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Additional Information

Level 1 Regulation

Securitisation Regulation (EU) 2017/2402

Topic

Securitisation Disclosure Templates

Subject Matter

Cumulative Prepayment Fields

Question

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

ESMA Answer

15-11-2019

Original language

[ESMA 33-128-563 Securitisation Q&A, Q&A 5.2.20]

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.