

COURSE OUTLINE:

Structured Finance

3 days
24 CPE Credits

Overview

This seminar describes securitization and the analysis of transactions, based on three pillars: the underlying pool of assets, the transaction structure, and the legal aspects. It covers both the general principles found throughout the securitization market, as well as specific characteristics of several of the main asset classes, including residential mortgages, consumer loans, and corporate debt. The course also gives an overview of the publicly available credit rating methodology and monitoring practices of our sister company, Moody's Investors Service. The course employs a combination of instructor-led sessions, case studies, group exercises, computer-based simulations and discussions.

Learning Objectives

Upon completion of this workshop delegates will be able to:

- » understand the mechanics of a securitization transaction, including the roles of the major participants
- » interpret the varying rationales of market participants for issuing or buying securitized product
- » understand the different cash-flow and asset-loss allocation mechanisms in securitizations
- » identify the credit enhancement mechanisms found in structures
- » anticipate the main legal issues that are likely to arise regarding a securitization

Who Should Attend

This three-day seminar is an intensive training program within a stimulating and interactive learning environment. It is aimed at all those that may deal with securitization in their day-to-day jobs, such as investment and commercial bankers, credit analysts, legal advisors, fixed income professionals, portfolio/asset/fund managers and bond researchers (from both the buy and sell sides).

Program Level

Program Level: Overview

Prerequisites: Suggested one-two years' experience in a capital markets/structured finance related function or relevant business related degree.

Advance Preparation: None

Delivery Method: Group-Live

Accreditation

Moody's Analytics is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors. State boards of accountancy have final authority on the acceptance of individual courses for CPE credit. Complaints regarding registered sponsors may be submitted to the National Registry of CPE Sponsors through its website: www.nasbaregistry.org.

WHY MOODY'S ANALYTICS?

Current and Consultative

Our seminars are created and updated utilizing the extensive experience, skills and research of Moody's Analytics. For in-house training, we work with you to understand the distinct needs of your organization and design, implement, and track the performance of your learning programs from end-to-end, including skills assessment, program design, implementation, evaluation, and enhancement.

Comprehensive Coverage

We offer a broad set of technical and soft skills programs that can be combined and adapted to the needs of your staff. Our areas of expertise include banking, finance, sales negotiation and leadership development:

Unparalleled Expertise

Our training solutions leverage over a century of experience in risk assessment and the comprehensive tools, data, and analysis of Moody's Analytics to deliver timely, in-depth, and comprehensive knowledge. In delivery, our people make the difference – they combine deep experiences as financial practitioners, intellectual passion for the content, and superior academic credentials with a commitment to delivering outstanding quality.

Structured Finance – Agenda

DAY ONE

Session 1: Introduction to Securitisation

- » Mechanics of a securitisation transaction
- » Cash versus synthetic securitisation
- » Advantages for originators and investors
- » Securitisation in the spectrum of bond types
- » The size of the securitisation markets

Session 2: Securitisation Risk Assessment

- » Credit risk of the assets
- » Cash-flow structure analysis
- » Legal aspects

DAY TWO

Session 3: Moody's Investors Service rating methodology for securitisation

- » What is a Moody's Investors Service rating?
- » Integrating structured finance into the general rating system
- » Other types of Moody's ratings
- » The rating process, monitoring and rating actions

Session 4: Asset-Backed Securities (ABS)

- » Auto loans
- » Credit cards
- » Leases
- » SME loans
- » Future flows
- » Whole business securitisations

DAY THREE

Session 5: Residential Mortgage Backed Securities (RMBS)

- » The impact of loan-to-value ratios on loss probability and severity
- » Other important loan characteristics
- » Important borrower characteristics
- » Overview of Moody's "MILAN" loan-by-loan methodology

Session 6: Collateralised Debt Obligations (CDOs)

- » Classifying CDOs
- » Default probability, correlation and recovery rates
- » Methodology for cash and synthetic CDOs: Moody's Binomial Expansion Technique
- » Introduction to extensions of the Binomial Expansion Technique

Session 7: Commercial Mortgage Backed Securities (CMBS)

- » Types of CMBS
- » Analysing the underlying commercial mortgages: debt service coverage, loan-to-value ratios and other important factors
- » Current vs. stabilised (sustainable) ratios
- » Introduction to Moody's Investors Service rating methodology for CMBS

Session 8: Asset-Backed Commercial Paper (ABCP)

- » What is ABCP?
- » Different types of ABCP conduits
- » The main assets: ABS and trade receivables
- » Liquidity and credit risks

Session 9: Rating theory and analysis in action: An exercise using Moody's Investors Service MARVEL Model

RELATED COURSES

- » Debt, Derivatives and Hedging
- » Introduction to CDOs
- » Introduction to Credit Derivatives
- » Bond Market Mutual Funds
- » Money Market and Liquidity Funds

Tailor Any Seminar for Your Organization

Moody's Analytics offers customized training and eLearning solutions to help you maximize your training investment. Our hands-on approach benefits companies of all sizes and requirements – from those with just a few local employees to those with staff dispersed around the globe. Contact us to learn more and to work with one of our training consultants to design the right program for your organization.

Multiple Bookings

Special rates may be available for multiple seminar or group bookings. Please contact us for details.

Fees & Cancellations

The fee listed is per participant and includes refreshments, lunches and seminar materials. Seminar fees do not include tax, transportation or hotel accommodations. Payment must be received in full prior to the start of the seminar. Registrations may be cancelled in writing via letter or email at least 30 days before the first date of the training for a full refund. Cancellations received less than 30 days in advance are eligible for substitution with another seminar, but fees will not be refunded. We reserve the right to cancel or reschedule seminars at any time. For further information on our refund and complaint policy, please contact us.

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