notes on any Monthly Payment Date, if and to the extent

	required to make the Priority Principal Distribution Amounts pursuant to clause six, of the priority of payments; g) all other amounts then held in the Collection Account, Lockbox Account, Reserve Account, or Distribution Account (i) following a sale of all Solar Loans to the Administrator in accordance with the Underlying Trust Agreement or (ii) on or after the Expected Final Monthly Payment Date for the Notes then Outstanding and for which the Available Funds as computed under clause (a) through (f) above would otherwise be insufficient to repay such Notes in full; h) after the end of the Supplemental Purchase Period, any amounts transferred from the Pre-Funded Account to the Distribution Account; and i) if a Cumulative Default Trigger has occurred or an Event of Default and acceleration of the Notes under the Indenture has occurred and is continuing, all amounts then held in the Reserve Account.
Reserve Account Required Amount	means, on any Monthly Payment Date, an amount equal to 1.00% of the Pool Balance as of the related Determination Date of the Solar Loans, but not less than 0.50% of the Initial Pool Balance
Trigger Credit Enhancement Percentage	means, the percentage equal to (i) 100.00% minus (ii) the Advance Ratio.
Advance Ratio	means the percentage resulting from dividing (i) the aggregate Outstanding Principal Amount of the Class A notes and Class B notes (computed after giving effect to all distributions of principal to be made to such classes on a Monthly Payment Date) by (ii) the Adjusted Pool Balance as of the last day of the related Collection Period.

Priority of Payments

On each Monthly Payment Date, if no Event of Default has occurred and is continuing Available Funds in the Distribution Account will be distributed in accordance with the priority of payments:



Equity Lockout Period

means, the period beginning on the earlier of (i) the first Monthly Payment Date that is 120 months after the Closing Date and (ii) the first Monthly Payment Date on which the Pool Balance is equal to or less than 10% of the Initial Pool Balance, and ending on the date when the Notes have been repaid in full.

Senior Expense Cap

means, amount not to exceed in any calendar year, in the case of (a) the Issuer Trustee, the Underlying Trustee, the Indenture Trustee, Note Registrar and Paying Agent, collectively, an aggregate of One Hundred Fifty Thousand Dollars ($150,000) per annum and (b) the Backup Servicer (or any successor Servicer), an aggregate of Thirty-Five Thousand Dollars ($35,000) per annum.

Cumulative Default Trigger

means, with respect to any Monthly Payment Date, that the Cumulative Default Ratio as of the end of the most recent Collection Period is equal to or greater than the percentage specified for such Monthly Payment Date in the chart below:

Monthly Payment Date	Cumulative Default Trigger	Monthly Payment Date	Cumulative Default Trigger
Nov-20	2.00%	Dec-21	6.00%
Dec-20	2.00%	Jan-22	6.00%
Jan-21	2.00%	Feb-22	6.00%
Feb-21	2.00%	Mar-22	6.00%
Mar-21	2.00%	Apr-22	6.00%
Apr-21	2.00%	May-22	8.00%
May-21	4.00%	Jun-22	8.00%
Jun-21	4.00%	Jul-22	8.00%
Jul-21	4.00%	Aug-22	8.00%
Aug-21	4.00%	Sep-22	8.00%
Sep-21	4.00%	Oct-22	8.00%
Oct-21	4.00%	Nov. 2022 and thereafter	10.00%
Nov-21	6.00%		

Required Hard Credit Enhancement Percentage

16.45%

Eligible Solar Loan

Mosaic will make certain representations and warranties regarding the characteristics of each Solar Loan sold by the Depositor to the Issuer and contributed by the Issuer to the Underlying Trust as of the applicable Transfer Date pursuant to the Loan Sale Agreement. Each Solar Loan is subject to certain eligibility criteria, including, but not limited to:

i. The proceeds of such Solar Loan are used to finance the acquisition/installation of a Solar Energy System;
ii. The related Obligor has a FICO score equal to or greater than 640 at the time of origination;
iii. Such Solar Loan is an obligation of an Obligor that is resident in the United States, such residence is in an Approved State, and such Obligor is not a governmental entity, a business, a corporation, institution or other legal entity; and
iv. Such Solar Loan is fully funded.

Servicer Termination Events

Mosaic may be terminated as Servicer for cause by the Indenture Trustee if any of the following events occur:

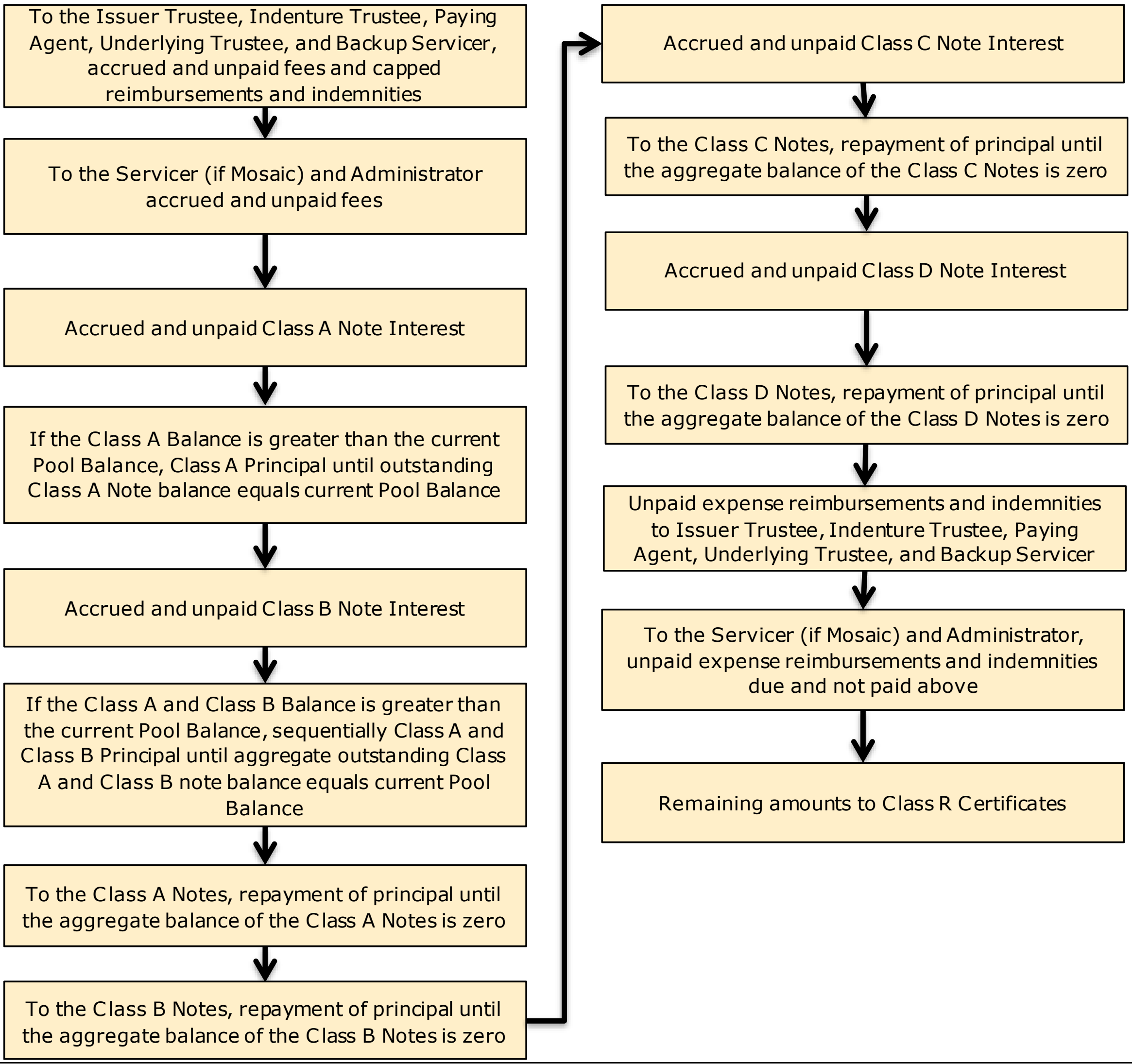
(A) failure by the Servicer to deliver a monthly servicing report within five (5) Business Days after it is required to be delivered;
(B) failure by the Servicer to make any required payment, transfer or deposit under the Servicing Agreement, which failure continues unremedied for five (5) Business Days following the date such payment or deposit was due, in

	each case after the Servicer has knowledge thereof or after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer from the Indenture Trustee or the Controlling Holders; (C) any representation or warranty of the Servicer in the Servicing Agreement and the Loan Sale Agreement]or documents delivered pursuant thereto (other than any representation or warranty relating to a Solar Loan that has been repurchased or substituted by Mosaic) proves to be incorrect in any material respect, and the incorrectness of such representation, warranty or statement has not been eliminated or otherwise cured within 30 days after the Servicer has knowledge thereof or 30 days after the date on which written notice of such circumstance or condition, requiring the same to be remedied, shall have been given to the Servicer by the Indenture Trustee, acting pursuant to written direction from the Controlling Holders or by the Controlling Holders; (D) failure by the Servicer to observe or perform in any material respect any other covenant or agreement under the Servicing Agreement or the Loan Sale Agreement, which failure (i) materially and adversely affects the rights of the noteholders and (ii) continues unremedied for a period of 30 days after the Servicer has knowledge thereof or 30 days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Servicer by the Indenture Trustee or the Controlling Holders; and (E) an Insolvency Event occurs with respect to Servicer.
Events of Default	Events of default under the Indenture will consist of the following: (A) failure to pay accrued interest on the most senior class of Notes then outstanding and such default continues for five (5) Business Days; (B) default in the due and punctual payment of the principal of any class of Notes on its Legal Final Maturity Date; (C) default in the performance of any of the Issuer's obligations with respect to the transmittal of moneys to be credited to the Distribution Account or the Retained Interest Distribution Account under the provisions of the Indenture, and such default shall have continued for a period of five (5) Business Days after discovery thereof by the Issuer; (D) default in the performance or observance of any other of the covenants, agreements or conditions on the part of the Issuer contained in the Indenture, the Administration Agreement, the Underlying Trust Agreement or the Notes, or any representation or warranty made by the Issuer in the Indenture, the Administration Agreement, or the Underlying Trust Agreement shall prove to have been false in any material respect when made, and such default shall have continued for a period of 30 days after written notice thereof, specifying such default, shall have been given to the Issuer and the Administrator by the Indenture Trustee (which will give such notice at the written request of the Controlling Holders); provided that, if the default is such that it can be corrected, but not within such 30 days, it will not constitute an Event of Default if corrective action is instituted by the Issuer within such 30 days and is corrected within 60 days; and (E) an Insolvency Event occurs with respect to the Issuer.

Priority of Payments

(If a Cumulative Default Trigger has occurred or an Event of Default)

If a Cumulative Default Trigger has occurred and is continuing, or an Event of Default and acceleration of the Notes under the Indenture has occurred and is continuing, Available Funds will be applied in the following order of priority:



Credit Enhancement

The credit enhancement provides the Notes with protection against losses and delays in payment and or other cash flow shortfalls. The credit enhancement for the Notes will consist of overcollateralization, a reserve account and yield supplement OC.

Credit Enhancement Summary	
Initial Hard Credit Enhancement [1]	12.75%
Required Hard Credit Enhancement [1]	16.45%
Initial OC	3.75%
Capitalized Interest Account	0.21%

[1] 1-(Class A + B)/Pool Balance

Trigger Credit Enhancement Percentage

Initial Hard Credit Enhancement is equal to the percentage resulting from the difference between the Adjusted Pool Balance and the sum of the Class A notes and Class B notes, divided by the Adjusted Pool Balance.

In accordance with the priority of payments, the Class A and Class B notes will receive principal pro rata until the Trigger Credit Enhancement Percentage builds from 12.75% at closing to the Required Hard Credit Enhancement Percentage level of 16.45%. Once the required Hard Credit Enhancement Percentage is reached, Class C and D will receive principal pro rata with 75% of the amount of all available funds remaining after reaching the Reserve Account Required Amount.

Overcollateralization:

Overcollateralization Amount is an amount equal to the positive excess of

(a) the Pool Balance as of the last day of the related Collection Period over
(b) the Outstanding Principal Amount of the Notes as of the close of such Monthly Payment Date.

The initial overcollateralization amount will equal 3.75% of the initial Adjusted Pool Balance.

Reserve Account:

The transaction will contain a reserve account and the Reserve Account Required Amount is greater of (a) 1.00% of the current Pool Balance and (b) 0.50% of the Initial Pool Balance.

If amounts are withdrawn to cover shortfalls, future excess amounts will be deposited in the reserve account to bring the amount back to the required amount.

If the balance of the Class A notes and Class B notes exceeds the Pool Balance, or if the Cumulative Default Trigger is in effect, funds in the Reserve Account will be included in the available funds.

Capitalized Interest Account:

At closing, approximately $0.49 million will be deposited into the Capitalized Interest Account. On each monthly payment date from closing to the end of the Supplemental Purchase Period, an amount equal to interest accrued on the remaining balance in the prefunding account at the average interest rate of the Notes will be withdrawn and deposited to the distribution account as available funds.

Excess Spread

Annual excess spread is estimated to be 1.91% and is based on the Choice Rate and YSOC adjusted pool APR ("Effective WA APR") on the solar loans of 4.40% less assumed weighted average note rate of 1.94% and servicing and other senior fees of approximately 0.55%.

	The table below summarizes the annual excess spread calculation: **Excess Spread Summary** Collateral Interest Rate: 4.40% Weighted Average Coupon: 1.94% Servicing Fees: 0.55% **Annual Excess Spread: 1.91%**
Transaction Amendment Process	The transaction's indenture may be amended without the consent of noteholders, provided the amendment does not materially adversely affect the interest of any noteholders. Amendments to the indenture may also be executed with the consent of the majority senior noteholders and prior notice to KBRA. Certain limited amendments (such as an increase, reduction, acceleration or delay in distributions to be made to noteholders) require that the holders of all notes affected by the amendment provide their consent.
Representations & Warranties	For more detailed information regarding the representations, warranties and enforcement mechanisms available under the transaction documents, please see KBRA's Mosaic 2020-2, Representations and Warranties Disclosure. The Representations and Warranties Disclosure is available **here**.