

Submission Date

31/01/2019

ESMA_QA_1327

Status: Answer Published

Additional Information

Level 1 Regulation

Securitisation Regulation (EU) 2017/2402

Topic

Securitisation Disclosure Templates

Subject Matter

Revision Margin and Revision Date fields

Question

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?

ESMA Answer

31-01-2019

Original language

[ESMA 33-128-563 Securitisation Q&A, Q&A 5.2.8]

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 |