

Monthly Newsletter

03/2026

Spring is finally here and we are excited to share our latest updates with you.

In March, we wrapped our second transaction of the year – ADMT 2026-NQM2, the syndicate was managed by J.P. Morgan. The \$602 million securitized pool was the largest we have ever done, and it included 1,793 loans in total.

Join us for our Spring 2026 Residential Mortgage Investor Meetup, where Imperial Fund and AD Mortgage senior executives will share insights on the latest developments in the U.S. residential mortgage credit. The discussion will cover recent market and product updates, key government initiatives shaping housing finance policy, and innovations in mortgage underwriting technology. We will also provide updates on our securitization platform and outline our strategic priorities for the remainder of 2026. The session will then address CPRs, investor demand for whole loan products, credit guideline changes, DSCR loan performance, and broader market trends, followed by a live Q&A.

[RSVP HERE](#)

Conferences

We plan to attend HEI & Home Equity Capital Markets Conference in Nashville, TN, on April 7–8. We look forward to gaining insights into home equity market, exploring innovations in the space, and sharing our perspectives with peers and partners.

On April 16–17, we plan on participating in U.S. Private Credit Industry Conference on Direct Lending, hosted by DealCatalyst, also in Nashville, TN. We look forward to meeting with investors and other residential credit industry participants.

ADMT 2026-NQM2

30th platform securitization
Priced a \$602M of loans

Spring 2026 Residential Mortgage Investor Meetup

May 6th 11:00 AM EDT

HEI & Home Equity Capital Markets

Nashville, Tennessee
April 7–8

U.S. Private Credit Industry Conference

Nashville, Tennessee
April 16–17



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We also plan to attend 2026 Mortgage & Housing Forum hosted by Morgan Stanley in New York City on April 21. We are looking forward to connecting with industry peers and discussing perspectives on RMBS market.

Mortgage & Housing Forum
New York
April 21

We are always excited to engage with our existing and prospective partners. If you would like to meet at any of the above events, please contact agezunterman@imperialfund.com.

We participated in a number of events in March, most notably, in Investor Issuer Day hosted by JPMorgan, March 27 in Chicago. We enjoyed meeting with our Midwest based existing and prospective investors. April promises to be just as busy.

Market Updates

An uptick in rate volatility has lowered valuations across equity and fixed income markets. The 10 year treasury yield has risen by ~40 basis points since the start of March, and 30 year-conventional mortgage rates are at their highest level since September 2025 (~6.4%). Data from the Bureau of Labor Statistics indicates that year-over-year CPI inflation remained 2.4% in February, and unemployment was marginally higher at 4.4%. Uncertainty around the global economic outlook was reflected in the March FOMC meeting, where the committee decided to leave their policy rate unchanged. In the Summary of Economic Projections released after the meeting, the sentiment was very similar to last December. The median projection remains one more cut this year, with an additional cut in 2027.

The hawkish turn in rate expectations is a headwind for fixed-income valuations, including RMBS. Between February 27 and March 24, market-implied probabilities of at least one rate hike increased from 0 to 35%. Over that same period, agency RMBS spreads widened by 28%, while non-QM AAA spreads widened by 13%. This spread widening means RMBS now offers historically high yield relative to other asset classes. Indeed, over the past 10 years, BBB corporate bond spreads have on average offered 70% pickup over Agency MBS.



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However today, Agency MBS offers a marginal spread pickup over BBB corporate debt. Similarly, since 2021 CLO AAA spreads have offered a 13% pickup over non-QM AAA spreads on average, today however non-QM offers marginally more (~8%) spread pickup. Based on these comparisons, mortgages look cheap on a historical, relative value basis. Gross issuance in non-QM year-to-date is \$23Bn, approximately 40% of non-agency issuance in 2026.

On March 19, the federal bank regulatory agencies published proposed updates to its bank regulatory framework. These initial proposals prelude a long-awaited revamp of banking regulations which were created in response to the 2008 Financial Crisis. In the proposed reforms, mortgage loans and securitized credit would receive improved regulatory capital treatment overall. The most notable change was the introduction of bucketing where mortgages loans with higher equity in the home are assigned a lower risk weight. This is a notable change to the previous rule where mortgage loans were uniformly assigned the same risk weight regardless of equity ownership. The new rules also introduce recognition of loan purpose, with owner-occupied mortgages now receiving more favorable treatment than investor mortgages. Another relevant update was lowering the minimum-risk level associated with securitization exposure. Overall, these proposed changes are constructive for bank investment in mortgages and securitized credit. These and the other proposals are currently subject to a comment period which expires on June 18 2026.

Sources:

Bloomberg
CoreLogic
BofA Global Research
Nomura Research
Federal Reserve Bank



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