

**Submission Date**

15/11/2019

## **ESMA\_QA\_1383**

Status: Answer Published

### **Additional Information**

---

#### **Level 1 Regulation**

Securitisation Regulation (EU) 2017/2402

#### **Topic**

Securitisation Disclosure Templates

### **Subject Matter**

Annex 3: Underlying Exposures - Commercial Real Estate - Non-Payments on equal ranking Underlying Exposures

### **Question**

How must this 'Default of Property' be understood in the context of this field? Do Non-Payments On Equal Ranking Underlying Exposures Constitute Default Of Property?

## ESMA Answer

---

15-11-2019

Original language

[ESMA 33-128-563 Securitisation Q&A, Q&A 5.5.6]

The concept of “Default of Property” understood as a reference to the underlying exposure. In other words, this field must be completed by reference to whether non-payments on equal ranking underlying exposures constitute a default of such underlying exposures (with the term “equal ranking” given its legal meaning) — commonly referred to as ‘cross-default’ clauses.