



## Asset Securitization - Online

This course gives an introduction to asset securitization and its process and the different entities involved in securitization.

This is an online self study course that can be globally accessed from any internet enabled computer. Access is for 91 days. Upon successful completion of all modules, a certificate of completion will be awarded.

### Targeted Audience

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

### Advance Preparation

No advance preparation required.

### Prerequisites

Fixed Income Securities or equivalent level of knowledge

**Level: Basic**

**icb Credits: 48.75**

**icpas Credits: 15**

### Detailed Outline

#### Overview

**This module gives an introduction to asset securitization and its process and the**

#### Credit Enhancement

- . Fundamentals of credit enhancement
- . Types of credit enhancement
- . Companies providing credit

**different entities involved in securitization. It helps the user understand:**

- . Process of asset securitization
- . Cash flows in asset securitization
- . Benefits to different entities in Asset securitization
- . Global scenario of asset securitization

Duration: 1 hour

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enhancement

- . Calculating credit enhancement

Duration: 1.5 hours

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**Ratings Approach to Asset Securitization**

**This module explains the process of rating the asset backed securities. It helps the user understand**

- . Credit rating in asset securitization
- . Various concerns of rating agencies
- . A generalized approach used by rating agencies

Duration: 1.5 hrs

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**Residential Mortgage Backed Securities - Basics**

- . Basics of Mortgage backed securities
- . Federally sponsored mortgage securities

Duration: 1 hour

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**Residential Mortgage Backed Securities - Prepayments**

- . Concept of prepayment
- . Different prepayment standards

Duration: 1 hour

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**Residential Mortgage Backed Securities - Basic Structures**

- . Pass Through Securities
- . Pay Through Securities

Duration: 1 hour

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**Residential Mortgage Backed Securities - Complex Structures**

- . Planned Amortization Class
- . Targeted Amortization Class
- . Stripped Mortgage Backed Securities
- . Floaters
- . CMO Residuals

**Mortgage Backed Securitization (Commercial)**

**This module gives an introduction to Commercial Mortgage Backed Securities (CMBS) and its features. Topics covered include:**

Duration: 1 hour

- . Differences between residential and commercial mortgages
- . Elements and features of a typical CMBS
- . Commercial loan evaluation and rating process

Duration: 1.5 hours

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### **Auto Loan Receivables Securitization**

**This module gives an introduction to Auto Loan Receivables Securitization and its structure. Topics covered include:**

- . Types of auto loans originated and securitized
- . Structure of auto loan backed securities
- . Features of trust structures
- . Rating process in auto loan securitization
- . Significant aspects of securitization for first time securitizers

Duration: 2 hours

### **Credit Card Receivables Securitization**

**This module gives an introduction to Credit Card Receivables Securitization and its process and features. Topics covered include:**

- . Fundamentals of Credit Card Receivables
- . The structure of Credit Card Receivables transaction
- . Securitization process
- . Various measures of maturity
- . Concepts of Interchange and Early Amortization
- . Rating process for credit card receivables securitization

Duration: 1.5 hours

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### **Collateralized Debt Obligations**

- . Fundamentals of CDOs
- . Balance Sheet Vs. Arbitrage CDOs
- . Cash Flow Vs. Market Value Structures
- . Synthetic Structures
- . Motivations behind CDOs
- . Rating Process
- . Role of Asset Manager

### **Case Studies (CDOs, CLOs, CBOs)**

**This module explains the practical aspects of collateralized obligations, its structure and design with the help of case studies. It discusses the following case studies:**

- . Jubilee CDO I B.V

- . Distinction between CBOs and CLOs

Duration: 2 hours

- . ROSE Transaction

- . SBC Glacier Transaction

- . Panther CDO II B.V

Duration: 2 hours

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### **Future Flow Receivables Securitization**

- . The basics of future flow receivables securitization

- . Reasons for future flow receivables securitization

- . Risks involved

- . Securitization of airline ticket receivables

- . Securitization of export receivables

Duration: 1 hour

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### **Securitization of Home Equity Loans**

- . Fundamentals of Home Equity Loans

- . Types of Home Equity Loans

- . Pros & Cons of Home Equity Loans

- . Securitization of Home Equity Loans

- . Structures based on credit enhancement

Duration: 1.5 hours

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### **Insurance Risk Securitization-I**

- . Concepts underlying Insurance Risk

Securitization

- . Insurance Loss Indices

- . Instruments of Insurance Risk Securitization

- . Weather Risk Securitization

- . Advantages and disadvantages of Insurance

Risk Securitization

Duration: 1.5 hours

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### **Insurance Risk Securitization-II**

- . Catastrophe (CAT) Bonds

- . Issuance of CAT Bonds

- . Probabilities and Cash Flows of CAT Bonds

- . Types of Insurance Risk Structures

Duration: 1 hour

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### **Case Studies (Non-Performing Loans)**

- . Korea Asset Funding 2000-1 Limited (KAMCO)

- . Ariosto S.r.l

- . Danaharta

- . Japan II Ltd.

Duration: 1.5 Hours

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### **Case Studies (Different Products)**

- . Trade receivables securitization

- . Equipment lease securitization

- . Inventory securitization

- . Dealer floorplan receivables securitization

Duration: 1.5 hours

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### **Case Studies (Asia and Australia)**

- . LG Card
- . Pemex Finance Ltd.
- . RAMS Mortgage Corp. Ltd. Series 11
- . Series 2002-1G Medallion Trust

Duration: 1 hour

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### **Case Studies (North America and Europe)**

- . Wells Fargo Student Loans Receivables I LLC
- . BEC Funding LLC
- . Ares Finance S.r.l.
- . LIBRAVOU FL3

Duration: 1 hour

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### **Healthcare Receivable Securitization**

- . Concepts of healthcare receivables
- . The case of National Century Financial Enterprise

Duration: 1 Hour

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### **Asset Backed Commercial Paper (ABCP)**

- . Fundamentals of ABCP conduits
- . Key parties to a transaction
- . The risks faced by ABCP investors and methods to mitigate them
- . Assets securitized through ABCP conduits
- . Legal issues associated with ABCP conduits

Duration: 1.5 hours

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### **Project Management**

- . An outline of various components of a basic asset securitization policy statement
- . Project Plan for Credit Card Responsibility Delegation
- . Project Plan for Auto Loans Responsibility Delegation

Duration: 1 hour

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### **Risk Management**

- . The risks involved in asset securitization
- . Nature of these risks
- . Methods to manage each risk
- . General risk management measures
- . Risk-based capital requirements

Duration: 2 hours

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### **Legal Aspects**

- . The importance of ownership and title to the collateral involved in securitization transactions
  - . The importance of establishing priority in having recourse against the collateral
  - . The bankruptcy issues and the consequent reforms in the United States
  - . The procedures for ABS issue as under the United States laws
  - . The UN convention on Assignment of Receivables
- Duration: 2 Hours
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### **Tax**

- . Taxation of different participants in the securitization process
  - . Tax issues in select countries
  - . Applicability of Withholding Tax
  - . Relevant aspects of The U.S. FASIT Law
- Duration: 1 hour
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### **Accounting**

- . Accounting for Asset Securitization under FAS 140
  - . Sale and loan treatment
  - . Gain or loss on sale accounting
  - . Investor Accounting
  - . Bank Regulatory Capital Relief
  - . International Accounting Standard: IAS 39
- Duration: 1.5 hours
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### **Supervision**

- . Office of the Comptroller of the Currency
  - . Federal Deposit Insurance Corporation
  - . Federal Reserve System
  - . Interagency guidance on asset securitization activities
- Duration: 1 hour
- Powered by KESDEE, Inc.
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