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Additional Information

Level 1 Regulation

Securitisation Regulation (EU) 2017/2402

Topic

Securitisation Disclosure Templates

Subject Matter

Reporting of further loans in the underlying exposure templates

Question

Assume that a customer with an original loan worth EUR 100,000 subsequently takes out a further loan worth EUR 10,000 against the same collateral. If both of these loans are securitised, should they be treated as two separate underlying exposures for the purposes of the disclosure templates?

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Original language

[ESMA 33-128-563 Securitisation Q&A, Q&A 5.1.13]

Yes, these should be treated as two separate underlying exposures for the purposes of the disclosure templates, insofar as, pursuant to subparagraph (a) of Article 4(1) of the RTS on disclosure, “*securitised loan parts shall be treated as individual underlying exposures*”. It is recalled that the obligor (and, where applicable, collateral) identifier fields in the template must be identical across the two underlying exposures, in order to allow investors and other data users to understand that both underlying exposures are related to the same obligor and collateral. It is expected that the information closest to these field descriptions is provided. In case of specific doubts, reporting entities are invited to request further guidance, using specific examples, by emailing securitisation@esma.europa.eu.

For the avoidance of doubt, further advances within revolving loan facilities or other similar arrangements that allow for flexible drawing of credit are generally not considered loan parts. However, in such arrangements it is expected that the applicable template fields where information on the loan terms and conditions, as well as situation, would also be updated to reflect any adjustments (such as increases in principal balance). See also Q&A 1295.