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This issue of *The Journal of Structured Finance* has a section of seven regular articles followed by a section of four panel discussion summaries from the American Securitization Forum's ASF 2013 conference held in January. The two largest securitized asset classes, mortgage-backed securities (MBS) and auto loan and lease asset-backed securities (ABS), are covered in both sections.

As auto loan and lease ABS regain their leading status in the ABS sector, Juan Carlos Calcagno, Jian Hu, and Benjamin Kanigel start us off with their explanation of an econometric model based on standardized pool-level data that is used to run waterfall valuation engines and compute fair value and expected losses for outstanding auto ABS deals under baseline as well as stressed economic conditions. The model considers loan characteristics, economic conditions at loan origination, past pool performance, and dynamics in the macroeconomic environment to forecast prepayments, defaults, and recoveries.

Evan Siegert provides a detailed explanation of the Consumer Financial Protection Bureau's Ability-to-Repay and Qualified Mortgage Rule, one of the reforms mandated by the Dodd–Frank Act, which the CFPB says is designed to protect consumers from irresponsible lending and to begin to lay the framework for stability in the mortgage market. Under rules proposed by the Office of the Comptroller of the Currency and other regulatory agencies, loans that conform to qualified mortgage standards will be exempt from the requirement in Section 941 of Dodd–Frank that asset securitizers retain at least 5% of the credit risk in any asset-backed security. Some question the qualified mortgage standard because they say it allows loopholes, such as home equity lines of credit for borrowers, and does not address some of the important standards for sound underwriting, such as a borrower's down payment and credit score.

Laurie Goodman, Lidan Yang, Roger Ashworth, and Brian Landy note that on the heels of success of the Home Affordable Refinance Program (HARP) for refinancing agency mortgages with low and negative equity, one item apt to rise to the top of the policy agenda of the Obama Administration is a solution for refinancing underwater borrowers—current on their payments but whose loans are housed outside of the government purview—in private label securitizations (PLS) and bank portfolios. They look at the implications of two preliminary legislative proposals to modify (lower) the interest rates on mortgages in PLS and observe that, for PLS investors, the benefit from a lower default rate must be weighed against the cost

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of the forgone coupons on the mortgages that would not have defaulted. While acknowledging the positive impact that fewer defaults would have on housing market, they confine their article to providing a methodology for PLS investors to evaluate the impact of proposed refinancing and modification alternatives.

Carlos Ortiz, Charles Stone, and Anne Zissu provide an introduction and background to securitized reverse mortgages along with ways to analyze their value. They note that as a borrower lives longer than expected, the value of a reverse mortgage will have more time to approach and eventually surpass the value of the mortgaged property.

Steven Burrell provides some insight into the borrower credit scoring process. He explains some of the inaccuracies in credit scores that result when financial institutions do not send payment information on their customers' lines of credit, presumably because financial institutions are reluctant to divulge competitive information about their customers, and suggests that there may be a solution in having credit bureaus handle the payment amount data field as private information.

Phillip Kerle and Louise Gullifer give us an outlook for the growth of trade receivable securitization in Europe. They cite research studies indicating that the securitization of short-term trade receivables has stood the test of time and survived the financial crisis nicely because 1) corporations need simple, transparent, and flexible structures to finance their short-term working capital needs; 2) banks and asset-backed commercial paper (ABCP) conduit sponsors need capital-efficient products given the increased capital requirements of Basel III; and 3) investors are looking for transparent and time-tested products with good loss protection and relatively short tenors. They review the legal aspects of trade receivable securitization, including the "true sale" of the issuer's outstanding receivables to an insolvency-remote special purpose vehicle, which then issues securities to investors. They point to some potential risk exposures they believe should not hinder the trade receivable securitization process but simply need to be accommodated in the legal structure and pricing of a transaction.

Mahesh Kotecha and María Carolina Barón explain how the structured finance rating process works in Colombia and show examples of recent rated transactions. They note that in Colombia, as in other emerging markets, the first stage of structured financing has involved cross-border financing in foreign currencies with debt service payments extracted from hard-currency export receivables. More recently, the second stage has involved the securitization of existing assets in local currency in the domestic market.

In the first of four ASF panel discussion summaries, Steve Kudenholdt and Laurie Goodman summarize a panel discussion that addressed the ongoing development of a common infrastructure and platform for securitization by Fannie Mae and Freddie Mac, the government-sponsored enterprises or GSEs; whether this infrastructure is likely to have some application to the private label market; and how that platform will be used by the GSEs for risk-sharing transactions. The GSEs are moving ahead with the development of a common securitization platform and contractual framework based largely on the FHFA's February 2012 strategic plan for enterprise conservatorship. Whether this new infrastructure could be used by private-label RMBS (residential MBS) issuers is in doubt, but private-label securitization has been picking up with exclusive focus on high-quality mortgage products, improved processes, improved capital structure, and improved representation and warrant protection. Despite issues and details to be worked out, the markets are ready for risk-sharing arrangements with Fannie and Freddie. Even though the new physical infrastructure is at least a couple of years underway, pilots to test new transaction structures are likely in the near future.

Summarizing the panel on auto loan and lease ABS, Jeff O'Connor notes that panelists were pleased with the state of the auto ABS market and its near-term prospects for growth. Despite the strong market, however, a slight tension among the panelists was evident when the discussion turned to the return of prefunding or revolving structures and potential modifications to deal terms without investor consent after issuance.

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Ellen Marks summarizes a panel discussion that began by covering the earlier uncertainty that many securitizations holding swaps, often solely to hedge interest rate or currency mismatches between their assets and liabilities, might be considered "commodity pools" and one or more securitization transaction participants considered "commodity pool operators" subject to Commodity Futures Trading Commission (CFTC) jurisdiction. By the time the panel took place, the CFTC had issued interpretive guidance and no-action relief that excluded most traditional securitizations from the commodity pool category. The panel then discussed new regulatory requirements for swaps in securitization requirements including clearing through a central counterparty and margin requirements.

Finally, Paul Schieber summarizes a panel discussion that focused on the increasing need for originators, investors, securitizers, insurers, and regulators to put greater emphasis on and dedicate greater resources to due diligence in securitization transactions as a result of myriad new federal government agency rulings, expanded scope of federal and state examinations, combined with heightened investor, political, and public sensitivity to the risks associated with residential mortgage finance.

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