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Additional Information

Level 1 Regulation
Securitisation Regulation (EU) 2017/2402

Topic
Securitisation Disclosure Templates

Subject Matter
Annexes 12 and 13: Investor Reports - Annualised Constant Prepayment and Default Rates

Question
(a) How should these fields be reported where there is only one loan in the securitisation?

(b) How should field IVSS22 be completed if no prepayments are possible in the securitisation?

(c) How should field IVSS27 be reported if there are no defaults among the pool of underlying exposures being reported at the data cut-off date?

(d) How should underlying exposures which are non-performing and for which the amortisation schedule is no longer valid be reflected in IVSS22?

ESMA Answer

19-11-2021

Original language

[ESMA 33-128-563 Securitisation Q&A, Q&A 5.14.9]

(a) These fields must still be calculated according to the formulae specified in fields IVSS22 and IVSS27 in the securitisation disclosure regulatory technical standards, i.e. with respect to total principal balances at the start of the period.

(b) Field IVSS22 should be completed as 0 in this case, since no prepayments have taken place.

(c) (b) Field IVSS27 should be completed as 0 in this case, since no defaults have taken place.

(d) The numerator of the Constant Prepayment Rate is the “total unscheduled principal received at the end of the most recent collection period”. This number is by definition 0 for an underlying exposure which is behind in its payments according to the most recent amortisation schedule for that exposure. If all underlying exposures in a securitisation meet this condition, the correct number to enter into IVSS22 is ‘0’.