



Asset Backed Securities - Online

This introductory course guides students through the evolution of asset securitization, which results in new products for investors and expanded sources of funding and risk transfer opportunities for issuers. It shows how an asset-backed security is constructed, rated by the credit agencies, traded, and valued. The course also explores the different ABS market segments, from the large, established segments like automobile loans, to emerging and sub-prime market segments. The course concludes with a look at current trends in the industry.

Please note that this is a curriculum of individual course modules. You will need to pass each module exam in order to qualify for a certificate of completion.

This is an asynchronous eLearning program that can be accessed 24/7 from any internet enabled computer. Access is for 91 days.

Targeted Audience

Newcomers to the bond markets, institutional sales staff, sales and capital markets assistants.

Prerequisites

Fixed Income Securities or equivalent level of knowledge

Learning Objectives

Students will be able to:

- . Define asset-backed securities (ABSs).
- . List the advantages for issuers of and investors in ABSs.
- . Identify the different roles played by issuers, investors, and dealers in the ABS market.
- . Recognize the differences between pass-through and pay-through trust structures.

- . Describe the role of a Special Purpose Vehicle in structuring ABSs.
- . Define the most common types of credit enhancements.
- . Identify the elements by which rating agencies evaluate and monitor credit worthiness.
- . Identify the differences between the MBS and ABS markets.
- . Identify the structure, sources of income and risks of credit card ABSs.
- . Describe how auto loan ABSs are structured.
- . Recognize the structure, risks and credit enhancements of Home Equity Loan (HEL) ABSs.
- . Describe how Collateralized Debt Obligations (CDO) work.
- . Recognize the role of spreads and benchmarks in pricing ABSs.
- . Distinguish the different factors that impact ABS spreads.
- . Identify the relative pricing of different ABS sectors and the fixed-income market.
- . Recognize potential new collateral assets for ABSs.
- . Recognize ways current ABS products are likely to expand in the future.
- . Identify how derivatives are being used within ABSs.
- . Explain the opportunities for ABS growth in Europe, Asia, and Latin America.

Alumni Comments

"The course provided very useful information."

"This module helped me understand things better. Its simplicity is easy to follow, understand, and retain."

"Overall, I am really pleased with the class."

Follow-Up Courses

Asset Securitization - Online

Overview of Structured Products

Structured Credit Modeling

Financial Management of Structured Products

Level: Basic

CPE Credits: 5

Instructional Method: Self-Study

Detailed Outline

Introduction to Asset Backed Securities

Topics covered include:

- . Defining an asset-backed security
- . Evolution of the ABS market
- . Players in the ABS market
- . Comparing the ABS market to other fixed income markets

Duration: 1 Hour

Structure and Rating of Asset Backed Securities

Topics covered include:

- . Assets
- . Special purpose vehicles
- . Cash flows
- . Rating agencies and credit ratings
- . Credit enhancements

Duration: 1 Hour

Major Sectors of the Asset Backed Securities Market

Topics covered include:

- . Mortgage-backed securities
- . Credit card receivables
- . Auto loans
- . Home equity loans
- . Equipment leases
- . Collateralized debt obligations

Duration: 1 Hour

Pricing and Trading of Asset Backed Securities

Topics covered include:

- . Mechanics of pricing
- . Determining the spread
- . Relative pricing of ABS compared to other fixed income sectors
- . Relative pricing among ABS products

Duration: 1 Hour

The Future of the Asset Backed Securities Market

Topics covered include:

- . Development of new assets as collateral
- . Future development of existing ABS products
- . Use of derivatives
- . New structuring techniques
- . Growing global investment base for ABS products

Duration: 1 Hour

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