ASF Loan Identification Number Code (ASF LINC™) for Securitized Loans Developed by ASF and Standard & Poor's FIRMS

Computer-driven analytics and risk models to track vital, individual loan-level information within mortgage- and asset-backed securities.

New York (PRWEB) September 28, 2009 -- The American Securitization Forum (ASF) and Standard & Poor's Fixed Income Risk Management Services (FIRMS), an analytics and research unit separate from S&P's ratings business that delivers solutions to help investors perform greater analysis on the financial instruments in their portfolios, today announced the launch of a new standardized universal code for identifying critical information about individual loans that are securitized in the mortgage- and asset-backed securities markets. The new global ASF Loan Identification Number Code (ASF LINC™) is a sixteen digit identification code that captures underlying loan type, origination date and country of origin, in addition to randomized alphanumeric data, to create a unique ID for a wide range of loans that may be pooled and sold into the capital markets.

"A major goal of ASF Project RESTART is to improve information flows to investors via enhanced disclosure and reporting. The global ASF LINC will be instrumental in meeting this goal, as it offers investors, for the first time, the ability to follow a loan throughout its life," said Tom Deutsch, deputy executive director of the American Securitization Forum. "This is an important step towards ASF Project RESTART’s ultimate goal, which is to help rebuild investor confidence in mortgage and asset-backed securities, restore the capital flows to the securitization markets which are essential to our economic recovery and, ultimately, increase the availability of affordable credit to all Americans."

The code is a foundational component of ASF’s Project RESTART initiative to improve the securitization process and reshape critical information and data flows with market-based solutions. With its ability to provide detailed information on the underlying collateral in these kinds of products, the global ASF LINC has been developed in a format that can be easily integrated into existing computerized analytics and risk modeling programs used by investors, governments and regulators to evaluate mortgage- and asset-backed portfolios.

"The global ASF LINC allows investors across a wide spectrum to track a loan from, literally, Main Street to Wall Street, identifying counterparties, obligors and other crucial risk criteria through the lifecycle of the loan no matter how many times it is bought, sold or securitized," said David Goldstein, managing director, Fixed Income Risk Management Services, Standard & Poor's. "Best of all, the code provides a higher level of transparency and protects sensitive borrower privacy-protected information."

A multi-digit smart code, which contains a combination of specific and randomized alphanumeric characters, the global ASF LINC captures the following information for each loan:

- Underlying Loan Type: The first two characters in the code depict specific loan type, making each loan instantly recognizable as a Residential Mortgage (RM), Auto Loan (AU), Credit Card (CR) or Student Loan (ST).

- Loan Origination Date: The next six characters in the code indicate the loan origination date in a MMYYYY format.

- Country Code: The next two characters in the code are used to indicate where the loan was originated,
utilizing International Organization for Standardization (ISO) country codes.

- Random Element: The next five characters in the code are an alpha-numeric sequence designed to prevent duplicates, with scalability to 40 million different permutations.

- Check Digit: The final character in the code is an algorithmic check-digit which is used to confirm that all other digits in the code are correct.

The global ASF LINC is linked to the CUSIP and/or ISIN number of the securitized product, allowing investors to track the loan throughout its lifespan and provide a chain of accountability between loan originators and investors. The ASF LINC creates standardization and consistency in connecting and reporting monthly performance data of a loan. In addition, it provides a means to connect added value data and information from third party providers like credit bureaus. Assigned at no cost to issuers, the ASF LINC is stored in a central loan data repository administered by S&P FIRMS. The ASF LINC is not designed or intended to replace the primary servicer's loan number, but rather to provide users with a means to track and monitor a loan throughout its life after the loan has been securitized.

To view a sample of the code and a graphical depiction of its structure, please click here: http://www.americansecuritization.com/uploadedFiles/ASF_LINC.pdf

The American Securitization Forum is a broad-based professional forum through which participants in the U.S. securitization market advocate their common interests on important legal, regulatory and market practice issues. ASF members include over 350 firms, including issuers, investors, servicers, financial intermediaries, rating agencies, financial guarantors, legal and accounting firms, and other professional organizations involved in securitization transactions. The ASF also provides information, education and training on a range of securitization market issues and topics through industry conferences, seminars and similar initiatives. For more information about ASF, its members and activities, please go to www.americansecuritization.com The ASF is an affiliate of the Securities Industry and Financial Markets Association.

Standard & Poor's, a subsidiary of The McGraw-Hill Companies (NYSE:MHP), is the world's foremost provider of independent credit ratings, indices, risk evaluation, investment research and data. With offices in 23 countries and markets, Standard & Poor's is an essential part of the world's financial infrastructure and has played a leading role for nearly 150 years in providing investors with the independent benchmarks they need to feel more confident about their investment and financial decisions. For more information, visit www.americansecuritization.com.

###
Contact Information
Jason Farago
The American Securitization Forum
http://www.americansecuritization.com
212.313.1230

Michael Privitera
Standard & Poor’s
http://www.standardandpoors.com
212.438.6679

Online Web 2.0 Version
You can read the online version of this press release here.