

Submission Date

26/10/2020

ESMA_QA_40

Status: Answer Published

Additional Information

Level 1 Regulation

Securitisation Regulation (EU) 2017/2402

Level 2 Regulation

ITS on the format and standardised templates for making available the information and details of a securitisation by the originator, sponsor and SSPE and associated ANNEXES

Topic

Securitisation Regulation

Subject Matter

Follow up question about OLTV “RREC16”

Question

Even though asked in Question Q5.2.10 e) it is still not clearly stated if the 'Original Loan-To-Value', similarly to 'Current Loan-To-Value', of loan 1 is also to be updated when issuing loan 2 at a later point in time or if the 'Original Loan-To-Value' must be constant over the lifetime of loan 1.

Suppose there are two loans A & B at time 0 and we apply a pro rata approach, as stated in Q5.2.10d), for the OLTV. At time 1 a new loan C against the same collateral is issued. Is the OLTV of loan A and B to be updated, to complete a pro rata approach for all three loans? Or does the OLTV of Loan A and B stay constant over the lifetime of the loans?

ESMA Answer

09-11-2023

Original language

Please see Q/A 1323 which covers the situation under e)