The Market for Asset-Backed Securities

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Asset Securitization

CHASE (SPONSOR)

CREDIT CARD RECEIVABLES

SALE OR ASSIGNMENT

CREDIT CARD RECEIVABLES

SPECIAL PURPOSE VEHICLE

ISSUES ASSET-BACKED CERTIFICATES

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### Example

**Dayton Hudson Credit Card Master Trust, Series 1995-1**

<table>
<thead>
<tr>
<th>Tranche</th>
<th>Face Value</th>
<th>Coupon</th>
<th>Ave. Life</th>
<th>Rating</th>
<th>Description</th>
<th>Placement</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>$400 million</td>
<td>6.10%</td>
<td>3 Years</td>
<td>AAA</td>
<td>Senior</td>
<td>Public</td>
</tr>
<tr>
<td>B</td>
<td>$123 million</td>
<td>0.00%</td>
<td>3 Years</td>
<td>AAA</td>
<td>Subordinated</td>
<td>Private</td>
</tr>
</tbody>
</table>

**Collateral Information**

- Yield on portfolio: 22.52%
- Historical yield after delinquencies: 18.90%
- Number of accounts: 22,796,667
- Overcollateralization of A Tranche: 23.50%
- Largest geographic concentration: California (24.9%)
Asset Securitization is Now Global

- USA
- UK, France, other Europe
- Australia, Japan, Thailand, Indonesia, Philippines, India, etc
- Other developing countries

Asset Securitization is Now Global

- Eurobonds
The U.S. Market

Issuance in the U.S. Bond Markets
1998:Q1 vs. 1999:Q1

Outstanding Bond Market Debt
As of March 31, 1999*

ABS in the USA

ABS Market

Source: Merrill Lynch

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The Global ABS Market 8

The Global ABS Market 9
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Future Flows
- Corporate Loans 21%
- Mortgages 32%
- Commercial Property 2%
- Lease Receivables 5%
- Aircraft Receivables 2%
- Social Housing 2%
- Auto loans 5%
- Consumer and Personal Loans 9%
- Other 6%
- Credit Card Receivables 7%
- Future Flows 13%

Other:
- US Issues (Euros) 6%
- Japan 7%
- Latin America 10%
- France 15%
- UK 36%
- Nordic Region 1%
- Netherlands 2%
- Belgium 2%
- Spain 4%
- Italy 2%
- Germany 2%
- Ireland 2%
- Asia 2%
- Europe (other) 2%

Future Flows 13% of total
The Market in Europe

Figure 1. European MBS/ABS Issuance by Asset Type, 1997 and 1998 (Dollars in Billions)

<table>
<thead>
<tr>
<th>Asset Type</th>
<th>1997</th>
<th>Pct. of Total</th>
<th>1998</th>
<th>Pct. of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>MBS</td>
<td>$11.0</td>
<td>24 %</td>
<td>$22.7</td>
<td>49 %</td>
</tr>
<tr>
<td>CMBS</td>
<td>2.6</td>
<td>6</td>
<td>2.6</td>
<td>6</td>
</tr>
<tr>
<td>CDO/CLO</td>
<td>14.6</td>
<td>32</td>
<td>8.5</td>
<td>16</td>
</tr>
<tr>
<td>Other ABS</td>
<td>17.3</td>
<td>41</td>
<td>12.8</td>
<td>27</td>
</tr>
</tbody>
</table>

Source: Moody's Investors Services,
Example: Formula One Bond

- In May 1999, Morgan Stanley Dean Witter and WestLB led a $1.4 billion F1 Eurobond issue.
- The bond was backed by TV rights and revenues from the exclusive contract between Bernie Ecclestone’s F1 company and broadcasters for Grand Prix racing coverage.

globalsecuritization.com

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