

**Submission Date**

05/10/2020

# ESMA\_QA\_1345

Status: Answer Published

## **Additional Information**

---

### **Level 1 Regulation**

Securitisation Regulation (EU) 2017/2402

### **Topic**

Securitisation Disclosure Templates

## **Subject Matter**

Dilutions

### **Question**

- (a) What is meant by this field? Is this field relevant for mortgage-backed securities?
- (b) ND5 is not permitted to be entered into this field, so what should be reported if dilutions are not applicable to this type of underlying exposure?

## ESMA Answer

---

05-10-2020

Original language

[ESMA 33-128-563 Securitisation Q&A, Q&A 5.3.7]

(a) 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). Examples include offsets or allowances arising from returns of goods sold, disputes regarding product quality, possible debts of the borrower to a receivable's obligor, and any payment or promotional discounts offered by the borrower (eg a credit for cash payments within 30 days). This field is not relevant for mortgage-backed securities.

(b) In this case, 0 should be reported, because 0 dilutions have taken place.