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Additional Information

Level 1 Regulation
Securitisation Regulation (EU) 2017/2402

Topic
Securitisation Disclosure Templates

Subject Matter
Static information vs. dynamic information

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

ESMA Answer

15-11-2019

Original language

[ESMA 33-128-563 Securitisation Q&A, Q&A 5.1.14]

With respect to Annexes 2-10, it is not necessary to update information concerning div 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.