

NEWS IN BRIEF

DON'T MISS THE ASF WINTER CONFERENCE IN JANUARY 2004! Details coming soon.

INVESTOR FOCUS DRIVES WINTER CONFERENCE. Investors will form part of the focus group to set up investor programming at the ASF Winter Conference. One of their tasks will be to complete a survey on potential speakers and panel topics.

THE ASF TOGETHER WITH TBMA are filing a joint letter with FASB on July 29th responding to the FAS 140 amendments. Please see the ASF website for a copy of the letter: www.americansecuritization.com.

THE ASF IS FILING A COMMENT LETTER responding to the new Basel Capital Accord proposal as it pertains to securitization transactions, jointly with the Australian Securitisation Forum, The Bond Market Association, the European Securitisation Forum, the International Swaps and Derivatives Association, the International Association of Credit Portfolio Managers and the Japanese Bankers Association. In the letter, the global group expressed concern with several issues in the new Accord's proposed capital treatment of securitizations. Please see the ASF website for a copy of the letter: www.americansecuritization.com.

THE SECURITIZATION INSTITUTE will begin delivering educational and informational programming late this summer. The expected audience includes regulators and legislative staffers.

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First ASF Annual Meeting Held in New York City

On June 24th and 25th, over 325 attendees gathered in New York to discuss issues facing the securitization market, at the American Securitization Forum's First Annual Meeting. Registrants represented the gamut of the ASF membership: investors, bankers, issuers, lawyers, trustees, servicers, service providers, and monoline insurers. Throughout the conference, the audience was polled on issues facing the market, us-



(left to right) Vernon H.C. Wright, Chairman, American Securitization Forum and Chief Financial Officer, MBNA Corporation; Antony Currie, U.S. Editor, Euromoney; Mickey Levy, Chief Economist, Bank of America

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ASF Develops Recommended Minimum Standards and Best Practices for Asset-Backed Securities Syndicates

The ASF Executive Committee has approved a set of minimum standards and recommended best practices for asset-backed securities (ABS) syndicates. This standard is the second the ASF has developed, the first being the monthly investor report template for multi-seller conduits in the asset-backed commercial paper sector, which was developed in April 2003.

The focus of the ASF's recommendations is to improve the marketing and distribution of ABS by providing more uniformity across the syndicate community. The ASF hopes that, ultimately, investors will benefit from the consistency of deal information that these standards promote, a positive for the efficient operation of the securitization market in general.

The recommendations, a priority of the ASF Market Standards & Practices Committee, cover the five key stages of the syndication process—deal announcement, recommended price guidance, deal status, transaction launch, and transaction pricing—and include both "minimum standards" and "best practices." While adoption of ASF-approved market standards and practices is voluntary for ASF members and non-members, the ASF hopes that these recommended best practices will be widely adopted. The ASF's goal is to build a consensus around the minimum standards, with best practices serving as the goal to work toward.

Investors have asked for more uniformity across the syndicate community, and with widespread adoption of these practices, they would receive the same information from all dealers on all deals. Following the initial publication of these standards, the committee will look to the market for feedback, revising the standards as appropriate.

The ASF website, www.americansecuritization.com, will provide access to the new standards shortly.

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Investors Champion ASF

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- Standardized collateral evaluation and consistent asset analysis reporting;
- Maintaining high credit standards
- The development of best practices across the industry.

Investors have also asked for enhanced issuer disclosure on asset performance and increased transparency for ABS operations and management.

The investor perspective is the key to providing guidance on these issues and will supplement the input of issuers and intermediaries already active within the ASF. Investors have joined the ASF in increasing numbers in response to outreach by the ASF, reflecting the importance of the investor perspective in the ABS market.

Investor members include: Conning Asset Management, PPM America, West LB Asset Management, Barclays Asset Management, Citibank Bank Asset Management, Federated Investors State Street Global, I3 Capital Partners, The Guggenheim Group, T. Rowe Price Associates and the Delamore & Owl Group of Companies.

In response to these developments, the ASF Investor Committee will develop a collective approach toward enhanced reporting requirements, standardizing industry "best practices" in ABS lending and championing improved accountability for servicers and trustees. The goal of co-chair Debbie Cunningham of Federated Investors is to promote investor activism.

"This committee will assist investors in articulating what is important to them as they commit large resources to the ABS product," said Ms. Cunningham, Senior Vice President at Federated Investors.

Other involved investors include State Street's Dan Stachel as Chair of the Market Standards and Practices Committee. This committee has made great progress already in initiating these reforms.

The ASF has other active committees, as well, which are working on regulatory issues related to the implementation of FIN 46, the FAS 140 amendment process, Basel II, and other regulatory and legislative initiatives impacting securitization.

The ASF will continue to offer free membership to institutional investors through the end of 2003. In addition, to encourage investor participation, conference fees were waived for investors who attended the ASF's First Annual Meeting, which was held June 24-25 in New York.

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The American Securitization Forum (ASF) is a broadly-based professional forum through which participants in the U.S. securitization market can advocate their common interests on a number of important legal, regulatory and market practice issues. The ASF is a forum of The Bond Market Association.