



# RECOMMENDED POST-ISSUANCE REPORTING STANDARDS FOR AUSTRALIAN RESIDENTIAL MORTGAGE SECURITISATION TRANSACTIONS

## ***Background***

As the securitisation market in Australia matures and issuance becomes more global, Australian investors have become familiar with international reporting standards. In addition, many international investors now regularly invest in Australian RMBS. The experience in the US and Europe is that investors demand a certain standard and will distinguish between potential investments on the basis of the standard of post-issuance reporting.

## ***Investor Issues Committee***

The Investor Issues Committee of the Australian Securitisation Forum has been established to consider, discuss and comment upon issues of interest to investors in Australian securitisation transactions. The first issue in focus is RMBS investor reporting.

## ***Reporting Standards***

The following reporting standards have been circulated among three members of the Committee for comment and input from investors. We have taken comment from both domestic and international investors in Australian RMBS. The objective is to develop a recommended set of investor reporting standards that issuers will be encouraged to follow. We acknowledge that many investors are already providing this level of detail via the ratings agencies.

The list is arranged in 3 main sections

- I. Transaction Deal Summary Data – this is static information which is unlikely to change during the life of the deal.
- II. Cash flows / Distribution Data - relating to payment details of the transaction which is updated each reporting period.
- III. Collateral Data - relating to the assets underlying the securities on issue.
- IV. Asset Performance – reporting on arrears, losses and triggers.
- V. Servicer – details on the servicer.

The intention of the standard is to provide investors with comprehensive and timely information to assist with ongoing transaction analysis and the development of a more liquid and efficient market. The Investor Issues committee undertakes to review these standards on an ongoing basis to ensure they are meeting the needs of investors and to take into account new products or securitisation structures.

## ***Distribution Standards***

Following were comments provided by a number of investors on the distribution method of the information.

- Monthly information should be available within 15 days of the month end cut-off;
- Reporting should be monthly and should be emailed to each investor in an excel format (rather than only being available via a website and in PDF);
- The ability to export data to excel (collateral and performance data) is important;
- Historical data should be available.

<b>I. Transaction Deal Summary Data (Static information)</b>	
1. Information Source / Contact Name	E.g. Trustee, Trust Manager, Issuer being person responsible for updating the information.
2. Contact Information	Contact details of person above.
3. CUSIP/ISIN	If applicable - The security identification code assigned to each class of securities pursuant to standards established by the Committee on Uniform Securities Identification Procedures of S&P (CUSIP) or the International Standards Organisation (ISIN).
4. Transaction name	Common name by which MBS offering is known.
5. Transaction Parties	Trustee, Security Trustee, Approved Seller, Seller, Servicer, Arranger/Underwriters/Lead Manager/Co-leads.
6. For each Security Class a. Name  b. Currency  c. Original balance at issue  d. Coupon payment details and frequency  e. Principal payment details and frequency	<p>a. The designation (typically a letter and/or number) given to a tranche of securities that exhibit the same rights, priorities and characteristics.</p> <p>b. The unit of currency in which distributions are calculated and/or made.</p> <p>c. The initial par, or notional balance of a security.</p> <p>d. The base rate, margin and periodic frequency at which distributions of interest to holders of securities are scheduled to occur, e.g. 1 month BBSW + 30bp payable on 10<sup>th</sup> day of each calendar month (or next Business Day)</p> <p>e. The methodology and periodic frequency for distributions of principal to holders of securities that are scheduled to occur, e.g. Sequential pass-through, floating rate debt securities payable on 10<sup>th</sup> day of each calendar month (or next Business Day).</p>
7. Business Day	Include the relevant cities for the calculation of business days in relation to the adjustment of dates.
8. Issue Date	The date upon which each class of securities was issued.
9. Maturity date of the issue	The ultimate/legal maturity of the securities.
10. Original rating/Rating Agency	Original (at issue) rating of each class of securities by the designated rating agencies.
11. Interest Calculation	The method for calculating the accrual of interest on a class of securities, e.g. Actual/365.
12. Ex-Interest Date / Record Date	Number of days prior to the succeeding payment date on which registered holders of securities are determined for the purpose of making distributions.
13. Prepayment Assumption – at issuance	The rate (or range) of prepayments on the assets in the pool assumed at issuance of the related class of securities.

14. Call dates	Call dates for each class of security, as applicable
15. Step up date	Step up dates for each class of security and applicable margin.
16. Substitution date	Substitution period end date.
17. Stock exchange listing	Name the stock exchange on which the securities are listed, if any.
<b>II. Cashflows / Distribution Data</b>	
18. Report Date	The date with respect to which calculations have been performed (being the current payment date).
19. Last Updated	Date that the information was last updated.
20. Current Payment Date	The date on which the following interest and principal payments are due to be made.
21. Interest payments to security holders	Amount of Interest paid per security for current payment date, (rate rounded to 4 decimal places).
22. Principal payments to security holders	Amount of principal paid per security for current payment date, (rate rounded to 4 decimal places).
23. Coupon Rate	Including relevant benchmark and margin for current payment date.
24. Coupon Rate Reset Date	The date on which the reset rate becomes effective.
25. Bond Factor	The fraction (expressed as % to 7 decimal places) created by dividing the remaining balance of a security as of the end of the current accrual period by the total original balance of the security.
26. Invested amounts	Opening and closing par values.
27. Stated amounts	Opening and closing stated amounts.
28. Subordination Level	For any senior class of securities, the stated amount expressed as a percentage of the outstanding principal balance of the asset pool. This should include current and original levels .
29. Redraws	Amount of principal advances (including redraws on loans) during the preceding collection period which remain in the loan pool as collateral for the securities (if any).
30. Further Advances	Amount of further advances during the month.
31. Coupon shortfalls (if any)	The excess of interest accrued on each security over interest actually paid for the current coupon accrual period.
32. Cumulative Coupon shortfall	The cumulative amount of interest shortfalls on each security for the current and all previous coupon accrual periods.
33. Current Principal Chargeoffs / Shortfalls	Amount of principal losses during the current reporting period and how they will be funded (e.g. excess collections, seller tranche or a charge against a class of outstanding securities).
34. Cumulative Principal Chargeoffs / Shortfalls	Cumulative amount of principal that has been charged against outstanding securities and has not been reinstated from excess collections or otherwise.
35. Credit Enhancements / Reserves / Liquidity	The amounts available from either: *Credit Enhancements, e.g. mortgage insurance, subordination of excess available income, subordinated tranches. *Liquidity support,

	<p>*Redraw funding, *Other (if any, e.g. perfection of title reserve).</p> <p>The amounts drawn and/or topped-up in respect of reserves, credit enhancements, and support facilities as at the current report date. For example:</p> <ul style="list-style-type: none"> <li>a. Cumulative amount of claims paid by mortgage insurers</li> <li>b. Liquidity facility balance/draws outstanding (if any)</li> <li>c. Redraw facility balance/draws outstanding (if any)</li> <li>d. Additional bonds issued to cover redraws (if applicable)</li> <li>e. Principal used to cover interest shortfalls (if any)</li> <li>f. Servicer Advances (if any).</li> </ul>
<b>III. Collateral Data</b>	
36. Collateral Report (Current) Date	Effective date of reporting for collateral information.
37. Prepayment Rate	CPR for current reporting period, expressed as an annualised % and including definition of method of calculation.
38. Original (at issue)- weighted average seasoning	The average seasoning of the assets (from origination) underlying the securities, weighted for the \$ amount of the assets, at the time of issuance expressed as number of months.
39. Current weighted average seasoning	The average seasoning of the assets (from origination) underlying the securities, weighted for the \$ amount of the assets, at the current reporting date expressed as number of months.
40. Pool balance	Total current pool balance and total scheduled pool balance, including: *Maximum loan balance *Average loan balance
41. No. of Loans	Number of loans corresponding to pool balance above.
42. Weighted Avg LTV (Loan to value ratio)	Weighted average LTV *Initial (at issuance), *Current Outstanding and *Scheduled (current outstanding + surplus buffer) Note – the Surplus Buffer represents the amount of principal which a. has been prepaid by the borrower and is available to be redrawn in the future; or b. is available to be drawn under a revolving credit facility. Only the current LTV is important.
43. LTV Ratio Distribution	Current percentage of loans with LTV in following bands (by \$ and by number of loans) <= 55%, 55<=60%, etc within 5% bands.
44. Occupancy of mortgage property	% investment vs. owner occupied properties (by \$ and no. of loans).
45. % Loan size distribution	% of loans within predetermined \$ bands (by \$ and no. of loans), e.g. <=100k, 100-150k ... (then \$50,000 increments) 500<=750, 750<=1,000k.

46. Balance split by interest rate type	Split by \$ and number of loans: *Percentage of loans with fixed rates and weighted average fixed rate, *Percentage of loans with variable rates and weighted average variable rate, *Percentage of loans with interest only rates, *Breakdown of IO loans by IO period, *Breakdown of IO loans into IO reverting to P&I amortising vs. IO bullet, *Percentage of loans with teaser rates.
47. Geographic	Geographic Distribution – % split by \$ and no. of loans by state & metro vs. non-metro vs. inner city – this distinction between metro and other as defined by Australia Post.
48. Mortgage Insurance	Breakdown by Mortgage insurer as % of pool: *Percentage of loans 100% mortgage insured, *Percentage of loans subject to pool coverage (if applicable) *Amount of timely payment coverage received from mortgage insurance (if applicable).
49. Original weighted average term to maturity	The average contractual term to maturity of the assets underlying the securities, weighted for the \$ amount of the assets, at the time of issuance, expressed in months.
50. Current weighted average term to maturity	The average contractual term to maturity of the assets underlying a security, weighted for the \$ amount of the assets, at the current reporting date expressed in months.
51. Property Type	% Split by principal amount (current balance outstanding) the type of property which constitutes the underlying security eg detached house, unit etc.
52. Loan purpose	List portfolio by loan purpose, e.g. refinance, new purchase.
53. Origination Year	% Split by principal amount (current balance outstanding) by year loan originated.
54. Collateral Loan Rate Distribution	% Split by principal amount (current balance outstanding) by loan interest rate % bands.
55. Documentation Type	Breakdown of full doc vs low doc. Definition of what is meant by low doc (e.g. is income verified, are savings verified, are credit checks done?).
56. Matrix reporting.	Matrix reporting of: Low doc loans that are I/O, Low doc loans that are for investment properties , Low doc/investment property/interest only, Or any other relevant characteristic, e.g. geographic concentration or LMI concentration.
<b>IV. Performance</b>	
57. Current Rating/Rating Agency	Rating of each class of securities as of the Report Date (if different).

58. Delinquencies	<p>% Split by number of loans and principal amount which are 31-60, 61-90, 90+ days in arrears for current reporting period.  Report low doc arrears separately from full doc arrears.  Each issuer is required to define how delinquencies are measured for their respective pool, e.g. by missed payments or by scheduled balance.  Investors would like to see all issuers report on the same basis.  Commentary on exceptions, e.g. against the S&amp;P Prime or Sub-prime SPIN.</p>
59. Defaults, losses and claims	<p>Reporting as follows:  *Cumulative defaults (no. of loans and dollar amount, including definition of default);  *Cumulative mortgagees in possession (no. of loans and dollar amount);  *Cumulative losses on sale (no. of loans and dollar amount);  Coverage of loss on sale:      *LMI      *Excess spread      *Seller deposit      *Charge off on notes  *Cumulative amount of claims against mortgage insurance; and  *Amount of claims reduced or denied by the mortgage insurer, including reason for reduction or denial.</p>
60. Trigger Measurements/Ratios	<p>If applicable, the status of various delinquency, dilution, default, loss or similar collateral measurements and ratios in relation to their early amortisation or other trigger event levels, as at the current report date.</p>
61. Supporting Ratings	<p>List all parties that are supporting ratings to the transaction, the role they play, what their current rating is, and what the rating trigger is. E.g. swap provider, liquidity provider and bank account provider.</p>
<b>V. SERVICER</b>	
62. Servicer ranking or rating	Current ranking or rating of the servicer.
63. Servicer rating	Current servicer corporate credit rating.
64. Servicing Experience	List all assets/transactions for which this servicer acts.
65. Back up servicer	Extent to which back up servicer is hot/warm/cold.