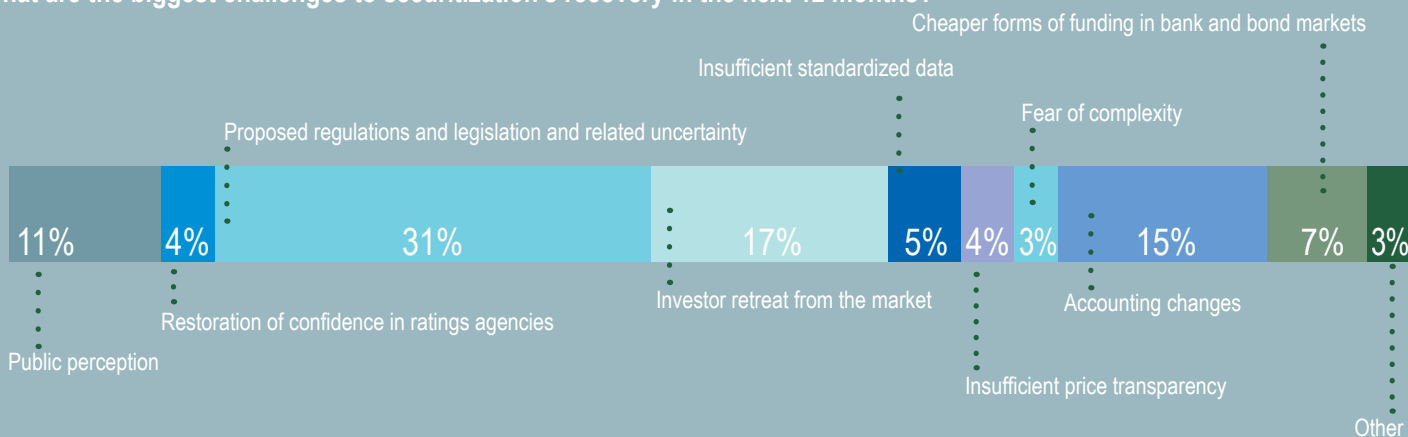


# The Challenges Ahead for Securitization

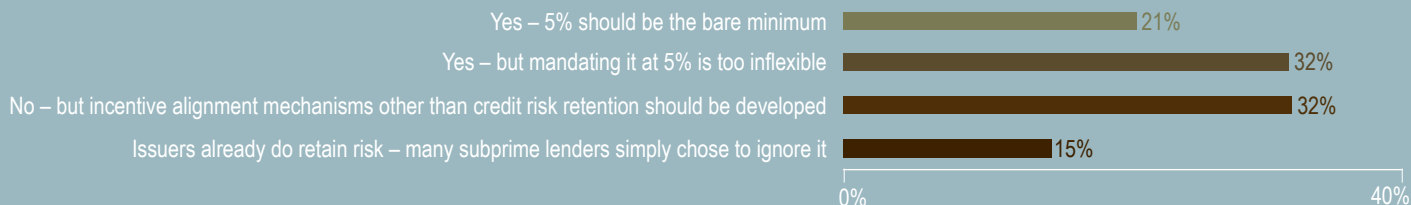
At the end of last year, *American Securitization* conducted an exclusive survey of ASF members' views on the future of securitization. Some results confirm anecdotal evidence: a majority, for example, is against ABS-specific legislation, which is also perceived as the biggest single potential hindrance to the market's recovery. But other responses were more of a surprise: members are far more concerned about what will happen when the Fed's MBS program ends than when TALF winds up. A full 40% say more transparency wouldn't change whether they buy ABS deals. And even though many are against legislation, a majority reckons issuers should have to retain a portion of the risk in any deals they sell.

We publish some of the results here; the rest can be found at [www.americansecuritization.com](http://www.americansecuritization.com).

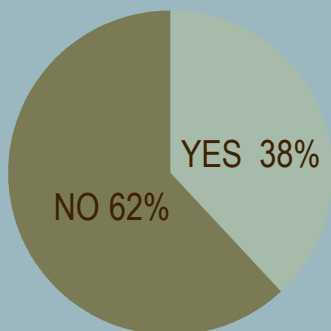
## What are the biggest challenges to securitization's recovery in the next 12 months?



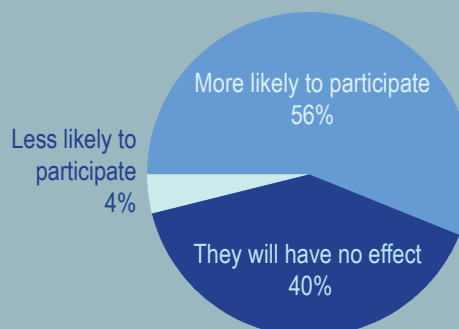
## Should ABS issuers be forced to retain a portion of the credit risk in their deals?



Does securitization require specific legislative reform, as suggested by SEC chief Mary Shapiro and in bills introduced in Congress?



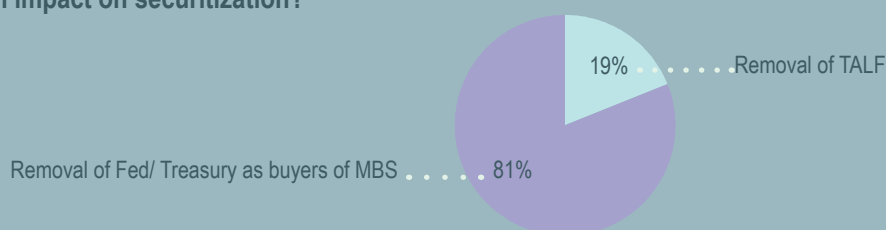
What effect will having improved information on underlying loans in ABS deals – such as ASF's Project RESTART – have on your willingness to participate in securitization transactions?



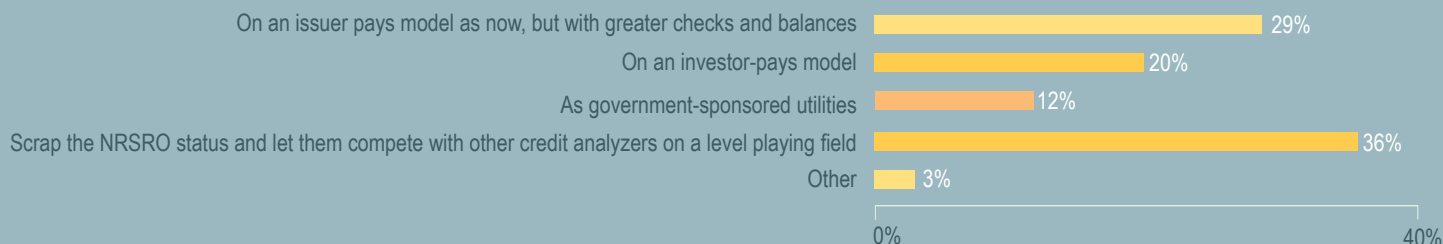
## What will happen to spreads if TALF ends/when the Fed ceases buying mortgage bonds?

	credit card ABS	auto ABS	student loan ABS	CMBS	MBS
They'll go much wider and stay there for some time	10%	13%	19%	53%	43%
They'll go much wider initially but come back in within a few months, given a decent economy	18%	16%	20%	21%	30%
They'll widen, but not significantly for most names	28%	31%	32%	15%	18%
Only the least creditworthy names will widen. The end of TALF is already being priced in to the rest	43%	40%	29%	11%	9%

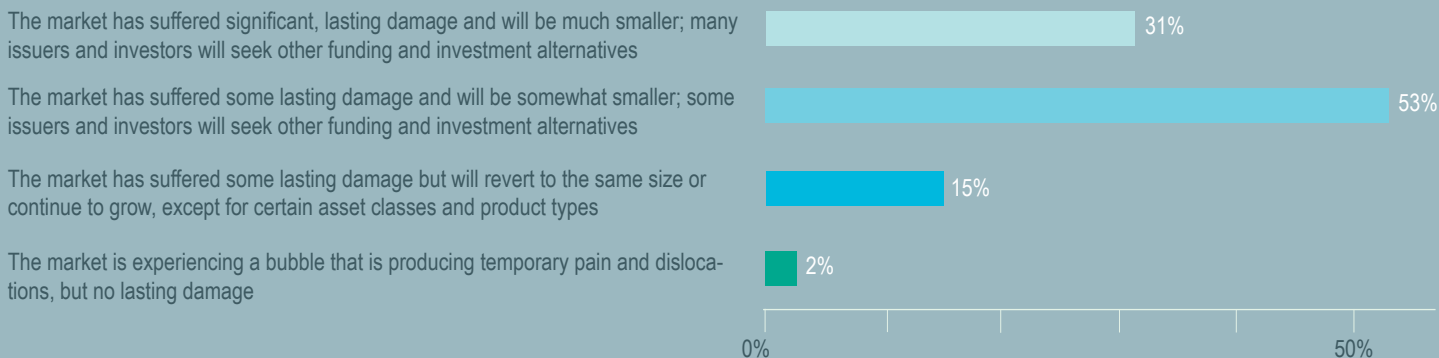
## What will have more of an impact on securitization?



## How should credit rating agencies be structured?



## Which of the following statements best characterizes your view of the future of the securitization market in light of recent events?



## When will mortgage and consumer asset securitization markets reach a new equilibrium (i.e. a return to "normal")?

