The Journal of Structured Finance

VOLUME 16, NUMBER 1 SPRING 2010

As we gradually move beyond the credit crisis and pull ourselves out of the recession, we open this issue of the journal with five articles that focus on various problems that remain in the still-troubled mortgage-backed securities market. Diane Maurice, Charlie Yan, Warren Kwan, and Vineet Gupta show how the well-intentioned government programs to protect homeowners in danger of foreclosure are driving away private MBS investors. Jonathon Weiner, Wesley Winter, and Kyle Lundstedt explain how the change from interest rate and cash-out prepayment risk to a focus on default-triggered buyouts has required investors to employ a new set of predictive models to gauge the risk and performance of agency securities. Larry Barnett and Bill Pugh explain recent modeling their firm has done to help investors assess the impact of loan modifications on RMBS credit risk and loan-level cash flows. Jay Guo explains how the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 reduced consumer access to bankruptcy as consumer lenders had hoped, but at the same time contributed to the rising rate of foreclosure among mortgage borrowers and increased the likelihood of repayment failure—including mortgage default—even after a bankruptcy is permitted. Many borrowers have failed a required means test for a relatively borrower-friendly Chapter 7 bankruptcy filing and therefore have had to file for Chapter 13 bankruptcy, which assigns a payment schedule using future debtor income to pay debts, and then defaulted on those plans. Laurie Goodman, Roger Ashworth, Brian Landy, and Ke Yin explain the reasons that defaults on option adjustable rate mortgages (ARMs) are high but also note that option ARM MBS have been discounted accordingly, and in today's market can offer the investor good value compared to subprime floaters and Alt-A hybrid floaters.

Debbie Toennies explains the problems that are arising as a result of U.S. bank regulators requiring what she contends is an inappropriately high level of regulatory capital for banks sponsoring multi-seller customer conduits. Brigitte Posch then gives us a view of how MBS markets are developing in selected emerging markets, issues that are arising, and lessons that have been learned from the U.S. and other developed markets.

Cagin Pabuccu provides some insight on problems arising from highly complex securities by classifying the various types of securitization lawsuits such as breach of federal securities provisions and contractual claims that have been filed over the course of the financial crisis and explains the principal legal issues at stake in each category.

Finally, switching to infrastructure finance, Feng Dong and Nicola Chiara explain "contractual flexibility analysis" as a way of managing the risks and improving the economic efficiency of public-private partnerships (PPPs), alleviating some of the problems that can arise when risks are allocated to project owners and stakeholders through rigid long-term contracts that do not allow for any flexibility.

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