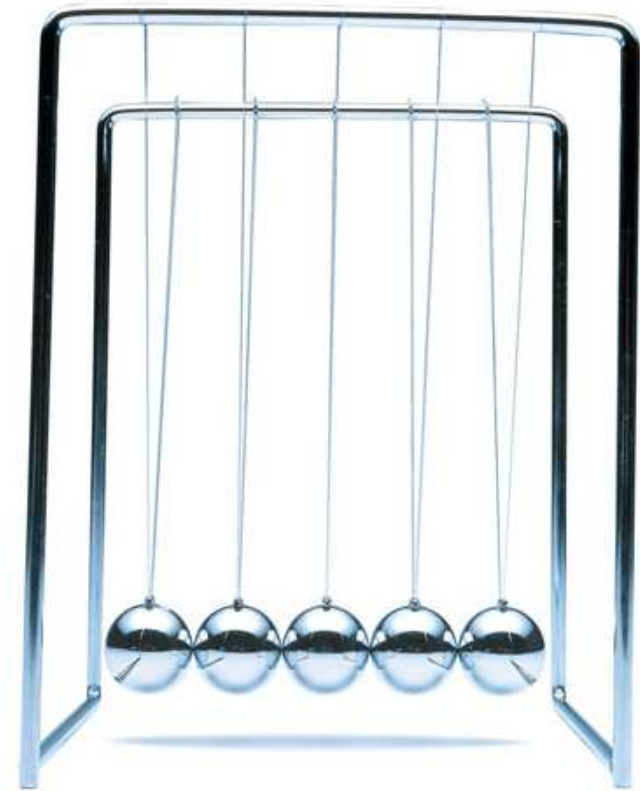




ASF Market Standards & Practices Committee

Graham Mott – 30 November 2007



The Committee

- Vernon Spencer - Chairman
- Graham Mott – Deloitte
- Chris Green – Perpetual
- Leigh Powell – PMI
- Kelvyn Ee – BNY Trust
- Alex Sell – Westpac
- Michael Auer – St George
- Andrew Twyford – Challenger
- Belinda Smith – Standard & Poors
- Gary Sly – ANZ
- Stephen Ramage - Radian

Two Projects

- Asset due diligence – standards
 - Developing minimum standard by asset class
 - Providing guidance on best practice
- Enhancing Data Transparency

Enhancing Data Transparency

“The market dynamics are very different at the moment. The presentations we gave were much more detailed than in the past. We are talking to our investors as if they were stakeholders.”

Alistair Jeffery – Bluestone (22 Nov 2007)

“The recent US experience has made everyone realise the importance of vintage. The year of origination can make a big difference.

With arrears reports we would like greater clarity on the question of whether the issuer is using missed payments or scheduled balance (plotting the position of the borrower on the amortisation curve) as the method for calculating arrears. We don't always know.”

Claire Heaton – Fitch (7 Nov 2007)

**The case is compelling:
Its about liquidity – not just pricing**

Meeting investor needs - (ASF survey)

Primary issuance – data/process enhancement

- Lending practices
- Debt service ratios
- Disclosure/interpretation of asset due diligence results
- Quality of back up servicer arrangements
- Enhanced modelling for lower tranches

Ongoing monitoring – investor reporting

- Credit re-rating
- Sufficiency of servicer processes
- Liquidity monitoring ?
- Enhancing ability to look through to underlying assets
- Arrears data (ability to slice and dice)
- Loan modifications
- Mark to Model analysis – not Mark to Market ?

Deloitte.

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