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Welcome to the Winter 2017 issue of *The Journal of Structured Finance*. Around 2,500 years ago, the Greek philosopher Heraclitus said that "change is the only constant in life."[1] That seems to apply to today's structured finance environment. Just when it started to seem that the regulatory landscape was reaching a point of relative stability, it now appears that another cycle of rapid change may be in the offing. Late 2016 brought the effective dates for the full implementation of both the securitization risk retention requirements and SEC Regulation AB II. Those were among the last big regulatory changes that the U.S. securitization industry had to absorb in the wake of the Dodd–Frank Act.

Now, however, with the Trump administration poised to enter the White House, the securitization industry faces the possibility of a new wave of changes. There has been talk of repealing the Dodd–Frank Act, but what would that mean? Would it mean a repeal of all 849 pages? Would it disband the Financial Stability Oversight Council? Would it rescind the FDIC's orderly liquidation authority? Would it roll back the new leverage, liquidity, and risk-based capital requirements for banks? Would it unwind the clearing and margin requirements for swaps? Would it eliminate the CFPB (Consumer Finance Protection Bureau)? And, of course, would it unwind the changes to the securitization process (Dodd–Frank Act §§ 941-946)?

It's hardly clear whether change that restores the pre-Dodd–Frank securitization landscape would a good thing. The 2007–2009 financial crisis certainly revealed significant vulnerabilities in both U.S. financial institutions and U.S. financial markets, including the underlying regulatory framework. Changes that undo repairs and corrective measures could be damaging to the market. Alternatively, some market participants have argued that Dodd–Frank unleashed a tsunami of unintended consequences that are actually worse than the original problems. We'll never know for sure, because we'll experience only one actual path.

So, maybe Heraclitus got it wrong. Maybe instead it's the other way: "The more things change, the more they stay the same."[2] I tend to think so because the market has a short memory. To many, the 2007–2009 financial crisis is practically ancient history. One can only wonder how this period will be viewed decades from now, with the benefit of some distance and a broader historical perspective.

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The Winter issue contains a number of articles that cover the sessions at the ABS East 2016 conference in Miami Beach, Florida. The issue opens with an article covering the conference session on housing finance reform by Laurie Goodman, Michael Bright, Mark Calabria, Mark Fleming, and Mike Fratantoni. Goodman is the director of the Housing Finance Policy Center at the Urban Institute, Bright is the director of the Center for Financial Markets at the Milken Institute, Calabria is the director of financial regulation studies at the Cato Institute, Fleming is the chief economist at First American, and Fratantoni is the chief economist at the Mortgage Bankers Association. The article reviews how the U.S. housing finance system has gotten into its present state and considers the likelihood for reform in the near future. The authors argue that although reform is necessary, it is unlikely to occur unless something disrupts the status quo.

The second article covers the conference session on the auto finance sector and is by Angela Ulum, a partner at Mayer Brown LLP. The article discusses the issuance programs of several major auto ABS issuers and examines recent performance issues in the sector.

The third article examines credit risk and credit ratings in infrastructure project finance. It is by K.C. Iyer and Dhruba Purkayastha. Iyer is a professor of construction and project management in the Department of Civil Engineering at the Indian Institute of Technology-Delhi. Purkayastha is a PhD scholar at IIT-Delhi. The authors conclude that credit ratings overstate the credit risk of infrastructure project financings.

The fourth article covers the ABS East 2016 session on the equipment ABS sector and is by Chris DiAngelo, a partner at Katten Muchin Rosenman. The article reviews the strong performance that the equipment ABS sector has displayed over the past several years, both in terms of spreads on the securities and in terms of the credit performance of securitized leases and loans.

The fifth article examines the securitization market in India from the perspective of regulators at the Reserve Bank of India (RBI). The authors are Anupam Sonal and Monica Soni. Sonal is a general manager in the RBI Department of Banking Regulation and Soni is an assistant general manager in that department. The article examines the Indian securitization market in the context of global securitization activity and discusses some of the unique features of the market.

The sixth article examines the recent decision by the U.S. Court of Appeals for the D.C. Circuit in *PHH Corp v. CFBP*. The author is Alex Malyshev, a counsel at Carter Ledyard & Milburn LLP in New York. The article discusses the Constitutional issues in the case as well as the technical RESPA-related issues.

The seventh article covers the ABS East 2016 session on aircraft finance. The author is Peter Morgan, a partner at Winston & Strawn, LLP, in New York.

The final article in the issue is by me and covers 16 sessions from the conference, including the plenary session about the state of the structured finance market and the outlook for 2017, as well as keynote addresses by Steve Eisman and Patrick Foulis.

Following the articles, the issue includes highlights from GlobalCapital and a selection of industry news items from the Structured Finance Industry Group (SFIG), in both cases, covering Q4 2016.

As always, we welcome your submissions. Please encourage those you know who have good articles or have made good presentations on structured finance– or project finance–related subjects to submit them to us. Submission guidelines can be found at http://www.iijournals.com/page/jsf/submitanarticle. If you have comments or suggestions, you can e-mail me directly at markadelson@nyc.rr.com.

ENDNOTES

[1]Some authorities argue that Heraclitus said no such thing and that the origin of the saying is much more recent.

[2]That saying is from Alphonse Karr, a 19th century French writer: *Plus ça change, plus c'est la même chose.*

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Editor