



European Securities and
Markets Authority

Questions and Answers

On the Securitisation Regulation



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1. Purpose and status

1. The purpose of this document is to promote common, uniform and consistent supervisory approaches and practices in the day-to-day application of Securitisation Regulation (Regulation 2017/2402). It does this by providing responses to questions asked by the public, financial market participants, competent authorities and other stakeholders. The question and answer (Q&A) tool is a practical convergence tool used to promote common supervisory approaches and practices under Article 29(2) of the ESMA Regulation. Further information on ESMA's Q&A process is available on our website.
2. ESMA intends to update this document on a regular basis and, for ease of reference, ESMA has provided the date each question was first published as well as the date/s of amendment beside each question.
3. Additional questions on the Securitisation Regulation may be submitted to ESMA through the Q&A tool on its website. Please see the guidance available on ESMA's website before submitting any questions.
4. **Important disclaimer:** ESMA has provided these Q&As in advance of several delegated acts being adopted by the European Commission, with a view to providing guidance to market participants seeking further context that may be helpful for their future expectations of how to comply with these technical standards. Market participants should be aware that the Q&As below are subject to change should the delegated acts adopted by the European Commission contain changes relative to the draft technical standards submitted by ESMA to the Commission. Furthermore, ESMA reserves the right to further adjust or update the Q&As provided below at any time. Therefore, the Q&As below are indicative until the delegated acts on which they are based have been adopted by the European Commission and furthermore do not signal that the final delegated acts adopted by the Commission on these standards will necessarily be identical to the provisions referenced below.

2. Legislative references and abbreviations

Legislative references and useful links

<i>ESMA Regulation</i>	Regulation (EU) No 1095/2010 of the European Parliament and of the Council of 24 November 2010 establishing a European Supervisory Authority (European Securities and Markets Authority), amending Decision No 716/2009/EC and repealing Commission Decision 2009/77/EC ¹
<i>The Securitisation Regulation</i>	Regulation (EU) 2017/2402 of the European Parliament and of the Council of 12 December 2017 laying down a general framework for securitisation and creating a specific framework for simple, transparent and standardised securitisation, and amending Directives 2009/65/EC, 2009/138/EC and 2011/61/EU and Regulations (EC) No 1060/2009 and (EU) No 648/2012
<i>Final Report on Disclosure</i>	Final Report Technical standards on disclosure requirements under the Securitisation Regulation (22 August 2018 ESMA33-128-474)

¹ OJ L 331, 15.12.2010, p. 84

<i>CP on Disclosure Requirements</i>	Consultation Paper Draft technical standards on disclosure requirements, operational standards, and access conditions under the Securitisation Regulation (19 December 2017 ESMA33-128-107)
<i>ESMA's Opinion on Disclosure Requirements</i>	ESMA's Opinion on disclosure requirements under the Securitisation Regulation (31 January 2019 ESMA33-128-600).
<i>Draft RTS on Disclosure</i>	ESMA' Draft Regulatory Technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE on pages 15 - 260 of ESMA's Opinion on disclosure requirements under the Securitisation Regulation (31 January 2019 ESMA33-128-600).
<i>Draft ITS on Disclosure</i>	ESMA' Draft regulatory technical standards specifying the information and the details of a securitisation to be made available by the originator, sponsor and SSPE on pages 261 - 306 of ESMA's Opinion on disclosure requirements under the Securitisation Regulation (31 January 2019 ESMA33-128-600).

Abbreviations

<i>CA</i>	Competent Authority
<i>CP</i>	Consultation Paper
<i>EC</i>	European Commission
<i>EU</i>	European Union
<i>ESMA</i>	European Securities and Markets Authority
<i>LEI</i>	Legal Entity Identifier
<i>SMSG</i>	Securities and Markets Stakeholder Group

3. Questions and Answers on general matters

[Further Q&As will be provided here in due course]

4. Questions and Answers on STS Notifications

[Further Q&As will be provided here in due course]

5. Questions and Answers on Disclosure Requirements and Templates

5.1 Cross-cutting issues

5.1.1 Timelines

As of when will the templates need to be reported?

Updated: [N/A - first response]

Q5.1.1.1 As of when will the templates need to be reported?

A5.1.1.1 The templates enter into force according to the date set out in the Delegated Regulation that the European Commission will adopt. For the time being, reporting entities are invited to refer to the statement made by the Joint Committee of the European Supervisory Authorities, available here: https://esas-joint-committee.europa.eu/Publications/Statements/JC_Statement_Securitisation_CRA3_templates_plus_CRR2_final.pdf

Transitional provisions for completing the disclosure templates

Updated: [N/A - first response]

Q5.1.1.2 Are there any transitional provisions in place for completing these disclosure templates?

A5.1.1.2 As further explained in section 2.1.2 of ESMA's CP on disclosure technical standards, the templates must be completed for securitisations that issue any securities from 01/01/2019 onwards ('new securitisations'), as well as securitisations that issued securities before 01/01/2019 and seek to obtain STS status ('legacy STS securitisations').

ABCP programmes that issue securities (i.e. commercial paper) from 01/01/2019, must also complete these templates as required in the RTS on disclosure, with the same considerations applying to ABCP programmes that have issued securities prior to 01/01/2019 but also seek to obtain STS status ('legacy ABCP programmes').

Availability of XML schema and validation rules for disclosure templates

Updated: [N/A - first response]

Q5.1.1.3 When will the XML schema and validation rules for the disclosure templates be available?

A5.1.1.3 Please refer to ESMA's [statement](#) of 13 November 2018 (ESMA33-128-57) about near-term implementation of the Securitisation Regulation.

5.1.2 Template and reporting frequency for different types of securitisations

Reporting information for private securitisations

Updated: [N/A - first response]

Q5.1.2.1 As there is no obligation to report to a securitisation repository, to whom is the reporting done for private transactions? How is it done? Who will have access to the report?

A5.1.2.1 Articles 7(3) and (4) of the Securitisation Regulation mandate ESMA to develop draft regulatory technical standards to specify the information that the originator, sponsor and SSPE shall provide in order to comply with their obligations under points (a) and (e) of Article 7(1), which apply to both public and private securitisation. However, the Regulation does not specify *how* reporting should be performed for private securitisations, and ESMA has not been mandated to specify this aspect.

Absent any instructions or guidance provided by national competent authorities, reporting entities are free to make use of any arrangements that meet the conditions of the Regulation.

Disclosures for public vs. private securitisations.

Updated: [N/A - first response]

Q5.1.2.2 Which templates are required for both public and private securitisations, and which ones are only required for public securitisations?

A5.1.2.2 Section 1 of the RTS on disclosure sets out the information to be made available for all securitisations. Section 2 of the RTS on disclosure sets out the information to be made available for all public securitisations. In terms of templates to complete, this can be summarised in the following way:

- For *both* public and private non-ABCP securitisations: Annexes 2 – 10 (as applicable depending on the type of underlying exposure) and Annex 12
- For *both* public and private ABCP securitisations: Annexes 11 and 13
- *Only* for public non-ABCP securitisations: Annex 14
- *Only* for public ABCP securitisations: Annex 15

Reporting frequency for ABCP transactions

Updated: [N/A - first response]

Q5.1.2.3 What is the reporting frequency applicable to ABCP transactions?

A5.1.2.3 As set out in Article 7(1)(a) and (e) of the Securitisation Regulation and the third subparagraph of 7(1) of the Securitisation Regulation, information on the underlying receivables or credit claims and investor reports shall, for ABCP, be reported simultaneously on a monthly basis and at the latest one month after the end of the period the report covers.

What underlying exposures template should be used for less-common underlying exposure types

Updated: [N/A - first response]

Q5.1.2.4 What underlying exposures template should be used for less-common underlying exposure types?

A5.1.2.4 This requires a case-by-case assessment with the competent authority supervising compliance of the reporting entity with Article 7. Reporting entities that are not certain of the appropriate template to use should contact their national competent authority (using the list available on ESMA's website), copying ESMA at securitisation@esma.europa.eu. Concrete and precise information on the underlying receivables and any other applicable features of the securitisation should be provided, as well as any transaction documentation (final or, if the securitisation has not yet been issued, in draft form).

5.1.3 Questions related to several fields in several templates

Reporting of static information vs. dynamic information; Updating information in the templates over time

Updated: [N/A - first response]

Q5.1.3.1 How should static data be reported over time? For example, income information is usually only recorded at the time of underlying exposure origination.

A5.1.3.1 With respect to Annexes 2-10, it is not necessary to update information concerning details of the obligor or collateral that has been collected at the time of origination of the underlying exposure and which could not reasonably be expected to be collected again (e.g. borrower income information, employment status, geographic information, etc.). Nevertheless, if an originator, in the course of its ordinary business and interactions with an obligor (such as during discussions leading to the provision of an additional loan, credit, or advance), becomes aware of updated information in this context (such as an update to the employment status or income), then this updated information should be provided for the existing underlying exposure.

However, the rest of the content in the templates should reflect the most up-to-date information as at the data cut-off date.

For example, fields that relate to aspects of the underlying exposure that regularly evolve should be updated (e.g. loan outstanding balance, interest rate, arrears/account status, etc.). In addition, fields that refer to information on the underlying exposure that is by definition known to the originator and does not have to be re-collected, must also be kept up to date at all times. This includes fields that relate to features describing the underlying exposure itself, such as interest rate, interest rate type, whether collateralised or not, etc. Such information is expected to be known by the originator and thus be able to be updated. The following paragraphs also provide further examples.

As an example of updating information, consider the case of underlying exposures with a fixed rate during the first years of the life of the exposure (e.g. the first 3 years) which then become floating. How should the Interest Rate Type field (RREL42; CREL109; CRPL52) be reported? In this case, the entry "Fixed rate underlying exposure with compulsory future switch to floating (FLCF)" should be reported until the loan becomes a floating-rate product, after which the entry "Floating rate exposure (for life) (FLIF)" should be reported for this field.

The same considerations would apply to lending arrangements that have variable interest periods at the option of the borrower. Thus, a field such as CRPL49 (Scheduled Interest Payment Frequency) should reflect the current frequency as at the data cut-off date.

With respect to Annexes 11 to 15, which do not contain information about individual obligors or collateral, all information on these templates must be kept up to date and reflect the situation as at the data cut-off date of the submission.

Reporting of active underlying exposures vs. inactive underlying exposures, including collateral and tenant information sections.

Updated: [N/A - first response]

Q5.1.3.2 How should the underlying exposures templates be completed for underlying exposures that are either *active* or *inactive* (i.e. have defaulted with no further recoveries expected or that have been redeemed, prepaid, cancelled, repurchased or substituted)? What information should be reported for *inactive* underlying exposures, including for those that became *inactive* on the same day as the data cut-off date? How should the collateral information section and tenant information sections be completed for *inactive* underlying exposures that had collateral and/or tenants, where applicable?

A5.1.3.2 As set out in Article 2(5) of the RTS on disclosure technical standards (see page 67 in the Final Report on Disclosure Technical Standards), “Regarding the information referred to in subparagraphs 1 to 4, the reporting entity shall make available information on:

(a) Active underlying exposures as at the data cut-off date;

(b) Inactive underlying exposures that were active underlying exposures at the immediately-preceding data cut-off date.”

For example, consider two data submissions for a securitisation, the first with a data cut-off date of 30 June 2018, and the second data submission with a data cut-off date of 30 September 2018. In this scenario, the second data submission should include complete information (subject to the use of the ‘No Data’ options) on:

(a) Underlying exposures that were deemed to be *active* underlying exposures as at 30 September 2018 (i.e. that were expected, on 30 September 2018, to generate cash inflows or outflows in the future); AND

(b) Underlying exposures that were deemed *active* underlying exposures at 30 June 2018 but that were then deemed to be *inactive* underlying exposures at 30 September 2018 (i.e. that transitioned from *active* to *inactive* at some point in the time period after 30 June 2018 and up to and including 30 September 2018). Any data submissions after this date (e.g. with a cut-off date of 30 December 2018) no longer need to include these *inactive* underlying exposures (but would have to include loans that became *inactive* in the period after 30 September 2018 and up to and including 30 December 2018).

In addition, where these exist in the underlying exposure template, the ‘collateral information section’ and ‘tenant information section’ of the underlying exposure templates should be completed in the same manner for both *active* and *inactive* underlying exposures. Using the above example, this means that the second data submission (cut-off date of 30 September 2018) should include information on collateral and tenants for both underlying exposures that were *active* as at 30 September 2018 and for underlying exposures that became *inactive* at some point in the time period after 30 June 2018 and up to and including 30 September 2018.

Where an underlying exposure became *inactive* on the same day as the data cut-off date, it is expected that information on this underlying exposure would also be reported in the data submission referencing this data cut-off date. For example, if an underlying exposure became *inactive* on 30 September 2018, then information on that underlying exposure should be included in the data submission having a data

cut-off date of 30 September 2018. If an underlying exposure became *inactive* on 1 October 2018, then information on that underlying exposure should be included in the subsequent data submission (e.g. the one having a data cut-off date of 30 December 2018). As set out in Article 10 'Information timeliness' of the draft RTS on disclosure, reporting entities have up to two months after the data cut-off date to prepare their data submissions reference that data cut-off date.

The same reasoning as the above holds for ABCP disclosure requirements, with the exception that reporting for underlying exposures is performed on a monthly basis rather than a quarterly basis.

This is all summarised in the following table, assuming a non-ABCP securitisation with data cut-off dates falling on the 30th day of each quarter-end.

Data cut-off date	Underlying exposures (including collateral, tenant, and all other underlying exposures information) to report
30 June 2018	<ul style="list-style-type: none"> Underlying exposures that were <i>active</i> as at 30 June 2018 Underlying exposures that were <i>active</i> as at 30 March 2018 and became <i>inactive</i> in the period after 30 March 2018 and up to and including 30 June 2018
30 September 2018	<ul style="list-style-type: none"> Underlying exposures that were <i>active</i> as at 30 September 2018 Underlying exposures that were <i>active</i> as at 30 June 2018 and became <i>inactive</i> in the period after 30 June 2018 and up to and including 30 September 2018
30 December 2018	<ul style="list-style-type: none"> Underlying exposures that were <i>active</i> as at 30 December 2018 Underlying exposures that were <i>active</i> as at 30 September 2018 and became <i>inactive</i> in the period after 30 September 2018 and up to and including 30 December 2018
30 March 2019	Etc...

Is it acceptable to round numerical fields?

Updated: [N/A - first response]

Q5.1.3.3 For fields that have a {MONETARY} or {NUMERIC} field format, how should they be rounded?

A5.1.3.3 It is not acceptable to round fields, including {INTEGER}, {MONETARY}, and {NUMERIC} fields. The only exception concerns, for {MONETARY} and {NUMERIC} fields, where the number includes more than the 5 decimals permitted in these fields formats. As set out in Table 1 in Annex 1 of the draft ITS on disclosure (pages 261-306 in ESMA's Opinion on securitisation disclosure technical standards), {MONETARY} and {NUMERIC} fields may contain "0-18 digits, of which up to 5 may be fractional digits". Therefore, any information with a higher degree of precision than 5 fractional digits should be rounded to the nearest fifth digit.

For example, the number 123.456789 should be entered in the following way, depending on the field format:

- For {INTEGER} fields, the number must be entered as 123
- For {MONETARY} and {NUMERIC} fields, the number must be entered as 123.45679 (i.e. 123.456789 must be rounded to the 5th decimal point)

As another example, the number 123.456 should be entered in the following way, depending on the field format:

- For {INTEGER} fields, the number must be entered as 123
- For {MONETARY} and {NUMERIC} fields, the number must be entered as 123.456 (i.e. 123.456 has less than 5 decimal points and therefore can be entered exactly as it is and does not need to be rounded).

Differences in the same field vs. other existing templates

Updated: [N/A - first response]

Q5.1.3.4 Why does a particular template field have different content to report (e.g. a different set of list options) than template fields in other reporting requirements (e.g. ECB ABS loan-level data initiative)?

A5.1.3.4 As further explained in sections 2.1.3.1 and 2.1.3.2 of ESMA's CP on the securitisation disclosure requirements, the templates used under the ECB ABS loan-level initiative constituted the starting point for the present templates. However, adjustments to these templates were necessary in order to ensure that the requirements under the Securitisation Regulation (which did not exist when the ECB templates were developed), including the specific needs for investors and other data users to meet their obligations, could be adequately reflected.

Use of the response option 'OTHR' (i.e. 'Other') in {LIST} fields.

Updated: [N/A - first response]

Q5.1.3.5 Can the category response 'OTHR' (i.e. 'Other') be used in cases where the answer is unknown or unavailable and where there is no option/possibility to enter 'ND1', 'ND2', 'ND3', 'ND4-YYYY-MM-DD', or 'ND5'?

A5.1.3.5 No. The response category 'OTHR' (i.e. 'Other') constitutes a confirmation by the reporting entity that none of the remaining available response categories are true. The 'OTHR' (i.e. 'Other') response category may under no circumstances be used as a substitute for the 'No Data' options ND1-4 or ND5.

How should 'legacy pools' or 'purchased exposures' be reported?

Updated: [N/A - first response]

Q5.1.3.6 For granular "legacy pools" of underlying exposures that have been sold and which changed servicer, there is often a lack of data available from the previous servicers. For instance, regarding information on "restructured" underlying exposures in field RREL69, should this take into account if the underlying exposure has been restructured by the previous servicer?

A5.1.3.6 As set out in paragraphs 93-104 of ESMA's Final Report on the disclosure technical standards, there is no additional tolerance provided for 'legacy pools' other than the ability to use the 'No Data' options.

5.1.4 Questions related to groups of fields or whole sections which appear in multiple templates

Reporting of Geographic Region fields

Updated: [N/A - first response]

Q5.1.4.1 NUTS3 code entered for the fields “Geographic Region - Obligor (RREL11, CREL12...etc.)” is accompanied with the “Geographic Region Classification” to identify the exact NUTS code whereas this is not the case for the “Geographic Region – Collateral” in the relevant asset classes.

A5.1.4.1 As per the description of the Geographic Region Classification field, “All geographic region fields must use the same classification consistently for each underlying exposure and across all underlying exposures in the data submission.” Insofar as collateral is provided for the underlying exposures, then the same classification reported for the underlying exposure fields (e.g. in field RREL11) should be extended and used for the collateral fields (e.g. in field RREC6).

Anonymity and confidentiality of obligors, underlying exposures, and collateral fields

Updated: [N/A - first response]

Q5.1.4.2 Should account numbers and other identifiers related to obligors be anonymised? How does this apply to identifier fields for underlying exposures, obligors, collateral, and tenants, in the underlying exposure templates (see field list in the footnote²)?

A5.1.4.2 Yes, as set out in the respective field descriptions (‘Content To Report’ column in the RTS on disclosure Annexes), information in these fields must be anonymised by the reporting entity. This means that no names, addresses, account numbers, national or other legal identification numbers, or other identifying information are allowed to be used as ‘identifiers’ in these templates.

Change of the reporting entity and unique identifier fields (RREL1; CREL1; CRPL1; AUTL1; CMRL1; CCDL1; LESL1; ESTL1; IVSS1; IVAS1; IVAN1)

Updated: [N/A - first response]

Q5.1.4.3 The unique identifier (set out in Article 11 of the RTS on disclosure) includes the LEI of the reporting entity. Should the unique identifier be adjusted if the reporting entity changes during the lifetime of the securitisation?

A5.1.4.3 If the reporting entity changes during the lifetime of the securitisation, the unique identifier should not change. In other words, once the unique identifier has been set for the securitisation by the reporting entity responsible for creating the first data submission according to the RTS on disclosure technical standards, then that unique identifier should not change. This enables a consistent time series of information to be built over time for that securitisation, which is essential for data users.

² **Obligor fields:** RREL4; CREL2; CRPL4; AUTL4; CMRL4; CCDL4; LESL4; ESTL4; NPFL4; RREL5; CREL3; CRPL5; AUTL5; CMRL5; CCDL5; LESL5; ESTL5; NPFL5.

Underlying exposure fields: RREL2; CREL4; CRPL2; AUTL2; CMRL2; CCDL2; LESL2; ESTL2; NPFL2; RREL3; CREL5; CRPL3; AUTL3; CMRL3; CCDL3; LESL3; ESTL3; NPFL3; RREC2; CREC2; CRET2; CRPC2; ESTC2; NPEC2; NPEH2

Collateral fields: CRET3; RREC4; CRPC4; ESTC4; NPEC4; RREC3; CRPC3; ESTC3; NPEC3

Tenant fields: CRET4

What is the purpose of the ‘new identifier’ fields? (RREL3; RREL5; RREC4; CREL3; CREL5; CREC4; CRPL3; CRPL5; CRPC4; AUTL3; AUTL5; CMRL3; CMRL5; CCDL3; CCDL5; LESL3; LESL5; ESTL3; ESTL5; ESTC4; NPEL3; NPEL5; NPEC4; IVAL4; IVSR3; IVSF3; IVAR3; SEST3; SESA3; SESI4; SEAT3; SEAA3)

Updated: [N/A - first response]

Q5.1.4.4 What is the purpose of the ‘new identifier’ fields? (RREL3; RREL5; RREC4; CREL3; CREL5; CREC4; CRPL3; CRPL5; CRPC4; AUTL3; AUTL5; CMRL3; CMRL5; CCDL3; CCDL5; LESL3; LESL5; ESTL3; ESTL5; ESTC4; NPEL3; NPEL5; NPEC4; IVAL4; IVSR3; IVSF3; IVAR3; SEST3; SESA3; SESI4; SEAT3; SEAA3)

A5.1.4.4 These fields have been created because it is understood that, in certain limited cases (e.g. database migrations), it may not be possible to continue using the ‘original’ identifier required for the particular underlying exposure or other item.

For example, an originator may not be able to continue using the identifier for an underlying exposure in field RREL2 following a change to its database systems. In these situations, field RREL2 should continue to be reported with the ‘old’ underlying exposure identifier throughout the lifetime of the securitisation. The ‘new’ identifier should be reported in field RREL3.

However, if this issue does not arise (i.e. the original underlying exposure identifier can be maintained and there are no database problems), then field RREL3 should include the same identifier as RREL2 (i.e. the same identifier is reported twice, once in field RREL2 and again in field RREL3).

Thus, field RREL3 should never be left blank.

The same rationale holds for all other identifier fields in the disclosure templates listed above in this question.

How should loan-to-value ratios, debt service coverage ratios, and debt to income ratios be calculated? (loan-to-value ratios: RREC12; RREC16; CREL75; CREL76; AUTL59; ESTC13; ESTC17; IVAL19; debt service coverage ratios: CREL71; CREL72; CREL73; CREL74; debt to income ratios: RREL40; ESTL36; IVAL20)

Updated: [N/A - first response]

Q5.1.4.5 How should loan-to-value ratios, debt service coverage ratios, and debt to income ratios be calculated?

A5.1.4.5 It is expected that the methodology and approaches set out in the Recommendation of the European Systemic Risk Board of 31 October 2016 on closing real estate data gaps (ESRB/2016/14) should be followed, in particular those set out in section 2.

Default Amount and Default Date fields – what is the interaction between these fields and the Account Status fields?

Updated: [N/A - first response]

Q5.1.4.6 Fields RREL71 Default Amount and RREL72 Default Date. These fields will only be reported once we register the values ‘Defaulted according to Article 178 or Regulation (EU) No 575/2013 (DFLT)’, ‘Not defaulted according to Article 178 or Regulation (EU) No 575/2013 but classified as defaulted due to another definition of default being met (NDFT)’, ‘Defaulted both

according to Article 178 or Regulation (EU) No 575/2013 and according to another definition of default being met (DTCR) in field RREL69, is that correct?

A5.1.4.6 Yes, this is correct. If an underlying exposure is classified as defaulted under the Account Status field, then the Default Amount and Default Date fields must also be completed (and vice versa).

How to report Arrears Breakdown and Number Of Days In Arrears fields (IVAL32; IVAL33; IVAL34; IVAL35; IVAL36; IVAL37; IVAL38; IVSS38; IVSS39; IVSS40; IVSS41; IVSS42; IVSS43; IVSS44, as well as RREL68; CREL130; CRPL78; AUTL69; CMRL54; CCDL35; LESL56; ESTL54)
Updated: [N/A - first response]

Q5.1.4.7 Our reporting system is calculating arrears on a monthly basis. That means: 30 or 31 days = 1 month. How should the Arrears Breakdown and Number of Days in Arrears fields be completed in this situation? In certain jurisdictions, the practice is to count the number of unpaid monthly instalments in arrears.

A5.1.4.7 If arrears are being calculated on a monthly basis, then

- With respect to the Arrears Breakdown fields, less than one month in arrears should be treated as the equivalent of 1-29 days in arrears, one month in arrears should be counted as 30-59 days in arrears, two months in arrears as 60-89 days in arrears, etc.

- With respect to the Number of Days in Arrears, if the practice is to count the number of unpaid monthly instalments in arrears, then the following convention should be used:

- When the first month of arrears is recorded, then the Number of Days in Arrears entered should be '30'. In such situations, if the reporting entity is aware of arrears that occur before their systems have recorded a full month of arrears, then the Account Status field (RREL69; CREL136; CRPL79; AUTL70; CMRL55; CCDL37; LESL57; ESTL55) should still be reported as Arrears (i.e. 'ARRE'). For example, if the reporting entity is aware that an underlying exposure is 10 days in arrears (but its systems have not yet recorded these arrears, because these record arrears on a monthly basis), then the Account Status field should still be set still be reported as Arrears (i.e. 'ARRE').

- When the second month of arrears is recorded, then the Number of Days in Arrears entered should be '60'.

- When the third month of arrears is recorded, then the Number of Days in Arrears entered should be '90'.

- Etc...

**Use LDOR code in the field for 'Current Interest Rate Index' or 'Revised Interest Rate Index' (Current Interest Rate Index: RREL44; CREL111; CRPL54; AUTL41; CMRL38; CCDL30; LESL37; ESTL40; SEST20; SESI14; SEAT11
Revised Interest Rate Index: RREL56; CRPL66)**
Updated: [N/A - first response]

Q5.1.4.8 If a Lender's Own Rate 'LDOR' is directly linked to an interest rate index (e.g. the European Central Bank Base Rate 'ECBR'), should the code 'LDOR' or the code of the relevant interest index ('ECBR') be inserted in this field? (RREL44; RREL56; CREL111; CRPL54; CRPL66; AUTL41; CMRL38; CCDL30; LESL37; ESTL40; SEST20; SESI14; SEAT11)

A5.1.4.8 Only if the Lender's Own Rate is *identical* to an interest rate index (e.g. 'ECBR') at all times, should the code of the relevant index ('ECBR') be inserted in this field. In any other case, the 'LDOR' code should be used.

Revision Margin and Revision Date fields (Revision Margin: RREL50; RREL52; RREL54; CRPL60; CRPL62; CRPL64; Revision Date: RREL51; RREL53; RREL55; CRPL61; CRPL63; CRPL65)
Updated: [N/A - first response]

Q5.1.4.9 How should these fields be completed if the underlying exposure is currently paying a fixed rate of interest, but will in the future switch to a floating interest rate product that contains several changes to the interest rate margin?

A5.1.4.9 Consider for example a loan that was originated on 1 January 2015 and charged a fixed interest rate of 3% until 31 December 2019, after which the loan would be indexed to the 3M Euribor index and charged an interest rate margin over 3M Euribor of 2% starting on 1 January 2020, 1.5% starting on 1 January 2022, and 1% starting on 1 January 2024. In this case, the following information should be entered:

Field code	Field name	Value to enter in this field
RREL50 (or CRPL60)	Revision Margin 1	2
RREL51 (or CRPL61)	Interest Revision Date 1	1 January 2020
RREL52 (or CRPL62)	Revision Margin 2	1.5
RREL53 (or CRPL63)	Interest Revision Date 2	1 January 2022
RREL54 (or CRPL64)	Revision Margin 3	1
RREL55 (or CRPL65)	Interest Revision Date 3	1 January 2024

How should fields relating to index rates ('Current Interest Rate Index', 'Current Interest Rate Index Tenor', etc.) be completed for fixed-rate arrangements? (Current Interest Rate Index: RREL44; CREL111; CRPL54; AUTL41; CMRL38; CCDL30; LESL37; ESTL40; SEST20; SESI14; SEAT11; 'Current Interest Rate Index Tenor': RREL45; CREL112; CRPL55; AUTL42; CMRL39; CCDL31; LESL38; ESTL41; SEST21; SESI15; SEAT12; Others: SESV31; SESV32; SESV36; SESV37; CREL115; CREL116; RREL56; CRPL66; RREL57; CRPL67)
Updated: [N/A - first response]

Q5.1.4.10 How should fields relating to index rates ('Current Interest Rate Index', 'Current Interest Rate Index Tenor', etc.) be completed for fixed-rate arrangements?

A5.1.4.10 These fields should be completed with 'ND5' ('Not applicable').

Completion of the collateral information section for guarantees and multiple items of collateral
Updated: [N/A - first response]

Q5.1.4.11 (a) Must the collateral information section be completed if the underlying exposure is secured by a guarantee? **(b)** How should the section be completed for multiple collateral items? **(c)** How should the lien fields (e.g. RREC8, CREC10) be reported in this case?

A5.1.4.11 (a) As set out in Article 4(1)(b)(i) of the draft RTS on disclosure, the collateral information section must also be completed if the underlying exposure is secured by a guarantee.

(b) As set out in Article 4(1)(b) of the draft RTS on disclosure, the collateral information section must be completed for each item of collateral securing the underlying exposure. Each item of collateral should be reported using the collateral information section (i.e. one section completed per collateral item). There is also a narrative explanation available in paragraph 33 (including the footnote therein) of ESMA's CP on Disclosures Technical Standards. For example, if there is both a residential property and a guarantee securing the underlying exposure, then the collateral information section should be completed twice.

(c) In the event that a collateral item is secured by a guarantee, fields RREC8 and CREC10 should be completed according to the priority that the originator or other guarantee-holder will have on the guarantor to honour their commitment, which may simply be the first lien.

Definition of 'arrears'

Updated: [N/A - first response]

Q5.1.4.12 How are arrears defined? Is there a standard definition that should be used?

A5.1.4.12 The Securitisation Regulation does not provide a definition of 'arrears'. Reporting entities should use the most appropriate regulatory or supervisory definition applicable to them and/or to the underlying exposure.

Legal Entity Identifier fields and the Global Legal Entity Identifier Foundation?

Updated: [N/A - first response]

Q5.1.31 What are Legal Entity Identifier fields and what is the Global Legal Entity Identifier Foundation?

A5.1.31 Please refer to the following links for more information:

https://www.esma.europa.eu/sites/default/files/library/esma70-145-238_lei_briefing_note.pdf

<https://www.gleif.org/en>

5.1.5 Questions related to individual fields which appear in multiple templates

Customer Type (fields RREL15; CRPL13; AUTL15; CMRL14; CCDL13; LESL14)

Updated: [N/A - first response]

Q5.1.5.1

(a) What is the exact definition of 'new' customer?

(b) Is the term 'employee/affiliated' limited to the originator or does it extend to the companies within the same group as the originator?

A5.1.5.1

(a) For the purpose of these fields, a new customer should be understood as a client that has had no other commercial relationship with the originator or original lender, prior to the relationship assumed in the present underlying exposure for which information is being disclosed.

(b) For the purpose of these fields, the term 'employee/affiliated' refers to all companies within the same legal group as the originator. For example, if a supermarket chain has a banking subsidiary, then the customers and employees of that banking subsidiary should be considered 'employee/affiliated' for the purposes of the Customer Type field.

Primary Income Currency (fields RREL18; AUTL18; CMRL17; CCDL16; ESTL19)

Updated: [N/A - first response]

Q5.1.5.2 What should be reported for corporate borrowers?

A5.1.5.2 The currency of the financial statements should be reported in this field.

How should the 'Redemption Date' field be completed for active and inactive underlying exposures? (RREL9; CREL11; CRPL9; AUTL9; CMRL9; LESL9; ESTL9)

Updated: [N/A - first response]

Q5.1.5.3 How should the 'Redemption Date' field be completed for active and inactive underlying exposures? (RREL9; CREL11; CRPL9; AUTL9; CMRL9; LESL9; ESTL9)

A5.1.5.3 In the event that an underlying exposure is an *active* underlying exposure as defined in the draft RTS on disclosure, then the Redemption Date field should be completed with 'ND5'. This is because the underlying exposure has not been redeemed nor has completed had a recovery process completed. In the event that an underlying exposure is an *inactive* underlying exposure as defined in the draft RTS on disclosure, the Redemption Date field should be completed in the following manner:

- If the underlying exposure has been redeemed (i.e. fully paid back as set out in the contractual terms of the underlying exposure, including prepayments), then the Redemption Date field should be completed with the date at which the redemption occurred.
- If the underlying exposure has defaulted and the recovery process is now completed, then the Redemption Date field should be completed with the date at which the recovery process was completed.
- In all other cases for the underlying exposure becoming *inactive* (e.g. repurchases, substitutions, etc.), the Redemption Date field should be completed with 'ND5'.

Amortisation Type– how should these be completed for different types of bullet loans?

(RREL35; CREL87; CRPL46; AUTL32; CMRL32; LESL31; ESTL31; IVAL21)

Updated: [N/A - first response]

Q5.1.5.4 Amortisation Type fields – how should these be completed for different types of bullet loans? For example, the Dutch market has a substantial amount of mortgages with a redemption type of 'bullet + savings'. (RREL35; CREL87; CRPL46; AUTL32; CMRL32; LESL31; ESTL31; IVAL21)

A5.1.5.4 In this situation, the amortisation type field should be completed with 'Bullet'.

Deposit Amount

(RREL77; CRPL87; AUTL78; CMRL61; LESL64)

Updated: [N/A - first response]

Q5.1.5.5 Several jurisdictions – among which the Netherlands – have a so-called ‘DGS’ or bank failure safeguard, currently EUR 100k per obligor per bank in the Netherlands. The Deposit Amount field (e.g. RREL77) refers to ‘excluding the benefit of any national deposit’. The interpretation of ‘excluding’ is unclear. If an obligor has EUR 120k of off-settable deposit, then should the whole amount of EUR 120k be used in the pro-rata calculation for this field?

A5.1.5.5 Yes, in this example provided, EUR 120k should be used regardless of whether the deposit is covered by a deposit guarantee scheme or not.

Cumulative Recoveries: how should this field be completed for underlying exposures that are not undergoing any recovery process? (RREL74; CREL141; CRPL84; AUTL76; CMRL60; CCDL41; LESL62; ESTL60)

Updated: [N/A - first response]

Q5.1.5.6 Cumulative Recoveries: how should this field be completed for underlying exposures that are not undergoing any recovery process? (RREL74; CREL141; CRPL84; AUTL76; CMRL60; CCDL41; LESL62; ESTL60)

A5.1.5.6 This field should be completed with ‘ND5’ (‘Not applicable’). Enter ‘0’ if the underlying exposure is undergoing (or has undergone) a recovery process and there have been zero recoveries as described in the Content To Report section of this field.

How should cumulative prepayment fields be completed for exposures that have been purchased from another lender? (RREL64; CRPL74; AUTL52; CMRL50; LESL49; ESTL51)

Updated: [N/A - first response]

Q5.1.5.7 How should cumulative prepayment fields be completed for exposures that have been purchased from another lender? (RREL64; CRPL74; AUTL52; CMRL50; LESL49; ESTL51)

A5.1.5.7 Cumulative prepayments since the underlying exposure origination date must be provided even for exposures that have been purchased from another lender and then securitised. However, in instances where this information was not provided when the underlying exposure changed ownership, then the values entered in the cumulative prepayments fields should record the cumulative prepayments made *since the underlying exposure was purchased by the originator*.

For example, consider a residential mortgage that was originated on 1 January 2005 and was sold to another lender on 1 January 2010, and securitised on 1 January 2015. Assume that this residential mortgage had EUR 1000 of prepayments between 1 January 2005 and 1 January 2010, and another EUR 1000 of prepayments between 1 January 2010 and 1 January 2015. In other words, the residential mortgage had EUR 2000 of cumulative prepayments.

In this example, the following reporting arrangements would apply for completing field RREL64 (‘cumulative prepayments’) for this specific residential mortgage (assuming a data cut-off date of 1 January 2015):

- If the information on the residential mortgage’s EUR 1000 prepayments between 1 January 2005 and 1 January 2010 is available to the reporting entity, then field RREL64 should be completed as ‘EUR 2000’, which reflects the prepayments of EUR 1000 between 1 January

2005 and 1 January 2010, plus the EUR 1000 of prepayments between 1 January 2010 and 1 January 2015. New prepayments occurring over time in the future (e.g. on 1 July 2015) should then be added to this number in subsequent data submissions of field RREL64 for this residential mortgage.

- If the information on the residential mortgage's EUR 1000 prepayments between 1 January 2005 and 1 January 2010 is *not* available to the reporting entity, then field RREL64 should be completed as 'EUR 1000', reflecting the prepayments of EUR 1000 between 1 January 2010 and 1 January 2015. New prepayments occurring over time in the future (e.g. on 1 July 2015) should then be added to this number in subsequent data submissions of field RREL64 for this residential mortgage.

Clarifications for the field 'Dilutions' (IVSS23 and IVAL26)

Updated: [N/A - first response]

Q5.1.5.8 What is meant by this field?

A5.1.5.8 This field refers to dilutions since the origination of the loan or, for revolving credit facilities, dilutions since the previous data cut-off date. Thus, dilutions should include reductions in principal exposures that have arisen due to fraud claims as well as any applicable country-specific procedures (e.g. Section 75 of the Consumer Credit Act in the United Kingdom).

Payment Due (RREL39; CREL105; CRPL50; AUTL37; CMRL36; CCDL28; LESL35; ESTL35)

Updated: [N/A - first response]

Q5.1.5.9 Does this field include any insurance that is paid through the underlying exposure?

A5.1.5.9 Yes, this field includes the total next payment that must be made by the obligor in connection with this underlying exposure (i.e. the total next payment that, if the underlying exposure did not exist, would not have to be made). It therefore does include any insurance that is paid through the underlying exposure.

Date Last in Arrears (RREL66; CREL128; CRPL76; AUTL67; CMRL52; CCDL34; LESL54; ESTL52)

Updated: [N/A - first response]

Q5.1.5.10 How should the field 'Date Last in Arrears' be completed if the underlying exposure has never been in arrears?

A5.1.5.10 Where the underlying exposure has never been in arrears, this field should be completed as 'ND5'.

Special Scheme (RREL22; CREL14; CRPL32; AUTL22; CMRL20; CCDL18; LESL21)

Updated: [N/A - first response]

Q5.1.5.11 What should be reported in the field 'Special Schemes'? Are 'municipality guarantees' regarded as special schemes?

A5.1.5.11 This field should only be completed where the underlying exposure is governed by a public-sector arrangement. It is not possible to provide an exhaustive list. For example, loans under 'Vivienda

de Protección Oficial', 'Nationale Hypotheek Garantie', or 'Prêts Accession Sociale' would be considered a special scheme.

'Municipality guarantees' which constitute a special arrangement that is deemed worth highlighting to investors, potential investors and/or other users, should be reported using this field. However, this field should not be used to simply highlight that the underlying exposure is guaranteed (the collateral section of the template to be used for this purpose).

Total Credit Limit (RREL33; CRPL42; CMRL29; CCDL23; ESTL29)

Updated: [N/A - first response]

Q5.1.5.12 Is the field 'Total Credit Limit' referring to underlying exposures still in their disbursement phase and/or revolving underlying exposures?

A5.1.5.12 As set out in the Content To Report, this field refers to “*underlying exposures with flexible re-draw facilities (including revolving characteristics) or where the maximum underlying exposure amount hasn't been withdrawn in full – the maximum underlying exposure amount that could potentially be outstanding.*”

This field shall only be populated for underlying exposures that have flexible or further drawing characteristics.

This is not intended to capture instances where the obligor may renegotiate an increased underlying exposure balance but rather where there is currently the contractual ability for the obligor to do this and for the lender to provide the additional funding.”

The total credit limit of revolving underlying exposures as well as of underlying exposures still in their disbursement phase would generally be expected to meet the conditions (quoted above) which trigger the need to report. However, there may be additional types of underlying exposures that meet the conditions which trigger the need to report the total credit limit in this field.

Allocated Losses (RREL73; CREL137; CRPL83; AUTL74; CMRL59; LESL61; ESTL59)

Updated: [N/A - first response]

Q5.1.5.13 Is the relevant amount in the field 'Allocated Losses' the losses allocated to the SPPE or the amount of provisioning calculated by the seller prior to the sale?

A5.1.5.13 The field 'Allocated Losses' should reflect the amount calculated by the originator or a specialised third party managing the underlying exposure during the recovery/work-out process. It should reflect the situation of the underlying exposure before any adjustments have been made to allocate losses to the SSPE, and the amount should be calculated as set out in the Content To Report for each field. Where no recovery/work-out process has begun, this field should be completed as 'ND5'.

Account Status (RREL69; CREL136; CRPL79; AUTL70; CMRL55; CCDL37; LESL57; ESTL55)

Updated: [N/A - first response]

Q5.1.5.14 (a) What is the definition of 'performing' underlying exposure? And does an exposure that has been restructured >3 years ago qualify as performing, in line with RREL14?

(b) Restructured – Arrears / No Arrears: When should an underlying exposure be considered as ‘restructured’. Should only currently restructured loans – i.e. due to credit impaired borrowers - should be reported and not loans that were ever in arrears/default (and have recovered since)?

(c) For defaulted / foreclosed loans several fields are no longer (fully) applicable to report. For example ‘valuation amount’ in case a real-estate collateral has been sold but foreclosure proceeds still come in, as well as ‘current interest rate’ in case a borrower has ceased to pay. How should these fields be reported in such instances?

(d) With the new set of statuses we foresee that underlying exposures can have multiple options applicable. For example, an underlying exposure could be in ‘arrears’ AND ‘Repurchased by Seller – Special Servicing’. How should these situations should be reported?

(e) The value ‘Defaulted only under another definition of default being met (DADB)’, is referred to the default definition usually included in the transaction documentation? We understand that, in general terms, defaults can be cured if, for example, a defaulting loan becomes current again; however, if the default definition used in DADB is the one included in the transaction documentation, defaults may not be cured even if the obligor repays all debt (even if the loan stays performing for long periods): in this situation, we would maintain the loan in the DADB value, is that correct?

A5.1.5.14

(a) Performing: It is not possible to provide an exhaustive definition of performing, which will be determined by applicable regulatory/supervisory requirements that the originator is subject to.

(b) Restructured – Arrears / No Arrears: As set out in the description to this field, “Restructuring refers to any changes made to the contractual terms of the underlying exposure agreement due to forbearance, including payment holidays, arrears capitalisation, change of interest rate basis or margins, fees, penalties, maturity, and/or other generally-accepted measures of restructuring under forbearance.” The information on these underlying exposures is meant to reflect their current status—information should be up to date at all times unless indicated otherwise (for example in fields like “Original Valuation Amount”, which clearly indicate a historical dimension). Underlying exposures that have previously been restructured and are not currently in arrears should be reported as ‘RNAR’ (‘Restructured – No Arrears’) whereas those that are currently in arrears should be reported as ‘RARR’ (‘Restructured – Arrears’).

(c) As indicated in the previous sub-answer, information should reflect the latest-available details on the loan. Thus, ‘valuation amount’ and ‘current interest rate’ should nevertheless reflect the information as at the data cut-off date. In these specific examples, such information may correspond to the valuation of the property at the time of sale (gross of any fees, penalties, etc.) and to the interest rate payable by the obligor at the data cut-off date (which may be 0% if this rate has been waived).

(d) With regards to multiple options being applicable, the purpose of the options ‘Repurchased by seller’ and ‘Redeemed’ relate to signalling some of the reasons for an underlying exposures to be considered an *inactive* underlying exposure. As per the example set out in the question above (see point d), if an underlying exposure is in arrears and has been repurchased then, by virtue of Article 2(5) of the RTS on disclosure, the underlying exposure would be treated as an *inactive* underlying exposure and would only need to be reported once subsequently (see also the response to question Q5.1.3.2). In this situation, reporting the underlying exposure as ‘Restructured’ would take precedence over other fields. The same considerations apply to ‘Redeemed’ exposures.

For example, if as at the data cut-off date an underlying exposure has been repurchased (i.e. it is now an *inactive* underlying exposure as at the data cut-off date) but had been restructured prior to or as part of the repurchasing process, then the account status field should be completed with ‘Repurchased by Seller - Restructured’. The same logic applies if the underlying exposure had undergone any special servicing arrangements (i.e. being transferred to a special servicer, or undergoing any special collection

procedures) at the time of restructuring ('Repurchased by the Seller- Special Servicing'), or if the underlying exposure was repurchased as part of a discovery that it had breached the representations and warranties set out in the securitisation transaction documentation ('Repurchased by the Seller – Breach of Representations and Warranties'), or had defaulted and was then repurchased ('Repurchased by the Seller – Defaulted'), or finally was repurchased for any other reason ('Repurchased by the Seller – Other Reason').

(e) Yes, this is correct.

5.2 Annex 2: Underlying Exposures - Residential Real Estate

RREL60 (Prepayment lock-out end date) and RREL62 (Prepayment fee end date)

Updated: [N/A - first response]

Q5.2.1 How should field RREL60 be reported in case there is no explicit lock-out period/end date? Does RREL60 include a date after which the underlying exposure could be prepaid but with a fee/charge? What is the difference between field RREL60 and field RREL62 (Prepayment lock-out end date)?

A5.2.1 RREL60 field allows ND5 ('not applicable') to be entered. Thus, if there is no explicit lock-out period/end date then 'ND5' should be entered. Prepayments after this date that are subject to fees/charges also imply that any 'lock-out' period has ended and, therefore, RREL60 should be completed for the date starting from which such prepayments (even if they include fees/charges) are possible.

RREL62 refers to the date after which prepayments on the underlying exposure can be made without any fees charged (field RREL62 also allows 'ND5' to be entered). RREL60 refers to the date after which prepayments can be made *regardless* of whether any fees/charges are applied to those prepayments.

For example, consider an underlying exposure originated on 1 January 2010, where no prepayments are possible between 1 January 2010 and 31 December 2014, and where any prepayments between 1 January 2015 and 31 December 2017 are subject to a fee, after which there is no charge/fee for prepayments. In this example, field RREL60 would be completed with '1 January 2015' and field RREL62 would be completed with '1 January 2018'.

How to provide the amount guaranteed for underlying exposures (collateral section)

Updated: [N/A - first response]

Q5.2.3 What is the amount of underlying exposure guaranteed? Does this include the future income pledged by guarantors (in the event of family relations acting as guarantors)?

A5.2.3 The amount guaranteed refers to the amount of *the underlying exposure* that has been guaranteed. This will typically refer to the principal balance of the underlying exposure, although this may also vary with respect to specific underlying exposure terms and conditions.

RREL27 (Purpose)

Updated: [N/A - first response]

Q5.2.4 How should this field be completed if several purposes listed in this field apply?

A5.2.4 In this scenario the most appropriate purpose should be selected. It is not possible to enter in multiple ('combined') values across the items in this list field.

5.3 Annex 3: Underlying Exposures - Commercial Real Estate

[Further Q&As will be provided here in due course]

5.4 Annex 4: Underlying Exposures - Corporate

Managed by CLO (CRPL30)
Updated: [N/A - first response]

Q5.4.1 What is meant by 'also being managed by the CLO manager'?

A5.4.1 This refers to a situation where the CLO manager also manages a participation in the same underlying exposure, and that participation is not securitised.

Collateral valuation fields for corporate and leveraged lending
(CRPC10; CRPC11; CRPC12; CRPC13; CRPC14; CRPC15)
Updated: [N/A - first response]

Q5.4.2 These have an asset valuation focus, whereas corporate and leveraged lending is based on the corporate credit of the borrower and not asset based. How should this information be reported?

A5.4.2 Any information on the value of the security provided to the underlying exposure (including from guarantees), as well as the method used to calculate that value and the date at which this was performed, are expected to be provided in these fields. For example, in the event that a corporate borrower has secured a full guarantee on its underlying exposure contracted to the originator (or original lender), then this should also be reflected.

5.5 Annex 5: Underlying Exposures - Automobile

AUTL59 (Original Loan-To-Value)
Updated: [N/A - first response]

Q5.5.1 How should this field be completed for leases?

A5.5.1 This field should also be completed for leases, using the ratio of the discounted lease balance (inclusive of all fees and other amounts owed by the obligor) relative to the automobile value at origination (as set out in field AUTL60).

5.6 Annex 6: Underlying Exposures - Consumer

[Further Q&As will be provided here in due course]

5.7 Annex 7: Underlying Exposures - Credit Cards

What level of the credit card receivable is the ‘underlying exposure’? The account or the product/card level?

Updated: [N/A - first response]

Q5.7.1 Should the Issuer prepare the loan level data on an account level, or product/card level? If it has to be on an account level, a single customer may have multiple cards. In that case, do we populate the data fields based on the card with the largest outstanding balance?

A5.7.1 Underlying exposure information should be prepared on an account level, and fields that could in principle accommodate multiple entries (i.e. multiple card balances, multiple payments due) should be aggregated. Field CCDL29 (‘current interest rate’) should be weighted according to the outstanding balances of all the (securitised) products within the same account.

5.8 Annex 8: Underlying Exposures - Leasing

[Further Q&As will be provided here in due course]

5.9 Annex 9: Underlying Exposures - Esoteric

[Further Q&As will be provided here in due course]

5.10 Annex 10: Underlying Exposures - Non-Performing Exposures

[Further Q&As will be provided here in due course]

5.11 Annex 11: Underlying Exposures - ABCP

What is meant by residual maturity? (IVAL17 and IVAL18)

Updated: [N/A - first response]

Q5.11.1 What is meant by residual maturity? Does this refer to Weighted Average Life? (IVAL17 and IVAL18)

A5.11.1 Residual maturity refers to the difference, in months, between the data cut-off date of the data submission and the maturity date of the loans. In the case of field IVAL17, this is the longest residual maturity, in months, of any underlying exposure in the ABCP transaction of the same type. Field IVAL18 is the average residual maturity across all underlying exposures of the same type in the ABCP transaction.

For example, if an ABCP transaction contains 1000 trade receivable underlying exposures and 100 auto loans underlying exposures, then Annex 11 must be completed twice (as set out in Article 4(2)(d) of the RTS on disclosure). In the completed template of Annex 11 that refers to the 1000 trade receivables,

- field IVAL17 should be equal to the residual maturity of the trade receivable with the longest residual maturity (among the 1000 trade receivables); and
- field IVAL18 refers to the average residual maturity across the 1000 trade receivables.

Similarly, in the second completed template of Annex 11 that refers to the 100 auto loans underlying exposures,

- field IVAL17 refers to the residual maturity of the auto loan with the longest residual maturity (among the 100 auto loans); and
- field IVAL18 refers to the average residual maturity across the 100 auto loans.

5.12 Annexes 12 and 13: Investor Reports

What type of tests/triggers need to be reported?

Updated: [N/A - first response]

Q5.12.1 Which events fall within the scope of tests, events, and triggers that should be reported, compared to the ones mentioned in prospectuses and/or transaction documentation?

A5.12.1 As set out in Article 4(1)(f) of the RTS on disclosure, information on tests/events/triggers shall be made available “for each test/event/trigger set out in the securitisation transaction documentation that triggers changes in the priority of payments or the replacement of any counterparties”.

Obligation to complete the investor report template

Updated: [N/A - first response]

Q5.12.3 Originators, sponsors, or SSPEs may already have investor reports in place for ABCP holders that contain similar information than Annexes 13 and 11 but with a different presentation format. Will these firms have to duplicate the existing report by adding another report containing the same information but using the ESMA template or can they continue using their template if it contains the information required by ESMA?

A5.12.3 As per Article 7 of the Securitisation Regulation, the disclosure templates developed by ESMA form the basis for the investor report (and underlying exposures) reporting obligations of the reporting entity. There is no prohibition on originators, sponsors, or SSPEs also providing the same information via a second investor report format. However, for the purposes of satisfying the requirements of the Securitisation Regulation (in this context Article 7(1)(e)), Annex 13 is required to be completed and in the manner set out in the RTS and ITS on disclosure.

Questions relating to fields IVSS14 and IVSS15 (principal and interest recoveries)

Updated: [N/A - first response]

Q5.12.4

(a) Where should other recoveries (like for applicable penalties etc.) be reported?

(b) Are these fields meant to capture recoveries on all the underlying exposures (arrears and defaulted) or only for those underlying exposures in arrears?

(c) This information is not separated as such in our system, rather all recoveries are recorded together. Can recoveries be recorded in one of those fields only (e.g. principal) and leave the other 0?

A5.12.4 Sub-answers:

(a) Such information could be reported in the cash-flow information section, with a specific line item to capture this information.

(b) These fields are capturing information for all underlying exposures that are undergoing a recovery/work-out process (whether defaulted, in arrears, or in any other situation that means that there is a recovery/work-out process that is ongoing).

(c) In the beginning of the introduction of these reporting requirements this is acceptable, however it is expected that this reporting issue will be fixed over time. During the interim period until the situation is solved, the principal recoveries field (IVSS14) should indeed be populated and the interest recoveries field (IVSS15) be populated with 'ND5'.

IVSS24 (Gross Charge-Offs in the Period)

Updated: [N/A - first response]

Q5.12.5 Sub-questions:

(a) Are 'charge offs' the same as 'write-offs'?

(b) Does this field refer only to credit cards exposures or is it referring to default information regardless of the underlying exposure?

A5.12.5 Sub-answers:

(a) This is confirmed.

(b) This field refers to default information regardless of underlying exposure type.

Clarifications for field IVSS19 (Securitisation Excess Spread)

Updated: [N/A - first response]

Q5.12.6 'ND5' is not permitted to be entered in this field. Therefore, how should this field be reported if there is no excess spread?

A5.12.6 If there are no funds left over after application of all currently-applicable stages of the waterfall, commonly referred to as 'excess spread', then this field should be entered with '0'.

Clarifications for field IVSS28 (Defaulted Exposures)

Updated: [N/A - first response]

Q5.12.8 Is this field requesting only the sum of the principal amount without interest? The field description in the column 'content to report' specifies principal only.

A5.12.8 Yes, this is correct.

How should the cashflow information section be completed—is this for every item in main funding waterfall or only those Issuer includes in Investor Report?

Updated: [N/A - first response]

Q5.12.9 How should the cashflow information section be completed—is this for every item in the main funding waterfall or only those included by the issuer in the Investor Report?

A5.12.9 As set out in Article 4(1)(e) of the RTS on disclosure, the item corresponding to each category of receipt or disbursement of funds in the securitisation, according to the applicable priority of payments as at the data cut-off date, must be reported. This is regardless of whether the item is reported or not in the issuer's own (i.e. different from Annex 12) Investor Report.

5.13 Annexes 14 and 15: Inside Information or Significant Event Information

For which counterparties should information be reported?

Updated: [N/A - first response]

Q5.13.1 What is the appropriate scope as to which counterparties should be reported for any transaction. In other words, should all counterparty (types) be reported such as all the types mentioned in SESP4?

A5.13.1 As set out in Article 8(1)(c) of the RTS on disclosure, information on each counterparty in the securitisation shall be made available, via the counterparty information section. Further narrative descriptions are available in paragraph 60(b) (on page 35) of ESMA's CP on the disclosure technical standards.

SEST17 (Step-Up/Step-Down Coupon Value)

Updated: [N/A - first response]

Q5.13.2 Does this only refer to the step-up part of the coupon and not the total coupon (since the future total coupon for floating rate based transactions is uncertain)?

A5.13.2 This indeed refers only to the step-up part of the coupon and not the total coupon. An example would be if an initial coupon is set to EURIBOR 3M + 20bps and then, after a given period of time, the coupon steps-up to EURIBOR 3M + 30bps, then 30bps would be reported. In the event of multiple step-up/step-down coupons, the next-occurring step-up (or lowest step-down) coupon should be reported. And the same reasoning should apply for field SEST18 (Step-Up/Step-Down Coupon Date)—i.e. the next-occurring step-up/step-down coupon date should be provided.

SESS7 (Perfection Of Sale): how should this be completed for CLO securitisations?

Updated: [N/A - first response]

Q5.13.3 How should field SESS7 (perfection of sale) be completed for CLO securitisations?

A5.13.3 This field should be completed as per the most common method employed in the CLO purchasing arrangement for transferring the assets. It is noted that field SESS7 may be reported as 'Yes' where the assignment or transfer segregates the underlying exposures from the seller, its creditors and liquidators, including in the event of the seller's insolvency, has the same legal effect as that achieved by means of true sale.

If a securitisation is not a CLO securitisation, must the CLO sections of Annex 14 be completed?
Updated: [N/A - first response]

Q5.13.4 If a securitisation is not a CLO securitisation, must the CLO sections of Annex 14 be completed?

A5.13.4 No, as set out in Article 8(1)(f) of the RTS on disclosure, Annex 14 must only be completed for CLO securitisations.