



## ASF Securitization Institute Course Outline

The ASF Securitization Institute sessions are designed to provide an introduction to the securitization market as well as more in-depth education on specific products/asset classes, legal and accounting issues, and portfolio management basics.

Details on each of the sessions are as follows:

### 1. Securitization 101

1. What is securitization and why is it important?
2. Overview of securitized assets and transaction structures
3. Role and function of key transaction participants
4. Economic, financial, regulatory, accounting, operational and business goals and strategic considerations for investors, issuers and others
5. Securitization within the broader debt and credit markets – key differences between ABS/MBS and other fixed income securities

### 2. MBS/ABS Offering Process

1. Overview of the organization, underwriting, allocation and syndication processes for new securitization transactions
2. Roles and responsibilities of the key participants
3. Birth of a new transaction
4. The capital markets: Public vs. private transactions
5. Offering process legal and regulatory fundamentals

### 3. U.S. Legal & Regulatory Framework for Securitization

1. U.S. legal framework for regulating cash securitization transactions
2. Legal isolation and bankruptcy-remoteness
3. Overview of commercial laws relevant to securitization (e.g. UCC, state contract and property law)
4. The universe of regulatory and standards-setting bodies, their roles and functions
5. Key features of securities and banking law and regulation that affect securitization activities
6. Recent legal and regulatory developments

### 4. Securitization Accounting under GAAP

1. The framework for securitization accounting under U.S. GAAP
2. The impact of securitization on the corporate balance sheet
3. De-recognition and recognition of assets
4. Consolidation of special purpose entities
5. Gain-on-sale

6. Embedded options
  7. What securitization does to traditional corporate reporting
  8. Current accounting issues and controversies
5. MBS – Concepts and Topics
1. Overview of the primary mortgage market and its institutions
  2. Agency MBS
  3. Non-agency MBS
  4. Pricing and valuation dynamics of mortgage collateral and cash flows
  5. Taxonomy of CMO Structures
  6. Recent developments in MBS
6. Consumer ABS – Concepts and Topics
1. Overview of the origination market for ABS collateral
  2. How originators use securitization in their funding strategy
  3. Performance characteristics of each collateral type
  4. Performance characteristics of common but non-standard MBS collateral
  5. Consumer ABS deal types and structures in detail
  6. Recent developments in consumer ABS
7. ABCP – Concepts and Topics
1. Overview of the CP/ST money market
  2. ABCP in the originator's funding strategy
  3. Prototypical structure of an ABCP conduit
  4. The evolving role of liquidity
  5. Overview of ABCP structural types
  6. Recent developments in ABCP
8. CDOs – Concepts and Topics & ABS/MBS Derivatives and Index Products
1. CDOs – Concepts and Topics
    - a. Taxonomy of CDO transaction types
    - b. Deal examples; the interplay between collateral choices and control elements; performance monitoring & evaluation
    - c. Roles and functions of each key transaction participant
    - d. Frameworks of evaluating CDO performance
    - e. Recent developments in CDOs
  2. ABS/MBS Derivatives and Index Products – Concepts and Topics
    - a. CDS of ABS terms, definitions and transaction mechanics
    - b. Credit protection buyers and sellers: providers, goals and strategies
    - c. Usage of swaps, caps and other embedded derivatives in deal structures
    - d. Credit derivative index products—structure and practical applications
    - e. Recent developments in derivatives and index products

## 9. Covered Bonds – Concepts and Topics

1. Overview of major players in the covered bonds market
2. Review of the international market
3. Development of a US market for covered bonds
4. Structuring and evaluating covered bond deals

## 10. CMBS – Concepts and Topics & Esoteric/Emerging Asset Classes

1. Overview of the CMBS market
  - a. Overview of major players in the CMBS market
  - b. Structuring and evaluating CMBS deals
  - c. New CMBS market developments and directions
2. Esoteric and emerging securitization transactions
  - a. Whole business securitizations
  - b. Covered bonds
  - c. Timeshare ABS
  - d. Operating or off the run assets
  - e. Small balance loan securitizations
  - f. Entertainment securitizations

## 11. Securitization Analytics

1. Pricing and valuation of structured securities
2. Credit fundamentals
3. Structuring fundamentals
4. Basic asset classes/transaction structures and performance characteristics

## 12. Secondary Trading of MBS/ABS & Portfolio Management of Structured Products

1. Where and how do asset-backed securities trade?
2. Key features and characteristics of OTC trading markets for ABS and MBS
3. Trading and liquidity dynamics for major project and asset types
4. Key determinants of liquidity and pricing in the secondary market
5. Data, sources and methods of pricing and valuation in the secondary ABS market
6. Evaluating portfolios based on underlying sectors, duration and credit risk

## 13. International Applications of Securitization and Final Wrap-up

1. What types of securitization products and markets exist outside of the US?
2. Key issues, variables and obstacles associated with international securitization transactions
3. Structural, collateral, legal, regulatory and accounting differences among international jurisdictions
4. Connecting the dots between Institute sessions
5. Challenges and opportunities in the securitization industry