The Market for Asset-Backed Securities

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Asset Securitization

CHASE (SPONSOR)

SALE OR ASSIGNMENT

CREDIT CARD RECEIVABLES

SPECIAL PURPOSE VEHICLE

ISSUES ASSET-BACKED CERTIFICATES

CREDIT CARD RECEIVABLES

Structure

Sponsor Originator

Risk transfer of asset pool

Through True Sale, Guarantee, or Credit Derivatives

Special Purpose Vehicle (SPV)

Issue of different tranches or CDOs

AAA

A

BBB

Not rated

or

ABCP's

Investors
Example

**HAUS MBS 2001-1**

<table>
<thead>
<tr>
<th>TRANSACTION IN BRIEF</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Ratings</strong></td>
</tr>
<tr>
<td>Class</td>
</tr>
<tr>
<td>A-1</td>
</tr>
<tr>
<td>A-2</td>
</tr>
<tr>
<td>M</td>
</tr>
<tr>
<td>N</td>
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</tbody>
</table>

**Structure Summary**
- **Structure Type:** Senior/whole interest, sequential pay, pass-through
- **Residual Maturity:** Eurodollar 9th, 2031
- **Deposition Dates:** 10th of each month, commencing April 10th, 2000
- **Issuer:** Haus 2000 - Limited
- **Solicitor:** Deutsche Bank AG
- **Organizer:** Deutsche Bank AG, Deutsche Bank AG
- **Notary:** Ciba Metallbank AG, New York

**Collateral**
- Rated mortgage-backed by residential mortgages in Germany

**Portfolio Summary**
- Principal Amount: €17,703,741,941
- Number of Loans: 25,037
- Cut-off Date: April 10th, 2000
- Loan Origin: Monthly payments; first basis fully amortizing
- Average LTV: 74.3%
- Average Collateral: €70,564
- Performance: Fully performing since origination
- Average Loan Rate: 6.17%
- Years To First Data: 0.0 years (weighted average)
- Remaining Term: 22.1 years (weighted average)
- Sequestration: 2.1 years (weighted average)
- Concentrations: Geographically diversified; below average concentration in North Western Germany

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Example – Synthetic ABS

**Promise-A-2000-1: Structure**

- **HVB**
  - Reference Pool
  - Premium
  - Credit Default Swap
  - Protection

- **KWV**
  - Reference Pool
  - Premium
  - Credit Default Swap
  - Protection

- **Promiss-A-2000-1 plc**
  - AAA/AAA (Collateral)
  - Purchase Price
  - Interest on Committed Credit

- **KWV-MTNs**
  - Aaa/AAA

- **OECD Bank**
  - Class A
  - Class B
  - Class C
  - Class D
  - Class E
  - Class F
  - Class G

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Asset Securitization is Now Global

- Tobacco Settlement, NY
- Belenus, Trains, Geldilux, etc
- YPF, Argentina
- DBS Land, Singapore

- Many ABS Eurobonds, too

Financial Times

Financial Times
### ABS in the USA

Source: Merrill Lynch

![ABS Market Graph]

### The US Market

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Outstanding</th>
<th>% of Total</th>
<th>Automobile</th>
<th>% of Total</th>
<th>Credit Card</th>
<th>% of Total</th>
<th>Home Equity</th>
<th>% of Total</th>
<th>Manufactured Housing</th>
<th>% of Total</th>
<th>Student Loan</th>
<th>% of Total</th>
<th>Other</th>
<th>% of Total</th>
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<tbody>
<tr>
<td>1995</td>
<td>$291.60</td>
<td>19%</td>
<td>$147.30</td>
<td>51%</td>
<td>$33.10</td>
<td>11%</td>
<td>$15.30</td>
<td>6%</td>
<td>$1.30</td>
<td>1%</td>
<td>$48.70</td>
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<td>1996</td>
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<td>$118.70</td>
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<td>6%</td>
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<td>2%</td>
<td>$63.10</td>
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<td>$91.80</td>
<td>18%</td>
<td>$27.80</td>
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<td>4%</td>
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<td>$120.70</td>
<td>19%</td>
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<td>2000Q1</td>
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<td>$320.60</td>
<td>43%</td>
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<td>5%</td>
<td>$26.70</td>
<td>4%</td>
<td>$135.00</td>
<td>18%</td>
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</tr>
</tbody>
</table>
The U.S. Market – Mortgage-Backed Securities

Fannie Mae

FNMA Pass-Throughs

Guaranteed REMIC Pass-Through Certificates
Fannie Mae REMIC Trust 1999-1

The Certificate
We, the Federal National Mortgage Association, will issue the classes of certificates listed in the table on this page.

Payments to Certificateholders
We will make monthly payments to the certificateholders. Yes, the interest
• interestaccruedisonthebalanceof
  your certificates (except in the case
  of an amortized class); and
• principal to the extent available for
  payments on your notes.

We may pay principal at rates that
vary from time to time. We may not
put principal on reserve for a long period of time.

The Fannie Mae Trustees
We will guarantee that required pay-
ments of principal and interest on the
creditors are distributed to labe-

The Trust and its Assets
The trust will initially own
• Fannie Mae MBS and
**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.
**ABS in Europe**

- Mortgages
- Loans (CLOs)
- Trade receivables
- Consumer receivables
- Royalties, taxes, etc

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**ABSresearch.com**

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