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Additional Information

Level 1 Regulation
Securitisation Regulation (EU) 2017/2402

Topic
Securitisation Disclosure Templates

Subject Matter
Primary Income - Annex 2 Underlying Exposures - Residential Real Estate

Question
(a) How should the primary income fields be completed where a mortgage is a buy-to-let?

(b) In the case where an obligor is deceased, should the income be changed to 0 or should the income at the time of underwriting be kept in RREL16?

ESMA Answer

19-11-2021

Original language

[ESMA 33-128-563 Securitisation Q&A, Q&A 5.4.6]

(a) RREL16 (Primary Income) should reflect the income of the obligor. This figure should not include expected future income such as expected future rental income on a property. Where the obligor income is not collected and only the future expected rental income is available, the relevant ND option should be reported in RREL16.

Two optional fields have been included in the XML schema for the Collateral Information Section “Original Gross Annual Rental Income” after the field RREC17 and “Current Gross Annual Rental Income” after the field RREC13, in which rental income may be reported when available.

(b) Where an obligor passes away, the income should generally be indicated as ‘0’ unless special circumstances dictate otherwise. See also Q&A 1295.