|  |
| --- |
| 19 December 2017 |

|  |
| --- |
| Response form for the Consultation Paper on Technical standards on disclosure requirements, operational standards, and access conditions under the Securitisation Regulation  |
|   |

|  |
| --- |
| Date: 19 December 2017 |

Responding to this paper

ESMA invites responses to the questions set out throughout its Consultation Paper on Draft technical standards on disclosure requirements, operational standards, and access conditions under the Securitisation Regulation (ESMA33-128-107). Responses are most helpful if they:

* respond to the question stated;
* contain a clear rationale; and
* describe any alternatives ESMA should consider.

ESMA will consider all responses received by 19 March 2018.

Instructions

In order to facilitate analysis of responses to the Consultation Paper, respondents are requested to follow the below steps when preparing and submitting their response:

* Insert your responses to the questions in the Consultation Paper in the present response form.
* Please do not remove tags of the type <ESMA\_QUESTION\_DOS\_1>. Your response to each question has to be framed by the two tags corresponding to the question.
* If you do not wish to respond to a given question, please do not delete it but simply leave the text “TYPE YOUR TEXT HERE” between the tags.
* When you have drafted your response, name your response form according to the following convention: ESMA\_DOS\_nameofrespondent\_RESPONSEFORM. For example, for a respondent named ABCD, the response form would be entitled ESMA\_DOS\_ABCD\_RESPONSEFORM.
* Upload the form containing your responses, in Word format, to ESMA’s website ([www.esma.europa.eu](http://www.esma.europa.eu) under the heading “Your input – Open consultations” 🡪 “Consultation on Draft technical standards on disclosure requirements, operational standards, and access conditions under the Securitisation Regulation”).

Publication of responses

All contributions received will be published following the close of the consultation, unless you request otherwise. Please clearly indicate by ticking the appropriate checkbox on the website submission page if you do not wish your contribution to be publicly disclosed. A confidential response may be requested from us in accordance with ESMA’s rules on access to documents. We may consult you if we receive such a request. Any decision we make not to disclose the response is reviewable by ESMA’s Board of Appeal and the European Ombudsman.

Data protection

Information on data protection can be found at [www.esma.europa.eu](http://www.esma.europa.eu) under the heading “Data protection”.

Who should read the Consultation Paper

This Consultation Paper may be of particular interest to securitisation investors/potential investors, securitisation issuers, market infrastructures, as well as public bodies involved in securitisations (market regulators, resolution authorities, supervisory authorities, and standard setters).

# General information about respondent

|  |  |
| --- | --- |
| Name of the company / organisation | CREFC Europe |
| Activity | Banking sector |
| Are you representing an association? |[x]
| Country/Region | Europe |

# Introduction

Please make your introductory comments below, if any:

<ESMA\_COMMENT\_DOS\_1>

**General.** We are grateful for this opportunity to comment on ESMA’s proposed disclosure requirements, specifically from the point of view of commercial mortgage securitisation. The Commercial Real Estate Finance Council (**CREFC**) Europe is the association for those involved in commercial real estate (“**CRE**”) finance in Europe. Our roots are in commercial mortgage-backed securities (“**CMBS**”), and we retain within our membership strong representation from that part of the wider CRE finance industry with an interest in securitisation.

The representations set out below reflect the input of a number of our members who are active participants in the CRE market and knowledgeable about securitisation. We and our members are keen to use every opportunity to engage in a meaningful and constructive dialogue with ESMA to ensure a workable outcome is reached that is workable for those collating and submitting information, useful for those consuming it, and suitable from a regulatory perspective.

**Definitional clarity.** Commercial mortgage securitisation is a very specialised industry with a strong record of loan level reporting for investors, developed by the industry (albeit less actively managed in recent years given limited CMBS issuance) – see <http://www.crefceurope.org/european-investor-reporting-package-e-irp/>.

It is very important that any new, regulatory reporting template is clear and specific in its use of defined terms, particularly where the regulatory meaning of a term differs from its commonly accepted commercial meaning (e.g. “sponsor”), or where a term has no commonly accepted commercial meaning or is used in a context where that meaning does not seem the intended one. It will be difficult for the industry to use this template effectively without an agreed data dictionary and ideally accompanying clarificatory guidance. As discussed in our response to Q5, the risk of confusion is especially high around references to “obligors”, “sponsors” and “loans/leases”.

We would be delighted to work with ESMA to develop or review a suitable data dictionary to support the Commercial Mortgages template.

**Simplification.** It may be possible to simplify the template by recognising the information that is disclosed in the Offering Circular (“**OC**”). Many static fields replicate such information so are unnecessary in practical terms, and should at most be required to be reported only once.

**Tenancy information.** As regards lease and tenant information, CMBS market practice has traditionally been to apply a materiality threshold in relation to tenancy information (for example for the top three tenants only, or only tenants representing more than a certain proportion of the rent roll), not to all tenants. We believe that approach remains appropriate, serving the needs of investors who would not seek to underwrite tenant-by-tenant in any event. I would also be more practically achievable than a requirement for all tenancies in, for example, a multifamily or shopping centre portfolio (where tenancy details may indeed be commercially sensitive or confidential) to be included.

Imposing data requirements on borrowers/landlords for securitised loans that do not apply to a loan that is retained on a bank’s balance sheet or syndicated is likely to increase the extent to which commercial real estate risk remains within the banking system, counter to the goals of CMU and macro-prudential considerations.

**Implementation timing.** We agree with AFME that it would be desirable for this template to be in place by 1 January 2018 so that a single step transition to the new reporting framework is possible. At the same time, it would be advisable to recognise that it may be impossible to get all the detailed fields correct on that timeframe. Accordingly, implementation should accommodate a gradual ramp-up of compliance (such as the three year period proposed by AFME). In addition, or as an alternative, many fields could usefully be identified as optional rather than mandatory, either on a temporary or permanent basis. It would also be helpful if the fully implemented framework could accommodate a permanent de minimis exemption, recognising the commercial practicalities of the real world.

<ESMA\_COMMENT\_DOS\_1>

**Q 1: Do you agree with ESMA’s initial views on the possibility of developing standardised underlying exposures templates for, respectively, CDOs and “rare and idiosyncratic underlying exposures”? If you perceive a need to develop one or all of these underlying exposure templates, please explain in detail the desirable consequences that this would have. As regards CDOs, if you are in favour of developing a dedicated template, then please also indicate whether ‘managed CLOs’ and ‘balance sheet CLOs’ should be dealt with under the same template or separately under different templates.**

<ESMA\_QUESTION\_DOS\_1>

Our only comment here relates to Whole Business Securitisations. These are generally regarded as falling outside the regulatory definition of “securitisation” (they are, rather secured corporate financings in the capital markets). Accordingly, we agree that no template for such transactions should be developed.

<ESMA\_QUESTION\_DOS\_1>

**Q 2: Do you agree that ESMA should specify a set of underlying exposure disclosure requirements and templates for NPL securitisations, among the set of templates it will propose to the Commission? If so, do you agree that the draft EBA NPL exposures templates could be used for this purpose? Are there additional features (excluding investor report information, discussed in section 2.1.4 below) that are pertinent to the securitisation of NPL exposures that would need to be reflected or adjusted, in relation to the draft EBA NPL exposures templates?**

<ESMA\_QUESTION\_DOS\_1>

We agree that one or more templates might usefully be developed for NPL securitisations. However we do not consider the EBA NPL exposures templates to be a suitable starting point, because they are too detailed and therefore impractical. We would be happy to participate in a dialogue regarding how a template for the securitisation of commercial mortgage NPL exposures might look.

<ESMA\_QUESTION\_DOS\_1>

**Q 3: Do you have any comments on the loan/lease-level of granularity for non-ABCP securitisations? If so, please explain, taking into account the due diligence, supervisory, monitoring, and other needs and obligations of the entities discussed above.**

<ESMA\_QUESTION\_DOS\_1>

In the context of CMBS, it has long been normal market practice to report at loan level, as can be seen from the investor reporting package, E-IRP, developed by CREFC Europe (in its earlier incarnation as the CMSA) for European transactions (available here: <http://www.crefceurope.org/european-investor-reporting-package-e-irp/>). As noted elsewhere, the references to the “loan/lease” level in the consultation paper and more importantly in the commercial mortgages template are however confusing and unhelpful.

In the CMBS context, it should almost always be loan-level information that is reported. It is only in certain, very clearly specified, cases that information should be required that relates to leases, which are generally private and commercially sensitive contracts (and to which the originator is not a party). In general, reference in the template should therefore in almost all cases be explicitly solely to loans, to obtain the relevant information, and avoid confusion.

As regards lease and tenant information, we believe the template should follow existing industry reporting practice and capture it subject to a materiality threshold (the top three tenants only, or only tenants representing more than a certain proportion of the rent roll). We do not consider that anyone would be interested in detailed information relating to all tenancies, which would also be difficult or even impossible to provide. See introductory comments above.

<ESMA\_QUESTION\_DOS\_1>

**Q 4: Do you find these risk-related fields proposed in the draft templates useful? Do you see connections between them and the calculation of capital requirements under the SEC-IRBA approach provided for in the CRR?**

<ESMA\_QUESTION\_DOS\_1>

We understand the reasons for their inclusion, but in general we think they are unlikely to be useful in the CMBS context, for a combination of commercial reasons. Bank investors (for whom this information might be helpful) are relatively rare in CMBS, something that we feel is not inappropriate as one of the major benefits of securitisation for commercial real estate debt in Europe is to disperse this kind of risk beyond the banking sector in which it has tended to be concentrated, and into the hands of suitable long-term institutional investors.

At the same time, disclosure of figures for PD and LGD (which are complex technical concepts relevant for some banks) to non-banks risks being confusing and misleading. We would therefore recommend (as we understand AFME also has) that the completion of these fields should be optional, rather than mandatory.

Finally, the inclusion of fields that plainly assume that the originator is a bank (**COMML102**, **COMML104** and **COMML105**), or that risk confusing a non-bank originator (**COMML103**) send an unhelpful message – and a surprising one in the context of CMU – that securitisation originators are expected to be banks. This is another reason for marking these fields as optional.

<ESMA\_QUESTION\_DOS\_1>

**Q 5: Do you have any views on the contents of the non-ABCP securitisation underlying exposure requirements found in the templates in Annexes 2 to 8 in the ITS (located in Annex V to this consultation paper)?**

<ESMA\_QUESTION\_DOS\_1>

Yes. Our comments all relate to the template relating to commercial mortgages template (Annex 3). First, we have the following general comments:

In the context of commercial mortgages, the terms “loan” and “lease” should not be used as if they refer to the same thing – the originator of the loan (to the property owner as borrower) and the ‘originator’ of the lease (the property owner or landlord who grants a lease of the property to a tenant) are completely different transaction parties. The “Loan/lease-level information section” of the commercial mortgage template should be renamed the “Loan-level information section”. A single securitisation may involve a number of properties, each providing security for a separate loan. Each property may be leased to any number of tenants. See also below in relation to “Obligors” etc.

Reference (such as in footnote 19 of the consultation paper) to “individual exposure-level information” does not do much to resolve this confusion. The “exposures” that are relevant in this context are the loans, and that should be made clear, rather than left open to interpretation. There is no direct relationship between tenants under leases and either the provider of a commercial real estate loan or anyone involved in its securitisation.

There are also other terms used throughout the template in ways that risk creating confusion. In particular, the terms “borrower”, “obligor” and “loan” are used throughout the template as if their meanings were self-evident. In fact they are not and this makes it hard to interpret what is being sought in many of the fields. In a CMBS transaction:

1. The real estate underpinning a CMBS transaction often comprises a portfolio of properties (as commercial mortgage loans tend to be large).
2. Each property is likely to be owned by a separate single-purpose vehicle (**SPV**) or “**Propco**” (this is the case across commercial real estate lending, not only in the securitisation context).
3. It is common for each Propco to be a wholly-owned subsidiary of another SPV (a “**Holdco**”).
4. All the Holdcos (or Propcos, if there are no Holdcos) will be wholly-owned subsidiaries of a further SPV, often referred to as “**Topco**”.
5. Topco in turn will ultimately be owned by a non-SPV entity (or entities) with a ‘real’ balance sheet, normally referred to as the sponsor (or sponsors) of the financing. To avoid confusion with the regulatory concept, and following **COMML11** (as we understand it), we refer to this as the “Loan Sponsor”.

A simple scenario may involve two properties, each owned by a Propco, each of which is a direct wholly-owned subsidiary of Topco, which is in turn owned by a single Loan Sponsor. There are two different ways in which a lender can make what might be described as “a loan secured by mortgages over the two properties”:

1. The loan could be made to Topco, which on-lends the loan proceeds to the Propcos, which in turn provide guarantees, secured by mortgages on their properties, for the repayment by Topco of the loan; or
2. Make a loan to each Propco, each secured on the relevant Propco’s property, with each Propco guaranteeing the other Propco’s loan (and Topco guaranteeing both loans) to achieve cross-collateralisation.

In both cases, the lender will regard itself as having made, in commercial terms, a loan secured by mortgages on a portfolio of two properties. However, while in both cases there are three Obligors (Topco and the two Propcos) and a single Loan Sponsor:

1. In the first case, there is one Borrower (Topco) and one loan (not directly secured by any mortgage), and
2. In the second case, there are two Borrowers (the two Propcos) and two loans (each directly secured by a mortgage).

The OC will describe each facility agreement and the relevant Borrower and Obligor groups and so the precise loan structure, but for most purposes it will treat the two cases as if they were the same because, from a credit point of view, they are essentially the same. As a result, there will be one loan listed, one loan-to-value (“**LTV**”), one interest coverage ratio (“**ICR**”), one debt service coverage ratio (“**DSCR**”) and one exit debt yield (“**EDY**”). Ongoing investor reporting will also be done on the basis that there is one loan.

The ESMA template is not always clear in its use of transaction party descriptions (see our response to Q5, where we highlight numerous examples). It would also be helpful if ESMA could more explicitly confirm the apparent intention to follow common industry practice and treat either of the cases outlined above as involving a single loan (i.e. following the commercial and credit analysis rather than the strict legal position).

Finally, in terms of tenancy information, it should be noted that full tenancy lists and details are difficult to provide, and virtually impossible for deals with a larger number of properties (a transaction could involve properties with more than 1,000 tenants). It is also of questionable value, because nobody undertakes an underwrite of so granular a list on a line-by-line basis. A cut-off based on contribution to the total portfolio rent seems to be the most reasonable approach, e.g. anything > 2.5% of total rent is reported on a single tenant basis. This would also more closely align with normal industry practice.

Below we set out our comments and queries on the commercial mortgages template line by line.

**LOAN**

**COMML2:** In line with our general point about definitions, it would be helpful to agree a data dictionary covering terms like “data cut-off date” which can be interpreted in different ways.

**COMML4:** As mentioned above, it is unclear whether reference is correctly made to the Obligor rather than to the Loan Sponsor (essentially, the ultimate beneficial owner of the Obligor Group). If so, it should be noted that the Loan Sponsor can change (so it may not be appropriate for the field to be static). Also, it is stated that real names should not be used, but it is not clear why – the name of the Obligors (and indeed the Loan Sponsor) will have been disclosed in the OC.

**COMML5:** As discussed in the opening section of our response to this question, please can ESMA clarify what is required here if legally there are multiple loans that the OC treats as commercially and economically a single loan (i.e. the loan disclosed in the OC on which credit metrics – LTV, ICR, etc. – are based)? Why can’t the loan identifier used in the OC be used in the template (given that there is no Obligor anonymity to protect)? We assume that lease (as well as loan) information is not in fact required here – the wording should make this clear.

**COMML6:** Despite the statement in the field description and the field’s designation as static, this may in fact change, because the loan servicer (like many other transaction parties) can change, in line with the transaction documents. The template should recognise and reflect this reality. In the case of an Italian CMBS transaction, there is a regulatory servicer which delegates its functions to a ‘real’ servicer. Which one would ESMA want identified here? Finally, is it really envisaged that there is a separate servicer ID assigned for each loan (of which a single CMBS issue may have many)? How are these unique identifiers assigned?

**COMML7:** An agreed data dictionary is needed (what is “the SPV”?). We understand this field as actually relating to loans only. Please can ESMA remove the references to “leases” here, as it is not at all clear why, when or how they should be reported.

**COMML8:** Please remove the reference to the “loan” – there is no such thing as a “loan/lease originator”, only the lender (the originator of the loan) is relevant. It might be helpful to spell out and include a link to the GLEIF database, which may not be familiar to all data submitters.

**COMML9:** As for **COMML8**.

**COMML11:** Presumably this means the Obligor Group Sponsor that market participants would typically refer to simply as the “sponsor”. A data dictionary is needed. How does ESMA want this field completed if there are multiple Loan Sponsors? If this is correctly identified as a static field it should be labelled Loan Sponsor “at the Cut-off Date” or “at the Securitisation Date” (as the Sponsor may change over the life of the transaction); alternatively, the field should be dynamic.

**COMML13:** There are at least three alternative dates that this could mean, namely (a) the date the facility agreement is signed, (b) the date of the first utilisation and (c) the date of the last utilisation. Which does ESMA want?

**COMML14:** A data dictionary should define “amortisation”.

**COMML15:** See **COMML13** as far as “origination date” is concerned. It is not uncommon for the maturity date to be stated as, for example, “the first IPD after the fifth anniversary of the last drawdown under the facility agreement”. This means that depending on the definition of “origination date” the term may or may not be known at that date.

**COMML17:** Expiry of the lease (of which there may be many – consider a shopping centre with hundreds of tenants, for example) is quite different from maturity of the loan – we assume that lease information is not required here, and would ask that ESMA make it clear that this field is only seeking information about the lease. Regarding the maturity of the loan, the only straightforwardly available and meaningful information is the repayment date contemplated in the lease agreement. The template should make it clear that that is what is sought. Any information regarding the prepayment intentions of the borrower will either be speculative or material non-public information (**MNPI**), so it should not be included in the template.

**COMML18:** In our view, this should refer to “any” extension option (or the first one after the initial loan maturity date) rather than to “the shortest” extension option. ESMA should correct or clarify.

**COMML19:** The options are not very clear, and there may be many circumstances where the response is option (5) “Multiple Conditions”. A data dictionary would assist.

**COMML20:** More than one of these options may apply. Should option (6) “Other” be selected in such cases? A data dictionary would assist.

**COMML21:** These options should all be defined more clearly, and possibly more added, in a data dictionary. The introductory language suggests that “whole loan, A/B splits, syndicated” are examples, but there are then just three more fully articulated (and narrower) options. It is not difficult to imagine further possible structures (e.g. a participated loan with pari passu debt and subordinated/mezzanine debt outside the issuance vehicle).

**COMML22:** Security (at the level of the real estate – which is what we assume is intended here) is not granted “in favour of the securitisation” but rather in favour of the note issuer. There is then a second layer of issuer security granted in favour of noteholders and other secured parties. A data dictionary and clearer wording would be helpful here.

**COMML23** to **COMML26:** This information is included in the OC and should be static, not dynamic. We understand these fields to be seeking information about scheduled, rather than actual, payments.

**COMML27:** This information is included in the OC.

**COMML28:** The price at which a defaulted loan purchase option might be exercised may not be public.

**COMML29:** This information is included in the OC.

**COMML30:** This is not a static field as subordinated debt can trade in the secondary market. In addition, there may be more than one subordinated loan holder. Finally, it matters more whether affiliate entities are disenfranchised or not. For the sake of simplicity the more commercially relevant question would be whether any non-disenfranchised subordinated debt holder is an affiliate.

**COMML31:** This kind of information is likely to be included in the OC, but this question as it stands is far too vague (most obviously, as to what would constitute “material control” and how it should be assessed) and should probably be deleted.

**COMML32:** Presumably this refers to a loan restructuring (an agreed data dictionary would assist). This question cannot be answered with a generic “Yes” or “No” in the abstract, as the answer will depend on the nature of the loan restructuring.

**COMML33:** What is the correct answer if no Noteholder meeting is scheduled (as would normally be the case)? This information is in any event of doubtful value, given that it will only be updated quarterly and nobody would plan their participation in such a meeting based on the information published in a quarterly data tape. We would recommend deleting this question.

**COMML34:** See introductory remarks to Q5 and **COMML5**.

**COMML35:** See introductory remarks to Q5 and **COMML5**.

**COMML36:** See introductory remarks to Q5, **COMML2** and **COMML5**.

**COMML37:** See introductory remarks to Q5 and **COMML5**. It is not clear why anonymisation is required given that this information will be included in the OC.

**COMML38:** See introductory remarks to Q5 and **COMML5**. It is not clear why anonymisation is required given that this information will be included in the OC.

**COMML39:** See introductory remarks to Q5 and **COMML5**.

**COMML42:** See **COMML5**. This should be as at the date disclosed in the OC, not as at the Securitisation Date. There is a typo in the field description (“signed leased” should be “signed leases”). Note that tenants may have signed a lease but be enjoying a rent free period (whether or not in occupation).

**COMML45:** Terms such as “whole loan” and “specific loan” should be defined in an agreed data dictionary. The term “specific loan” is not used or familiar to market participants.

**COMML46:** See **COMML45**.

**COMML47:** Is a single field capable of adequately and clearly capturing scheduled payment frequency for principal and interest? Would a quarterly paying non-amortising loan require options (2) and (5), or only (5), or (7)?

**COMML48:** From an industry perspective, this field appears to focus on the wrong question. A more appropriate one (which will be covered in the OC) is long after a payment is due does it take for non-payment to become an Event of Default? Note that this may depend on the payment that is late and so a single, generic response may not be possible. Also the grace period can depend on whether the cause is a technical problem (that the wire transfer service is down, for instance) or not.

**COMML49:** The adjustable rate loan case is ambiguous. Is the question asking when is the next date on which the rate can be adjusted (typically the next IPD) under the loan contract (noting that it may not actually change numerically on that date), when is the next date it must be adjusted (meaning changed numerically) under the loan contract (for instance because of a margin step-up) or when does someone expect it to be adjusted numerically?

**COMML50:** Is it correct that only a single date is required here even if the loan contemplates multiple prepayment date options? How should suck cases be dealt with?

**COMML51:** The term “yield maintenance” needs to be clearly defined, if indeed its use is intentional. (Given the broader reference in **COMML52** to “prepayment fees”, this question is presumably seeking to capture only the narrower sub-set of those that involve “yield maintenance”.)

**COMML52:** Is it correct that only a single date is required here even if the loan contemplates multiple prepayment fee options? How should suck cases be dealt with?

**COMML54:** What is the appropriate answer if there are no prior ranking claims?

**COMML55:** What is the appropriate answer if there are no equal ranking claims?

**COMML58:** This is an odd list. Some of the options listed are not familiar to market participants, and others are not methods of acquiring ownership. An agreed data dictionary would assist here.

**COMML59:** This is (i) not a static field, (ii) often information that will not be available depending on secondary market activity and (iii) often confidential in any case. The lender majority necessary for the lenders collectively to make a decision will in any event depend on the kind of decision that needs to be made. We would recommend deleting this question, but would be happy to discuss alternative approaches that might work better if this is an area ESMA is keen to explore further.

**COMML60:** See **COMML59** (the list of options is, furthermore, plainly incomplete).

**COMML61:** See **COMML31** and **COMML59**. This question is vague and impossible to answer (what is “material”? who judges, and based on what criteria? Does “make” imply unilateral control? How is negative control – a veto right – to be treated? Etc.). It should be deleted.

**COMML62:** Should this refer to the “Facility Agent” rather than “agent bank”? As noted at **COMML6**, the Facility Agent can change, so this field should not be static.

**COMML63:** The word “remedy” is odd, as the list of options contains “consequences” of (not “remedies” for) breach. We would recommend rewording to avoid confusion.

**COMML65:** Here it would seem that “obligor” really does mean obligor as the term is generally understood (see introductory remarks in response to Q5 and **COMML5**). Should cases where there is limited recourse (for example to a guarantor), for example to a particular amount, value or asset), rather than full recourse, lead to a “Yes”?

**COMML66:** This field is static, but the answer may change if there is a change of servicer. It is unclear how the field should be completed in the context of financings that do not involve a whole loan (which, as noted above, should be defined clearly in an agreed data dictionary).

**COMML67:** This will not be known as the balances can often change daily. The balances will be known (and included in the OC) on the reporting date under the loan immediately prior to the Securitisation Date. We would suggest deleting this question.

**COMML68:** This information should be included in the OC. Terms should be defined.

**COMML69:** As for **COMML68**.

**COMML70:** An agreed data dictionary should explain what is meant by “reserve amounts”. This information will be included in the OC.

**COMML71:** If there is no target level, what is the correct answer? Terms should be defined. Where relevant, this information will be included in the OC.

**COMML72:** Terms need to be defined. Is this specifically asking solely about escrow (and not about reserve accounts more generally)? The answer could be long and complex, and will in any event be included in the OC.

**COMML73:** Is the reference to a “Cash Reserve” deliberately different from the references in the previous and subsequent fields to “Escrow”? Terms need to be clearly and precisely defined.

**COMML74:** This field should be static, not dynamic. Again, it is important to be clear and precise regarding the terms being used.

**COMML75:** Given **COMML74** and the knowledge of the loan currency, is this field necessary?

**COMML76:** If this really means Obligor and not Loan Sponsor, then see earlier remarks and **COMML5**. If it means Loan Sponsor, it should not be static. It would be helpful to clarify the definitions of Geographic Region field options (and/or provide a link).

**COMML77:** It would be helpful to clarify the definitions of Geographic Region field options (and/or provide a link).

**COMML78:** It is not clear to which “enterprise” this question relates. Is it about the Loan Sponsor (of which there may be more than one, and whose identity, and indeed scale of enterprise, may change)? If it is about borrowers or other obligors, most likely answer may be “none” as these will typically be SPVs and not necessarily regarded for all purposes as “enterprises”. Clarification is required, and assistance with definitions through an agreed data dictionary.

**COMML79:** This looks like it relates to properties securing the economic loan (see **COMML5**) but this should be confirmed. An agreed data dictionary needs to define “revenue”. Is it rent plus tenant payments for operating costs (which may or may not be defined in a lease as falling to be treated as rent), or just rent? As the field asks for “underwritten” revenue the title of the field should say this.

**COMML80:** A data dictionary should set out the definition of “revenue” (See **COMML79**). What if there is no “most recent” revenue, for example if the entity is newly formed?

**COMML81:** A data dictionary should set out a precise definition, clarifying whether the question relates to gross or non-recoverable operating expenses. It needs to tie into **COMML79** and **COMML80**. As the field asks for “underwritten” operating expenses the title of the field should say this.

**COMML82:** This should be “as disclosed in the OC” rather than “at Securitisation Date”. But more importantly the actual question is entirely unclear. Is it asking for historical capex, capex for the next year, capex anticipated over the life of the loan, whatever the OC identifies, or something different? An agreed data dictionary is needed, as is very clear and precise language in the field descriptions.

**COMML84:** It would be helpful to state the date at which this assessment is to be made.

**COMML85:** This appears to refer to the economic loan (see **COMML5**), but confusion may arise because the term “whole loan” is also a term of art referring to a particular financing structure. Reference should be to the Cut-off Date, as the answer will not be known by anyone at the Securitisation Date. Is this the actual DSCR, the underwritten DSCR or some other definition? An agreed data dictionary is needed, and precise language in the field descriptions.

**COMML86:** Similar points to **COMML85**. The words “based on the loan documentation” are not clear. If there is a DSCR covenant in the loan documentation then there will be a very precise, customized definition of DSCR. ESMA might appear to be seeking that to be reported here – but the field is dynamic and the format contemplates a number. That suggests ESMA is seeking the figure for DSCR calculated in accordance with the loan documentation. Is that correct? Greater clarity over definitions and precise wording in the question would be helpful.

**COMML87:** As mentioned in **CMML85**, any DSCR definition, calculation method and testing approach included in the loan documentation is likely to be highly customised. A dropdown menu of options is unlikely to be a practical, accurate or helpful way of reporting it, and risks confusion (both in how the question is answered, and in how readers interpret it). Reference should be made to the OC, which will reproduce the relevant language. Options (10) and (11) which refer to LTV seem to have been included in error.

**COMML88:** Similar points to **COMML85** and **COMML87**. The term “Trust Note” (used in options (9) and (10) is not necessarily a familiar one. A data dictionary and clear, precise language in the question would be helpful.

**COMML89:** As for **COMML88**.

**COMML90:** See points made previously regarding defined terms (“whole”/”specific” loans), replication of information included in the OC, lack of precision in explaining what is required, etc.

**COMML91:** Is the reference to “offering documentation” as distinct from “loan documentation” deliberate? Clarity in defined terms and precision in questions would be helpful. Other points previously made.

**COMML92:** This should say a “as disclosed in the OC”. Previously made points about defined terms and lack of precision in the question apply (e.g. what does “loan (whole)” mean compared to “Whole Loan”, the concept of the single economic loan where there are legally multiple separate collateralised loans, etc.).

**COMML93:** See **COMML91**.

**COMML94:** Similar points to those made at **COMML86**.

**COMML95:** Similar points to those made at **COMML91**.

**COMML96:** Options (1) through (9) appear to have been included in error, as they do not make sense in the context of LTV. More relevant considerations would relate to how and when the valuation by reference to which LTV is calculated was derived.

**COMML97:** See previous comments and **COMML92**.

**COMML98:** See previous comments and **COMML90**.

**COMML99:** See previous comments and **COMML86**.

**COMML100:** See previous comments and **COMML91**.

**COMML101:** See previous comments and **COMML87**.

**COMML102-COMML105:** As mentioned in our response to Q4, we do not think it appropriate for this information to be required, because of its commercial and competitive sensitivity, its highly technical nature, its limited value for bank investors in this asset class, the risk that it may be misleading and confusing for non-bank investors, and its irrelevance for non-bank originators. It should be made optional.

**COMML106:** Showing any loss once allocated is prudent, but the same is not true for a “best estimate of the final loss”. This is a highly subjective (and variable) estimate which cannot be undertaken by the originating bank on behalf of other market participants. The field description should be amended to remove any requirement for dynamic estimates to be provided – it should report a static final position only.

**COMML110:** This seems a strange requirement given the very limited importance of this level of detail for investors and indeed lenders. The relevant information should in any event be included in the OC.

**COMML115:** In a syndicated loan the cap, if any, would be on the index not the rate paid by the borrower. Please state what should be entered if there is no cap.

**COMML116:** In a syndicated loan the floor, if any, would be on the index not the rate paid by the borrower. Please state what should be entered if there is no floor.

**COMML117:** Note that industry practice is rounding to two decimal places.

**COMML118:** Is this the next LPD or some other LPD? How does it relate to **COMML119** and **COMML122**? These questions would benefit from clearer and more precise language as well as an agreed data dictionary.

**COMML121:** See **COMML49**.

**COMML123:** If the “origination date” refers to the date of signing of the loan agreement, then this does not exist for a floating rate loan. It is also unclear whether/why this loan-level information (and that sought in certain other questions) is relevant to noteholders. An agreed data definitions dictionary and clear, precise wording would assist.

**COMML124:** For Agented CMBS a fixed margin will usually not exist and the actual margin will change from IPD to IPD. How is this field to be filled in such a case (noting also that this is a static field)?

**COMML125:** Is this intended to capture the rate used to calculate the interest payment for the first IPD after the Securitisation Date? This will be included in the OC. The reference to “the whole loan” could be confusing. Precise language and an agreed data dictionary would be helpful.

**COMML129:** How do you forecast what the index rate will be in the future? We know the current value for the index (this will determine in part the payment made at the next IPD (**COMML126**)) but we do not know the value of the index rate for the IPD after the next one.

**COMML131:** Note that rates are calculated period by period, not on a per annum basis.

**COMML132** and **COMML134**: These fields should be dynamic, not static (in line with **COMML133**).

**COMML137:** Presumably this should be dynamic, in line with **COMML136**.

**COMML140:** Here the term Obligor seems to mean Obligor (rather than Loan Sponsor – see earlier comments and **COMML5**). There will be multiple Obligors. Is this intended to capture their combined obligations, or the primary obligations of any particular Obligor? Clear and precise language as well as an agreed data dictionary would be helpful.

**COMML141:** It is not clear what ESMA has in mind here: which “Obligor”? Loan level (the Obligors who are the Borrowers) hedging has already been covered in previous fields. An agreed data dictionary and clear, precise questions would be helpful.

**COMML143:** For swaps, only net payments are made, so strictly **COMML143** and **COMML144** do not work. This should say the amount that would have been paid under the swap absent netting. As of the date this template is filled in does this refer to the immediately preceding LPD or the next LPD?

**COMML144:** See **COMML143**.

**COMML145:** This should (for the avoidance of doubt) be completed only in the event that an actual break payment is due. It should not apply to require a theoretical number assuming a break as of that day. If this refers to the last LPD it can be reported. If this refers to the next LPD it can’t.

**COMML146:** See **COMML145**.

**COMML147:** See **COMML145**.

**COMML151:** This question should presumably clearly specify that it refers to the principal balance “after the final drawdown under the facility agreement” (rather than “at origination”). Typo in the percentage (should be 100%, not 0%).

**COMML155:** This is unknown. It depends on whether the borrower elects to prepay some part of the loan and, if the loan is in cash sweep, how much cash is swept.

**COMML156:** This is unknown. The amount prepaid at the last LPD would be known but any amount prepaid during the current interest period will not be known until the next LPD.

**COMML160:** What do the parenthetical references to “senior debt” mean? Only a portion of a “whole loan” would normally be considered to be “senior”. What does “at the end of the IPD” mean? More generally, we would not expect there to be committed but undrawn balances under the facility agreement between the Issuer and the Borrowers – what exactly is ESMA looking for here? An agreed data dictionary is essential where ESMA seeks to use a term in a way that may be inconsistent with its meaning in the CMBS market. Clarity and precision in the wording of these questions would assist.

**COMML161:** What does “current period” mean? This number would be known at the last LPD (meaning, after application of any borrower payments made on that LPD, what is the amount of principal and interest due but unpaid) and it will be unknown for the next LPD.

**COMML163:** What is this “amortisation trigger”? If there is none, how should this field be completed?

**COMML164:** Is this question asking for any such date? The most recent such date? How should this field be completed if no such payment has been received?

**COMML166:** Is this information relevant given that such amounts are not ones that noteholders will generally be entitled to receive?

**COMML174:** This will be included in the OC and should be static rather than dynamic.

**COMML177:** Presumably “exposure” means loan (or part of the loan owned by the Issuer). Why would an investor care about these definitions of default? They want to know if the loan is in default under the loan agreement and which particular provision of the agreement the borrower has defaulted on. That’s all the servicer will be able to report on. In the context of commercial mortgage loans, default is governed by the terms of the documentation, rather than extraneous legal provisions (and the lender may not be a bank subject to the CRR).

**COMML178:** As **COMML177**. The term “account” in this context is not necessarily familiar in the context of commercial mortgage lending. Is this supposed to refer to the status of the “loan”? An agreed data dictionary would assist here.

**COMML183:** Is the suggested approach in cases where the status of properties across a portfolio varies really helpful? The “situation which best represents the overall set of properties” may differ depending on the perspective of the person considering the position.

**COMML184:** See introductory remarks to Q5 regarding references to the “loan/lease” and why we recommend such references are avoided and precise language is preferred.

**COMML185:** See COMML178 regarding the use of the term “account”.

**COMML186:** What is the reference to “exposure”? Is that the same as loan? An agreed data dictionary and precise use of language in the questions would be helpful.

**COMML187:** The text suggests that this is the number of principal payments rather than the number of payments? Is that correct? If so, why is this important and the number of payments not? If not, the references to the amortisation type are confusing and should perhaps be removed. It is also unclear why what has happened before the securitisation is relevant (specifically in the commercial mortgages context – this isn’t about retail customer credit card accounts, for example). Clearer language would be helpful.

**COMML188:** This information is already available as part of reports filed on earlier reporting dates. Duplication is not efficient.

**COMML189:** This is a highly subjective (and commercially sensitive) estimate that cannot and should not be made on behalf of other market participants, who should not rely on it. Whose expectation is relevant? This field should be deleted.

**COMML191:** Should reference be to “Default” or “Event of Default”?

**COMML192:** Should reference be to “Default” or “Event of Default”?

**COMML198:** Note that servicer advances are no longer standard in European CMBS.

**COMML199:** Breach of what? Is this a default, an Event of Default, a breach of a financial covenant, some other, lesser, breach? An agreed data dictionary and clear, precise questions would be helpful.

**COMML200:** See **COMML199**.

**COLLATERAL**

**COMMC1:** See introductory remarks for Q5 and **COMML5**. Loans and leases are completely different things, with completely different commercial sensitivity, confidentiality and disclosure conditions. Presumably it is only loan information that is sought here?

**COMMC4:** Duplicates **COMML38**?

**COMMC7:** How is the “primary property” to be identified? This concept maybe be quite inappropriate in some CMBS. An agreed data dictionary would assist here.

**COMMC12:** This field is dynamic – but it is not stated whether reference is to the most recent external valuation (as it probably should be), or to any valuation. Note that in distressed scenarios valuation information will be commercially sensitive and disclosing it publicly could be damaging, including for investors.

**COMMC13:** This field is static, assuming that the number of “units/beds/rooms” will not change (although of course it may). When is the count to be made? Also, is this field applicable for the major commercial property sectors of retail, office, industrial and logistics? If so, how is “unit” to be interpreted in each case? (That might be particularly difficult for offices, where the market does not use the term “unit”.)

**COMMC16:** Presumably the cell can accommodate different entries for different leasehold properties securing the same loan?

**COMMC18, COMMC19 and COMMC20:** Note that in distressed scenarios valuation information will be commercially sensitive and disclosing it publicly could be damaging, including for investors.

**COMMC21:** This should refer to the property being contributed “to the security for the loan” not “to the securitisation”.

**COMMC22:** If this is not set out in the loan agreement why is it required? What use does an arbitrarily calculated allocated loan amount have? We would suggest that this should only be required information if it is set out in the loan agreement.

**COMMC24:** See previous comments relating to tenant payments for operating costs. This number will not be known on the Securitisation Date. What period is it referring to (for instance, trailing 12 months)? In the absence of a universally accepted standard, clarity and precision (and an agreed data dictionary) would assist.

**COMC27:** This will be static not dynamic, given it refers to the date of a particular valuation prepared for the OC.

**COMMC28:** The vacant possession value “at Date of Securitisation” will be static, not dynamic. How should the field be completed if none exists?

**COMMC31:** This question appears to be an error. Why is this part of the Collateral-Level information section? It is a loan feature and already provided as **COMML12**. Why is the loan currency denomination in the Collateral section? The title of the field is “Currency of Financials”.

**COMMC32:** See **COMMC22**. Are words missing at the end of the field description (“...by valuation (Net Operating Income) or”)?

**COMMC33:** This is not how Allocated Loan Amounts (“**ALA**”) work in loan agreements and if there is no ALA in the loan agreement what is this calculation’s purpose? As stated previously, it is not appropriate to require this information in such cases. If there is an ALA in the loan agreement then it will typically specify the amount (not a percentage) and how it is adjusted.

**COMMC34:** Are these really financials (income statement and balance sheet) or management operating accounts? Precise wording would be helpful.

**COMMC36:** See **COMMC24**.

**COMMC37:** See **COMMC24**.

**COMMC39:** Why is this sought at the property level? This is a loan feature. The operating statements will not as a rule be for periods that coincide with IPDs.

**COMMC40:** Why is this sought at the property level? This is a loan feature. Because of the point made in relation to **COMMC39**, this calculation would mix debt service for one period with operating income from another.

**COMMC41:** How exactly should this be derived? Simply current rent (assume monthly) multiplied by 12? This is a calculated number. How does ESMA want it calculated? Does “rent” in this context have the same meaning as when it is used in other contexts (for example as regards the way service charges and other payments for which tenants are liable might be characterised in the lease, or treated for the purposes of loan-level information required under this template)?

**COMMC43:** As it is requested by reference to the Securitisation date, this information will be static, not dynamic (and it will be reflected in the OC).

**COMMC44:** What type of tenant information? The answer may be yes for some kinds of information and no for other kinds which are available only for the most significant tenants.

**COMMC45:** Weighted by what? Industry convention may not be clear, may vary by country or sub-sector, and may not match with ESMA’s expectations. An agreed data dictionary and precise wording in the questions would be helpful.

**COMMC46-COMMC50:** These fields need to state the data at which these figures should be calculated.

**TENANT**

**COMMT2:** In the case of a multifamily property or a large shopping centre do you really want several hundred tenant names or identifiers? The field format would not appear able to accommodate that, and it is far more information than the market deems useful. There needs to be a cut-off in terms what percentage of total rent is represented by the tenant, as indicated in our introductory remarks for Q5. We would suggest a more proportionate approach.

**COMMT3:** This is usually not known/available, in particular for granular pools, not least because the market does not generally consider it commercially useful information. We would suggest deleting. If it is retained, an explanation of and link to the relevant coding resource should be provided.

**COMMT4:** Again, for a transaction involving very large numbers of tenants (multifamily or shopping centres are again the obvious examples) this implies a very large amount of work and data, even though the market would tend to focus on (a) a small number of key tenants (anchor tenants at a shopping centre, for example) and/or (b) the lease expiry profile of the overall portfolio (rather than all the granular detail). We would suggest a more proportionate approach in line with market practice and recognising the points made in our introductory remarks for Q5.

**COMMT5:** See **COMMT2** and **COMMT4**.

**COMMT6:** This is usually not known/available, in particular for granular pools, and it is in fact more complicated a question than it may at first appear. The tenant entity may be the unrated wholly-owned subsidiary of a rated parent (and the lease may or may not include a form of guarantee by the parent). It would not be appropriate or useful to ask for tenant ratings to be reported to a greater extent than as disclosed in the OC. Even if this was captured at origination it would not ordinarily be updated over time unless the credit of the tenant were critical to the performance of the loan. We would, again, suggest deleting.

**COMMT7:** See **COMMT6**.

<ESMA\_QUESTION\_DOS\_1>

**Q 6: Do you agree with the reporting of ABCP underlying exposures to be segmented at the transaction level?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 7: Do you have any views on the contents of the ABCP securitisation underlying exposure requirements, found in the template located in Annex 9 in the ITS (Annex V to this consultation paper)?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 8: Do you agree with the proposed reporting arrangements for inactive exposures? If you prefer the alternative (i.e. require all inactive exposures to continue to be reported over the lifetime of the securitisation), please provide further evidence of why the envisaged arrangement is not preferred.**

<ESMA\_QUESTION\_DOS\_1>

We are not convinced that there is value in standardising the way in which inactive exposures are reported. The cost of doing so would be disproportionate compared to the benefits.

<ESMA\_QUESTION\_DOS\_1>

**Q 9: Do you have any views on these proposed investor report sections? Are there additional fields that should be added? Are there fields that should be adjusted or removed? Please always include field codes when referring to specific fields.**

<ESMA\_QUESTION\_DOS\_1>

We have not been able to consider this in any detail from the CMBS perspective.

<ESMA\_QUESTION\_DOS\_1>

**Q 10: Do you have any views on the ‘protection information’ and ‘issuer collateral information’ sections, for synthetic securitisations?**

<ESMA\_QUESTION\_DOS\_1>

We have not been able to consider this in any detail from the CMBS perspective.

<ESMA\_QUESTION\_DOS\_1>

**Q 11: Synthetic ABCP securitisations have not been observed in Europe—to ESMA’s knowledge. However, do you see a need to extend the ABCP securitisation invest report template to cover potential synthetic ABCP securitisations?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 12: Do you agree with the proposal that ISIN-level information should be provided on the collateral held in a synthetic securitisation using CLNs? If you believe aggregate information should be provided, please explain why and how this would better serve the due diligence and monitoring needs of investors, potential investors, and public bodies listed in Article 17(1) of the Securitisation Regulation.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 13: Do you consider it useful to have this static vs. dynamic distinction in the templates?**

<ESMA\_QUESTION\_DOS\_1>

In principle yes, but some fields are incorrectly defined as static or dynamic, and there may be exceptional circumstances where a static field needs to be updated.

<ESMA\_QUESTION\_DOS\_1>

**Q 14: Do you have any views on these ‘No data’ options? Do you believe additional categories should be introduced? If so, please explain why.**

<ESMA\_QUESTION\_DOS\_1>

We have no0t been able to consider this in any detail from the CMBS perspective.

<ESMA\_QUESTION\_DOS\_1>

**Q 15: Do you have any views on these data cut-off date provisions?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 16: How much time would you need to implement these disclosure requirements? Do you have views on the date of effect of these disclosure requirements?**

<ESMA\_QUESTION\_DOS\_1>

As mentioned in our introductory comments, the commercial mortgage securitisation market has a strong history of industry-generated investor reporting at bond, loan and property levels (see <http://www.crefceurope.org/european-investor-reporting-package-e-irp/>). Indeed, that industry standard might be a better starting point than the (little used) ECB template). The imposition of a differently derived mandatory template, at a time when the CMBS industry has seen very little issuance and therefore commands limited dedicated resources (including for the purposes of engaging effectively with this consultation process), presents real challenges. The current implementation timetable allows very little time both for ESMA to get everything right, and for industry to get to grips with the new framework.

It is therefore very important, in our view, that implementation is phased, with data completeness expectations increasing gradually over a period of several years, allowing the industry to adapt. Adapting is a complex process. Data that needs to be collected from landlords or other sources needs to be contemplated in transaction documentation; loan servicers need to understand the data requirements and have access to everything necessary for them to submit accordingly; and investors need to become accustomed to using the new reporting framework rather than the familiar industry reporting framework. ESMA itself might find that a longer implementation period allows it to correct errors that were not identified at the outset.

In conclusion, we would support proposals along the lines of those we understand to have been put forward by AFME. We also agree with AFME that a level of data incompleteness should be accommodated on an ongoing basis without penalty, even after the new framework is fully operational.

<ESMA\_QUESTION\_DOS\_1>

**Q 17: Do you agree with the proposed technical format, ISO 20022, as the format for the proposed template fields? If not, what other reporting format you would propose and what would be the benefits of the alternative approach?**

<ESMA\_QUESTION\_DOS\_1>

We have not been able to consider this in any detail from the CMBS perspective.

<ESMA\_QUESTION\_DOS\_1>

**Q 18: Do you agree with the contents of the item type and code table? Do you have any remarks about a system of item codes being used in this manner?**

<ESMA\_QUESTION\_DOS\_1>

We have not been able to consider this in any detail from the CMBS perspective.

<ESMA\_QUESTION\_DOS\_1>

**Q 19: Do you agree with the proposal to require the use of XML templates for securitisation information collected by securitisation repositories?**

<ESMA\_QUESTION\_DOS\_1>

We have not been able to consider this in any detail from the CMBS perspective.

<ESMA\_QUESTION\_DOS\_1>

**Q 20: Do you agree with the requirement that securitisation repositories produce unique identifiers that do not change over time?**

<ESMA\_QUESTION\_DOS\_1>

We have not been able to consider this in any detail from the CMBS perspective.

<ESMA\_QUESTION\_DOS\_1>

**Q 21: Do you agree with the usefulness and contents of the end-of-day report?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 22: Do you agree that securitisation repositories should, at a minimum, offer a secure machine-to-machine connection platform for the users listed in Article 17(1) of the Securitisation Regulation? If not, please explain why and what you would propose instead as a minimum common operational standard.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 23: Do you believe that other channels besides SFTP (such as messaging queue), are more appropriate? If so, please outline your proposal and explain why.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 24: Do you agree with the available fields for creating ad hoc queries? Are there other fields that you would like to include? Please explain why if so.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 25: Do you agree with the deadlines for securitisation repositories to provide information, following a data access query? Please explain if not and provide an alternative proposal and justification.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 26: Do you agree with the 60 minute deadline for securitisation repositories to validate data access queries and provide a standardised feedback message? Please explain if not and provide an alternative proposal and justification.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 27: Do you agree with the mandatory use of XML format templates and XML messages? If not, please explain why and please provide another proposal for a standardised template and data exchange medium.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 28: Do you agree with the use of the ISO 20022 format for all securitisation information made available by securitisation repositories? If not, please explain why and please provide another proposal for a standardised information format.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 29: Do you agree with the data completeness score provisions? Are there additional features that you would recommend, based on your institution’s needs as per the Securitisation Regulation?**

<ESMA\_QUESTION\_DOS\_1>

The “A1” designation for data quality will eventually require 100% of fields being filled. This is highly unlikely to ever be possible, and it is not for malicious reasons. A CRE loan is much less standardised than e.g. a credit card or auto loan and different borrowers will be able to make different characteristics available for different underlying asset classes. Commercial sensitivity or contractual confidentiality may interfere with the ability to report particular information.

It is therefore absolutely essential that a reasonable level of missing (unavailable or unknown) data can be accommodated without overall data quality being questioned or stigmatised as a result. The appropriate level will depend in particular on the extent to which ESMA is able to improve on the initial draft of the commercial mortgage template, the scope for omitting fields (for example because the information is already available through the Offering Circular), and the extent to which certain fields might be treated as optional.

<ESMA\_QUESTION\_DOS\_1>

**Q 30: Do you agree with the data ‘consistency’ provisions? Are there additional features that you would recommend be examined?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 31: Do you agree that the securitisation repository, in order to verify the “completeness” of the securitisation documentation reported to it, should request written confirmation each year, as described above?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 32: Do you agree that the securitisation repository should verify the “consistency” of documentation reported under points (b), (c), (d), (f), and the fourth subparagraph of Article 7(1) of the Securitisation Regulation by asking for written confirmation of its “consistency” as part of the same “completeness” confirmation request?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 33: Do you see a need to develop standardised language for the written confirmation?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 34: Do you agree with these ‘free of charge’ proposals?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 35: Do you agree with the data access conditions for each entity listed in Article 17(1) of the Securitisation Regulation? If not, please explain your concerns and what access conditions you instead consider appropriate.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 36: Do you consider that additional specifications should distinguish ‘direct and immediate’ access to information? If so, please explain why the above provisions are insufficient for your purposes and what you instead propose.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q 37: Do you believe that there should be a specific deadline for reporting entities to be able to make corrections for information submitted to a securitisation repository? If so, please set out the reasons why a principle-based approach is insufficient and, furthermore, what deadline you propose.**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q38 Do you agree with the outcome of this CBA on the disclosure requirements?**

<ESMA\_QUESTION\_DOS\_1>

The “A1” designation for data quality will eventually require 100% of fields being filled. This is highly unlikely to ever be possible, and it is not for malicious reasons. A CRE loan is much less standardised than e.g. a credit card or auto loan and different borrowers will be able to make different characteristics available for different underlying asset classes. Commercial sensitivity or contractual confidentiality may interfere with the ability to report particular information.

It is therefore absolutely essential that a reasonable level of missing (unavailable or unknown) data can be accommodated without overall data quality being questioned or stigmatised as a result. The appropriate level will depend in particular on the extent to which ESMA is able to improve on the initial draft of the commercial mortgage template, the scope for omitting fields (for example because the information is already available through the Offering Circular), and the extent to which certain fields might be treated as optional.

<ESMA\_QUESTION\_DOS\_1>

**Q39 Do you have any more information on one-off or ongoing costs of implementing the disclosure requirements or of working with the disclosure requirements?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q40 Do you agree with the outcome of this CBA on the operational standards and access conditions?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>

**Q41 Do you have any more information on one-off or ongoing costs of implementing the turnaround times for responding to reporting entities or to data queries?**

<ESMA\_QUESTION\_DOS\_1>

TYPE YOUR TEXT HERE

<ESMA\_QUESTION\_DOS\_1>