

# Asset Securitization

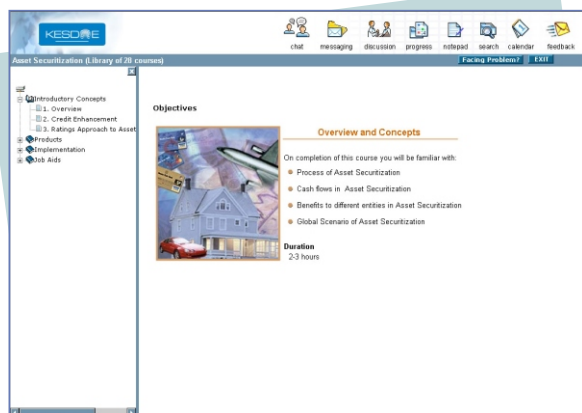
**A comprehensive online guide to key concepts in Asset Securitization**

**After completing this course, you will be able to:**

- Develop a conceptual framework for Asset Securitization
- Analyze the factors that influence pricing of Asset-backed Securities
- Review the Rating Agency's perspective on Asset Securitization
- Evaluate the alternative structures for Credit Enhancement
- Analyze the products and structures of several real-life examples of Securitization
- Understand various other aspects such as Legal, Accounting, Tax and Supervision



# Asset Securitization



## Course Level & Number of Courses

Advanced Level

Library of 28 Courses

## Instructional Method

Dynamic, Interactive e-learning

## Recommended Background

Familiarity with basic financial concepts

## Overview

Asset Securitization (AS) has revolutionized the field of finance. It provides an opportunity for financial institutions to enhance liquidity, generate fee-based income and optimize the usage of capital. It can be a source of competitive financing for corporations. For investors, securitized assets offer additional investment opportunities with different risk/return trade-offs.

## Target Audience

Every professional involved in the global financial services industry (as a provider, user, regulator or advisor of product/services, marketplace/exchange) would benefit from KESDEE's innovative solutions.

- Supervisory Agencies
- Central Banks
- Financial Institutions
- Commercial Banks
- Investment Banks
- Housing Societies/Thriffs
- Mutual Funds
- Brokerage Houses
- Stock Exchanges
- Derivatives Exchanges
- Insurance Companies
- Multinational Corporations
- Accountancy Firms
- Consultancy Firms
- Law Firms
- Rating Agencies
- Multi-lateral Financial Institutions
- Others

### The themes of this product are:

- The Securitization Process
- Cash Flow Modeling
- Credit Analysis and Structuring in Mortgage-backed Securities
- Traditional and Emerging Market CDOs
- Case Studies from different countries
- Global Best Practices

# Asset Securitization

## Library of 28 Courses

Time taken to complete each Course: Two - Three hours

### 1. Overview

- Objectives
- Introduction
- Process of Asset Securitization
- Cash Flows in Asset Securitization
- Motives for Asset Securitization
- Global Scenario

### 2. Credit Enhancement

- Objectives
- Fundamentals of Credit Enhancement
- Internal Credit Enhancement
- External Credit Enhancement
- Calculating Credit Enhancement

### 3. Ratings Approach to Asset Securitization

- Objectives
- Concepts
- Concerns
- Rating Process
- Rating Agencies

### 4. Residential Mortgage Backed Securities-Basics

- Basics of Mortgage backed securities
- Federally sponsored mortgage securities

### 5. Residential Mortgage Backed Securities-Prepayments

- Concept of prepayment
- Different prepayment standards

### 6. Residential Mortgage Backed Securities-Basic Structures

- Pass Through Securities
- Pay Through Securities

### 7. Residential Mortgage Backed Securities-Complex Structures

- Planned Amortization Class
- Targeted Amortization Class
- Stripped Mortgage Backed Securities
- Floaters
- CMO Residuals

### 8. Mortgage-backed Securitization (Commercial)

- Objectives
- Introduction
- Features of a CMBS transaction
- Loan Evaluation and Rating Process
- Case Studies

### 9. Auto Loan Receivables Securitization

- Objectives
- Introductory Concepts
- Types of Loans
- Auto Loan backed Securities Structure
- Rating Process
- Securitization for the First Time
- Case Study

### 10. Credit Card Receivables Securitization

- Objectives
- Fundamentals of Credit Cards
- Credit Card Securitization Process
- Phases in Securitization and Trust Structures
- Amortization Structures
- Measures of Maturity and Early Amortization
- Rating Process
- Case Studies

### 11. Collateralized Debt Obligations (CDOs)

- Objectives
- Fundamentals
- Types of CDOs
- Synthetic CDOs
- Different Periods for CDO
- Rating Process
- Role of Collateral Manager
- CBOs Vs. CLOs

### 12. Case Studies (CDOs,CLOs,CBOs)

- Objectives
- Jubilee CDO I B.V.
- ROSE Transaction
- SBC Glacier Transaction
- Panther CDO II B.V.

# Asset Securitization

## Library of 28 Courses

Time taken to complete each Course: Two - Three hours

### 13. Future Flow Receivables Securitization

- Objectives
- Introduction to Future Flow Securitization
- Reasons for Future Flow Securitization
- Risks Involved
- Securitization of Airline Ticket Receivables
- Securitization of Export Receivables
- Case Study

### 14. Home Equity Loans

- Objectives
- Introduction to Home Equity Loans
- Types of Home Equity Loans
- Pros and Cons of Home Equity Loans
- Securitization of Home Equity Loans
- Structures based on Credit Enhancement
- Case Study - 1
- Case Study - 2

### 15. Insurance Risk Securitization-I

- Objectives
- Concepts and Origin
- Insurance Loss Indices
- Instruments for Insurance Risk Securitization
- Weather Risk Securitization
- Analyzing Risk Securitization

### 16. Insurance Risk Securitization-II

- Objectives
- Catastrophe Bonds
- Issuance of CAT Bonds
- Insurance Risk Structure

### 17. Case Studies (Non- Performing Loans)

- Objectives
- Introduction
- KAMCO
- Ariosto s.l.r
- Danaharta
- Japan II Ltd.

### 18. Case Studies (Different Products)

- Objectives
- Trade Receivables Securitization
- Equipment Lease Securitization
- Inventory Securitization
- Floor Plan Receivables Securitization

### 19. Case Studies (Asia & Australia)

- Objectives
- LG Card
- Hanareum International Funding
- RAMS Mortgage Corp. Ltd. Series 11
- Series 2002-1G Medallion Trust

### 20. Case Studies (North America & Europe)

- Objectives
- Student Loans Securitization
- Electricity Receivables Securitization
- Defaulted Loans Securitization
- Consumer Loans Securitization

### 21. Healthcare Receivable Securitization

- Objectives
- Introduction
- National Century Financial Enterprise

### 22. Asset-backed Commercial Paper

- Objectives
- Introduction
- Key Parties Involved
- Risk Mitigation
- Assets Securitized through ABCP Conduits
- Legal Aspects of an ABCP Conduit
- Market Scenario

### 23. Project Management

- Objectives
- Policy Statement
- Project Plan for Credit Cards Receivables
- Project Plan for Auto Loans Receivables

### 24. Risk Management

- Objectives
- Introduction
- Types of Risks
- Types of Risks (Cont.)
- General Risk Management Measures
- Risk-based Capital

### 25. Legal Aspects

- Objectives
- Introduction
- Secured transaction
- Perfection, Priority and Enforcement
- Bankruptcy Issues
- Securities Regulations
- UN Convention on the Assignment of Receivables

# Asset Securitization

## Library of 28 Courses

**Time taken to complete each Course: Two - Three hours**

### **26. Accounting**

- Objectives
- Fundamentals of Accounting under FASB 140
- Determining Gain or Loss on Sale
- Investor Accounting-EITF 99-20
- Bank Regulatory Capital Relief
- International Accounting Standards

### **27. Tax**

- Objectives
- Introduction
- Tax Treatment of Participants
- Withholding
- Taxation in Different Countries
- The U.S. FASIT Law

### **28. Supervision**

- Objectives
- Introduction
- Guidelines from Various Agencies

#### **JOB AIDS**

- Measurement Tools
- Disclosures
- Regulations
- Global Best Practices
- Benchmarking Data
- Policy Templates
- Prospectuses

#### **Calculators in Asset Securitization**

1. Early Amortization
2. Calculating Return on Assets (ROA)
3. Conversion of Prepayment Rates
4. Convexity
5. CDO Cash Flows
6. Changes in Subordination Levels after Default
7. Default Loss
8. Loss Curves
9. Repossession
10. Loan to Value Ratio
11. Pass-throughs
12. Pay-throughs
13. Calculation of Credit Enhancement
14. Diversity Score Calculation
15. Accounting
16. Debt Service Coverage Ratio
17. Average Collateral Rating
18. Pricing reinsurance contract using CAT bonds
19. Risk-based capital
20. Credit Cards - Cash Flow Structures



## KESDEE's Off-the-Shelf e-Learning Course Libraries

| Product Name   | No. of Courses        |
|--|-----------------------|
| 1. Asset Liability Management                          | Library of 28 Courses |
| 2. Liquidity Management and Contingency Funding Plan   | Library of 14 Courses |
| 3. Financial Institution Analysis - CAMELS Approach    | Library of 08 Courses |
| 4. Financial Mathematics                               | Library of 07 Courses |
| 5. Global Banking Supervision                          | Library of 15 Courses |
| 6. Capital Adequacy Planning (Basel I)                 | Library of 07 Courses |
| 7. Basel-II-University                                 | Library of 63 Courses |
| 8. Operational Risk Management – Basel II              | Library of 09 Courses |
| 9. Futures and Forwards                                | Library of 07 Courses |
| 10. Swaps  | Library of 07 Courses |
| 11. Options  | Library of 10 Courses |
| 12. Market Risk - Basic                                | Library of 08 Courses |
| 13. Market Risk - Intermediate                         | Library of 08 Courses |
| 14. Market Risk - Advanced                             | Library of 04 Courses |
| 15. Value at Risk                                      | Library of 16 Courses |
| 16. Credit Analysis                                    | Library of 13 Courses |
| 17. Credit Ratings                                     | Library of 03 Courses |
| 18. Counter party Credit Risk                          | Library of 09 Courses |
| 19. Credit Risk Modeling                               | Library of 06 Courses |
| 20. Credit Derivatives                                 | Library of 23 Courses |
| 21. Operational Risk Management                        | Library of 21 Courses |
| 22. Asset Securitization                               | Library of 28 Courses |
| 23. Asset Liability Management for Insurance Companies | Library of 29 Courses |
| 24. Anti-Money Laundering                              | Library of 06 Courses |
| 25. Financial Privacy                                  | Library of 06 Courses |
| 26. Corporate Governance                               | Library of 09 Courses |
| 27. Sarbanes-Oxley Act                                 | Library of 12 Courses |
| 28. Governance, Risk and Compliance                    | Library of 07 Courses |
| 29. Money Markets                                      | Library of 09 Courses |
| 30. Fixed Income Markets                               | Library of 17 Courses |
| 31. Equity Markets                                     | Library of 10 Courses |
| 32. Foreign Exchange Markets                           | Library of 09 Courses |
| 33. Commodity and Energy Markets                       | Library of 03 Courses |
| 34. CTM - Foreign Exchange Management                  | Library of 07 Courses |
| 35. CTM - Treasury Analytics                           | Library of 05 Courses |
| 36. CTM - Interest Rate Risk Management                | Library of 04 Courses |
| 37. CTM - Funding and Investments                      | Library of 05 Courses |
| 38. CTM - Implementation                               | Library of 04 Courses |
| 39. CTM - Case Studies                                 | Library of 05 Courses |
| 40. Understanding Financial Statements                 | Library of 02 Courses |
| 41. Budgeting  | Library of 05 Courses |
| 42. Management Accounting                              | Library of 07 Courses |
| 43. Financial Accounting                               | Library of 09 Courses |
| 44. Mutual Funds                                       | Library of 10 Courses |
| 45. Financial Planning                                 | Library of 09 Courses |
| 46. UCP600   | Library of 07 Courses |
| 47. International Trade Services                       | Library of 09 Courses |
| 48. BBM - Deposits                                     | Library of 04 Courses |
| 49. BBM - Advances                                     | Library of 07 Courses |
| 50. BBM - Marketing                                    | Library of 03 Courses |

## KESDEE's Off-the-Shelf e-Learning Course Libraries

| Product Name                                      | No. of Courses        |
|---|-----------------------|
| 51. BBM - Payment and Settlement System           | Library of 02 Courses |
| 52. BBM - Foreign Exchange Operations             | Library of 03 Courses |
| 53. BBM - Trade Finance                           | Library of 02 Courses |
| 54. BBM - Book Keeping and accounting             | Library of 03 Courses |
| 55. BBM - Ancillary Services                      | Library of 02 Courses |
| 56. BBM - Risk Management                         | Library of 03 Courses |
| 57. BBM - Technology and Security                 | Library of 02 Courses |
| 58. BBM - HRM and CSR                             | Library of 02 Courses |
| 59. BBM - Retail Banking                          | Library of 03 Courses |
| 60. Introduction to Bank Lending Environment      | Library of 07 Courses |
| 61. Basics of Banking                             | Library of 10 Courses |
| 62. Flotation                                     | Library of 04 Courses |
| 63. Project Valuation                             | Library of 03 Courses |
| 64. Trading Operation Controls                    | Library of 04 Courses |
| 65. Economics                                     | Library of 16 Courses |
| 66. Estate Planning                               | Library of 04 Courses |
| 67. Global Economic Crisis - Liquidity Management | Library of 07 Courses |
| 68. Brokerage Operations                          | Library of 01 Course  |
| 69. Risk Analysis                                 | Library of 05 Courses |

\* CTM: Corporate Treasury Management

\* BBM: Bank Branch Management

### Certification Tutorials

|  |                       |
|--|-----------------------|
| 1. ePRM Coach                          | Library of 68 Courses |
| 2. Associate ePRM Coach                | Library of 36 Courses |
| 3. eFRM Coach for FRM Part I Exam      | Library of 37 Courses |
| 4. eCoach for the CFA® Level I Program | Library of 76 Courses |

## Upcoming Products


KESDEE has the required technology platform to respond to clients training requirements in the banking and financial services industry. We offer several solutions, each developed with the guidance of creditable experts. Given below are few of the forthcoming products:


- Agricultural Finance




Global Financial Training and Technology

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