



DURATION

3 Days



DELIVERY CHANNEL

Virtual
Instructor-Led

OR

In-Person
Classroom



PROGRAM LEVEL

Intermediate

PREREQUISITES

Recommended one to two years experience in a capital markets/structured finance-related function or relevant business-related degree.

ADVANCE PREPARATION

None

CPE CREDITS

24

Overview

Structured Finance aims to provide a comprehensive understanding of securitization: how it is done, its legal basis, the motivations of issuers and investors, the risks involved and how Moody's seeks to quantify and mitigate them. It then goes on to examine how the method of risk analysis and the structures vary with the asset type by covering the four main sectors – auto, collateralized loan obligations (CLOs), residential mortgages and commercial mortgages. This course employs a combination of instructor-led sessions, case studies, group exercises, computer-based simulations and discussions.

Learning Objectives

BY THE END OF THIS COURSE, YOU WILL BE ABLE TO:

- » Understand the structural features of securitizations, including how and why they vary
- » Understand how Moody's approaches credit risk quantification with each of the major asset types, including how and why the approaches vary
- » Understand what other risks securitizations may be exposed to, including liquidity and interest rate risk
- » Understand the roles of the various parties and their motivations

Who Should Attend?

- » Investment and commercial bankers
- » Credit analysts
- » Legal advisors
- » Fixed income professionals
- » Portfolio/asset/fund managers
- » Bond researchers
- » Issuers
- » Central bank and bank supervisory staff
- » Insurers
- » Accountants and auditors
- » IT staff

Virtual Delivery

You are able to access virtual courses from any location. Some courses, however, include content specific to the host region. For example, a course hosted in New York City may reference U.S. GAAP, while a course hosted in London may reference IFRS. Please contact us at learningsolutions@moodys.com for region-related content queries.

Course Detail

SESSIONS

1	Introduction to Securitization	1	Mechanics of a securitization transaction
		2	Cash versus synthetic securitization
		3	Advantages for originators and investors
		4	Securitization in the spectrum of bond types
		5	The size of the securitization markets
2	Securitization Risk Assessment	6	Credit risk of the assets
		7	Cash-flow structure analysis
		8	Legal aspects
3	Moody's Investors Service Rating Methodology for Securitization	9	What is a Moody's Investors Service rating?
		10	Integrating structured finance into the general rating system
		11	Other types of Moody's ratings
		12	The rating process, monitoring and rating actions
4	Asset-Backed Securities (ABS)	13	Auto loans
		14	Credit cards
		15	Leases
		16	SME loans
		17	Future flows
		18	Whole business securitizations
5	Residential Mortgage-Backed Securities (RMBS)	19	The impact of loan-to-value ratios on loss probability and severity
		20	Other important loan characteristics
		21	Important borrower characteristics
		22	Overview of Moody's "MILAN" loan-by-loan methodology
6	Collateralized Debt Obligations (CDOs)	23	Classifying CDOs
		24	Default probability, correlation and recovery rates
		25	Methodology for cash and synthetic CDOs: Moody's Binomial Expansion Technique
		26	Introduction to extensions of the Binomial Expansion Technique

SESSIONS

7 **Commercial Mortgage-Backed Securities**

27 Types of CMBS

28 Analysing the underlying commercial mortgages: debt service coverage, loan-to-value ratios and other important factors

29 Current vs. stabilized (sustainable) ratios

30 Introduction to Moody's Investors Service rating methodology for CMBS

8 **Asset-Backed Commercial Paper (ABCP)**

31 What is ABCP?

32 Different types of ABCP conduits

33 The main assets: ABS and trade receivables

34 Liquidity and credit risks

9 **Rating Theory and Analysis in Action**

35 An exercise using Moody's Investors Service MARVEL Model

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. Students should check for up to date information directly from the NASBA website: www.nasbaregistry.org.

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GROUP DISCOUNTS

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

FEES AND CANCELLATIONS

The fee listed is per participant. Course fees do not include tax, transportation or hotel accommodations. Payment must be received in full prior to the start of the course. Registrations may be canceled 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 course, but fees will not be refunded. We reserve the right to cancel or reschedule courses at any time. For further information on our refund and complaint policy, please contact us.

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