

Contents

Preface	iii
Contents	v
Chapter 1 — An Overview of Securitization	1
§ 1.01. Introduction	1
§ 1.02. Limitations on Raising Money the Old-Fashioned Way	1
§ 1.03. The Mechanics of a Standard Securitization	2
§ 1.04. Conclusion and Questions	4
Chapter 2 — Article 9 of the UCC: Transfer of Intangibles	7
§ 2.01. Introduction	7
§ 2.02. The Concept of a “Transfer”	7
<i>Questions Following Circuit City</i>	8
<i>Questions Following the Schwarcz Article</i>	10
§ 2.03. Transfers: Creation of Security Interests, Art. 9	12
<i>Questions About Article 9</i>	13
Chapter 3 — Bankruptcy and Securitization	15
Overview	15
§ 3.01. General Overview of Bankruptcy	15
§ 3.02. Potential Conflicts, Securitization & Bankruptcy	16
<i>Questions Following LTV</i>	18
<i>Questions Following Kingston Square</i>	20
§ 3.03. Major Issues	21
<i>Questions on State Laws</i>	23
<i>Other State Statutes Related to Securitization</i>	23
<i>State Law Provisions That Create Safe Harbors for Particular</i> <i>Types of Transactions</i>	24
<i>Questions on Legal Opinions</i>	32
<i>Questions on Substantive Consolidation</i>	34
Chapter 4 — Accounting Issues	37
§ 4.01. Introduction	37
§ 4.02. Transfer of Financial Assets by Originator Treated as a Sale	37
§ 4.03. Accounting Consolidation	38
§ 4.04. Disclosure on Originator’s Financial Statements of Off-Balance Sheet Items	39
§ 4.05. The Honda Securitization	40
<i>Questions Related to Accounting</i>	40
Chapter 5 — Tax Issues and Structuring Considerations	45
§ 5.01. The Basic Tax Issues and Structuring Considerations	45

<i>Questions on the Revenue Ruling</i>	45
<i>Questions on Tax Issues</i>	47
§ 5.02. Securitization Structures and Types of Issuers	50
<i>Questions on Securitization Structures</i>	50
Chapter 6 — Securities Laws and the Investment Company Act	53
§ 6.01. Investment Company Act of 1940	53
<i>Questions on the 1940 Act</i>	53
§ 6.02. Securities Act of 1933 and Securities Exchange Act of 1934	57
<i>Questions Relating to the 1933 Act and the 1934 Aspects of the</i> <i>Honda Deal</i>	57
Chapter 7 — Banks and Securitization	59
§ 7.01. Why Banks Securitiz Assets	59
<i>Questions</i>	59
§ 7.02. The Statutory Authority for Bank Asset Securitization	60
§ 7.03. Insolvency of Bank Originator	60
<i>Questions</i>	60
§ 7.04. Bank Investment in Securities Issued in a Securitization	61
<i>Question</i>	61
§ 7.05. Capital Calculation	62
<i>Questions</i>	62
Chapter 8 — International and Cross Border Issues	65
§ 8.01 & § 8.02. Differences in Foreign Markets	65
<i>Questions on Differences in Foreign Markets</i>	65
§ 8.03. UNCITRAL's Receivables Convention	66
<i>Questions on the UNCITRAL Receivables Convention.</i>	66
§§ 8.04-.06 Exchange Rates, Tax Issues and Rating Agency Issues	68
Chapter 9 — The Economics of Securitization	71
<i>Questions on Efficiency</i>	71