

Comparing Repayment Profiles of ABCP programs

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	Internal		External	Internal/External
Program Types	Extendible Cash Flow	Extendible Market Value	Traditional multi & single-sellers, sec arb, CDOs, repo	SIVs
Program forms	<ul style="list-style-type: none"> - single seller extendible cash flow - multi-seller (transaction-specific) 	<ul style="list-style-type: none"> - single seller extendible mv (with & without swaps) - collateral-based repo - multi-seller (transaction-specific) 	<ul style="list-style-type: none"> - bank-sponsored multi-sellers (liq fac) - bank-sponsored sec arb (liq fac) - single-sellers (100% liq fac) - ABCP of CDOs (puts, liq fac) - counterparty-based repo (repo agmt) 	<ul style="list-style-type: none"> - SIVs
Ultimate Source of Repayment (assuming no rollover)	asset cash flows < 100% liquidity	asset sale	100% by 3rd party or counterparty highly rated financial institutions	combination
Form of Liquidity	asset amortization & < 5-10% liq fac equiv	<ul style="list-style-type: none"> - take-out providers - mv swap: price declines - repos/asset liquidation 	<ul style="list-style-type: none"> - liquidity facility (rec & sec arb) - derivatives agmt/liq fac (CDOs) - repo agmt (match-funded, counterparty based) 	<ul style="list-style-type: none"> - asset cash flows-am/maturity - sales/liquidation - liq fac < 10% - committed reverse repo * boost from MTNs/cap notes
Form of C/E	OC, reserve fund	<ul style="list-style-type: none"> - sub, res fund, xs spread - OC/mv haircuts: w swap: credit w/o swap: price & credit 	<ul style="list-style-type: none"> - Multi-sellers: PWCE, fully-supp assets - sec arb: highly rated assets, less PWCE - CDOs: sub term notes - repo: fully supported assets via agmt 	<ul style="list-style-type: none"> - capital notes - equity
Asset types	fast-pay & predictable <ul style="list-style-type: none"> - credit cards - dealer floorplan - trade a/r 	liquid & standard <ul style="list-style-type: none"> - mortgage loans - rated securities, RMBS - corporate loans - student loans 	assets vary by rating and asset class incl. esoterics, foreign	mostly AAA-rated securities <ul style="list-style-type: none"> - structured finance - financial institutions
Relative Risks	<ul style="list-style-type: none"> - prepay rates shifting - longer potential extension period, if predictable pay rates or delinquencies vary from expectations - highest transparency 	<ul style="list-style-type: none"> - haircut estimates could be insufficient on newer collateral types - heavy reliance on swap counterparty or takeout provider s.t. default or downgrade and outs to funding - limited asset diversity - higher transparency, esp on RMBS 	<ul style="list-style-type: none"> - multi-sellers: multiple defaults of large concentrations - heavy reliance on counterparty, s.t. default/downgrade & outs to funding, counterparties usually large global banks - asset diversity and quality high but can vary, general investment guidelines - level of transparency variable 	<ul style="list-style-type: none"> - potentially more s.t. to spread movements & market risk mitigated via extensive controls and daily tests - most complex operationally - counterparty defaults limited to hedge and liq providers, and virtually no outs - high asset diversity & quality to support AAA liability structure - level of transparency variable

Non-Traditional: Extendible CF and MV, repo, SIV lites, CDOs

Traditional: multi-sellers, single-sellers, SIV