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PRESS RELEASE

ECB ANNOUNCES IMPLEMENTATION OF LOAN-LEVEL DATA REPORTING REQUIREMENTS FOR ASSET-BACKED SECURITIES

The Governing Council of the European Central Bank (ECB) decided in December 2010 to implement loan-level data reporting requirements for asset-backed securities (ABSs) as part of the Eurosystem's collateral framework. Preparatory work has been concluded and the Governing Council also took note of the creation of a European DataWarehouse, the single loan-level data repository that could be used for the handling of loan-level data reporting. In this context, the mandatory provision of loan-by-loan information for ABSs is to be introduced as follows:

- for residential mortgage-backed securities, this will be mandatory as of 1 December 2012;
- for ABSs whose underlying assets include loans to small and medium-sized enterprises, and for commercial mortgage-backed securities, it will be mandatory as of 1 January 2013;
- for consumer finance ABSs, leasing ABSs and auto loan ABSs, it will be mandatory as of 1 January 2014.

Loan-level data are to be provided in accordance with the templates available on the ECB's website, at least on a quarterly basis. The Governing Council has also decided on details and modalities of the implementation process, which are outlined below.

Details relating to loan-level data reporting

- A nine-month phasing-in period, starting on the date indicated above, applies for each asset class. Where loan-level data are incomplete on that date, they must gradually be completed in the course of that transitional period.
- To monitor compliance with the loan-level template requirements and to check the timeliness, consistency and level of completeness of loan-level data, the single loan-level data repository will automatically check ABSs for which loan-level data are submitted and assign them a score. This score will strictly reflect the specific requirements set out in the provisions governing the Eurosystem's collateral framework.

- To enable effective reporting of loan-level data, the cash flow-generating assets backing an ABS must all belong to the same asset class – i.e. the ABS's underlying assets must consist of a homogeneous pool, so loan-level data can be reported in one single template matching the underlying assets.
- ABSs that are unable to comply with the loan-level data reporting requirements because they consist of mixed pools of heterogeneous underlying assets and/or do not conform to any of the loan-level templates will remain eligible until 31 March 2014.

These requirements will be introduced by means of an amendment to the Guideline of the ECB of 20 September 2011 on monetary policy instruments and procedures of the Eurosystem (recast) (ECB/2011/14).

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