



Financial Management of Structured Products

The course provides a detailed overview of the financial management of structured product transactions. The parameters of structured product deals will be explored; because of the elevated levels of market and operational risk, the course creates guidelines for the assessment framework needed to manage risk. In addition, the course incorporates a discussion of FASB rules regarding accounting for variable interest entities, accounting for warehouses and Basel II guidelines for regulatory capital requirements.

Available Session(s):

01-Jun-2009 -- 02-Jun-2009	New York	USD \$2475
NY Institute of Finance - Midtown	9:00am - 4:30pm	Mon Tue
Instructor(s):[Gim Seow;]		

Targeted Audience

Securitization market practitioners, portfolio risk managers, corporate financiers, treasurers, credit risk managers, traders.

Special Offer

Clients who register for this course will receive a complimentary 6 month subscription to the Financial Times and FT.com. The Financial Times is the world's most respected financial newspaper, providing a broad assessment on finance, business and the industrial sector. Subscriptions will start within 6-8 weeks of the application process and are limited to one per client. For questions about your subscriptions call 800-628-8088 or email uscirculation@ft.com. US and Canada enrollees only.

Advance Preparation

No advance preparation required.

Prerequisites

A basic knowledge of derivatives and capital markets.

Learning Objectives

Students will be able to:

- Understand and analyze the securitization process for structured products
- Gain a conceptual and analytical framework for collateralized debt obligations (CDOs)
- Develop managerial mechanisms for CDO financial oversight
- Identify major accounting and control methods for structured products

Alumni Comments

"The course clearly presented the application of CDOs."

"This course presents a good analysis of pricing models."

"The instructor is a strength of this course."

Follow-Up Courses

Structured Credit Modeling

Accounting for Derivatives & Hedging

Level: Intermediate

CPE Credits: 14.0

Instructional Method: Group-Live

Detailed Outline

Day 1

Overview of Structured Finance

- What is structured finance?
- Who are the market participants?
- Motivation for structured finance
- Mortgages
- Credit card accounts
- Auto loans
- Lease receivables

Introduction to Securitization

- Mechanics of a securitization transaction
- Roles & responsibilities of participants to a securitization
- Cash vs. synthetic securitization
- Size of securitization markets

Credit Swaps, Synthetic ABS

Day 2

Collateralized Debt Obligations (CDOs)

- Distinction of CDO from ABS/MBS
- Taxonomy of CDO types
- Transaction structure of CDOs: Tranches, Triggers, Overcollateralization and Reserving
- Cash vs. synthetic CDOs: Funding, cash-flow waterfall, structuring

Analyzing CDOs

- Structural models of default probability
- Loss curves
- Modeling cash-flow CDOs: Moody's binomial expansion technique
- Rating transition matrices
- What is a Moody's rating?
- Monitoring and rating actions

- Types of CDS
- Uses of CDS
- Pricing of CDS
- Disadvantages of CDS
- Synthetic ABS/CDOs

Assessing Securitization Risk: A Structurer's Perspective

- Credit risk of underlying assets
- Credit spreads
- Subordination
- Legal issues: True sales vs. bankruptcy remoteness

Securitization and Cost of Capital

- CAPM and cost of equity capital
- Cost of debt capital
- Weighted average cost of capital - WACC
- Capital regulation capital under Basel II

Accounting for Securitizations

- Accounting example for a securitization
- Sale criteria for securitization transaction
- What are Variable Interest Entities (VIEs)?
- FAS 140
- FAS 156
- Applying FIN 46(R)
- FAS 155
- Accounting for warehouses

International Developments

- Hedge funds' activities involving structured finance
- New international accounting standard - IFRS

Q&A Session

For more information regarding administrative policies such as complaints and refunds, please contact our offices at 212-641-6616.