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## PRESS RELEASE

# ECB MODIFIES LOAN-LEVEL REPORTING REQUIREMENTS FOR SOME ASSET-BACKED SECURITIES

The Governing Council of the ECB has decided to enhance the loan-level reporting requirements for residential mortgage-backed securities (RMBSs) and ABSs backed by loans to small and medium-sized enterprises (SME ABSs) that are used as collateral in Eurosystem monetary policy operations and are unable to satisfy the timeline announced on 27 November 2012.

As of 16 October 2013, RMBS and SME ABSs for which the mandatory level of compliance with reporting requirements has not been attained and for which the data provider has neither given an explanation for that non-compliance nor provided action plan for achieving full compliance, will become ineligible for use as Eurosystem collateral.

As of 16 October 2013, the Eurosystem may temporarily accept non-compliant RMBSs and SME ABSs as eligible collateral, on a case-by-case basis and subject to the provision of adequate explanations for the failure to achieve the mandatory score. For each adequate explanation the Eurosystem will specify its tolerance stance.<sup>1</sup>

These enhancements will help ensure a smooth transition to full compliance while ensuring a level playing field between RMBSs and SME ABSs at different stages of the compliance process. The full list of adequate explanations and their tolerance levels is available on the ECB's website.

**European Central Bank**

Directorate General Communications and Language Services

Press and Information Division

Kaiserstrasse 29, D-60311 Frankfurt am Main

Tel.: +49 69 1344 7455, Fax: +49 69 1344 7404

Internet: <http://www.ecb.europa.eu>

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<sup>1</sup> These decisions will enter into force when the relevant legal instrument is in place.