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Our summer issue begins with two articles that have a product development focus. David Galainena, Patrick Hardiman, Ronald Jacobson, and Dennis Kelly explain how cash flow CLOs and synthetic total return structures are being tailored continually to meet the needs of asset/collateral managers and how those synthetic structures are beginning to provide investors with access to otherwise unobtainable exposures in a tight market with more investor demand than supply of commercial loans. Helping us with our coverage of a broad variety of asset classes, Boris Ziser explains how life settlements evolved from viatical settlements in the mid 1990s and have grown to become a popular investment instrument offering high yield in an uncorrelated asset class. Mr. Ziser's practice also deals with other esoteric asset classes such as securitized time share loans and military housing allowances. Micah Bloomfield and Dmitriy Shamrakov follow with an explanation of the complex tax planning required of U.S. investors in CDOs, after which Frank Fabozzi, Ray Morel, and Brian Grow explain how the various interest rate derivatives are used in securitization transactions. Following up on Kent Williams' Fall 2004 article on the risk of servicer fraud, Thomas Mitchell provides a clear summary of the risks of servicer insolvency or bankruptcy. In our final three articles, we see examples of the increasingly sophisticated risk analysis that has emerged as CDOs have matured as an asset class. Jeffrey Prince compares the methodologies of the major rating agencies and points to important differences—for example one based primarily on the likelihood of default and another more on the expected loss—and recommends that some rating agencies provide additional, supplemental ratings so as to address a fuller range of important risks. Terry Benzschawel, Lorenzo Lorilla, and Glen McDermott summarize a simulation analysis (with a clear, helpful explanation of technical terms in the footnotes) that shows how the negative correlation between defaults and recoveries has to be factored into the valuation and value-at-risk (VaR) calculation for different tranches of a CDO. Then Andreas Jobst winds up this summer issue with an analysis of how the tranche subordination structure of a CLO can affect the relative risk profiles of the various equity and senior debt tranches—the result often being a significant degree of unexpected losses for the senior tranches. We aim to bring similar variety and depth to every issue of *The Journal of Structured Finance* and encourage you, the reader, to consider contributing an article based on your own specialty—helping us all continually learn from each other, which is what a quarterly professional journal is meant to do. Enjoy the summer.

Henry A. Davis
Editors