



FIXED INCOME PRACTICE

STRUCTURED FINANCE SERVICES

With the unprecedented turmoil in the financial and mortgage markets, structured finance issuance has been virtually non-existent for most issuers, and the need for increased investor oversight from senior management, boards of directors and regulators has become increasingly apparent. For some, the market turmoil has created an opportunity to capitalize on the dislocation in the financial markets. At Actualize Consulting, we deliver a wide range of solutions to assist originators, banks, insurance companies, money managers and hedge funds in reviewing and assessing existing or potential risk related to their structured finance portfolio in order to better understand, manage and report on the risk, produce more accurate valuations, better anticipate impairments, evaluate trustee and servicer compliance, and optimize the value of their current holdings.

Our consultants are subject matter experts with deep knowledge across all facets of the structured finance market. We have extensive firsthand experience performing front office, middle office and back office functions at a number of leading industry participants including GSEs, investment and commercial banks, insurance companies, and investment management firms. Actualize consultants possess a detailed understanding of the underlying collateral supporting the deal, the securitization structures, and the various roles and processes involved in creating, servicing and administering asset-backed and mortgage-backed securities (ABS and MBS). Beyond our extensive domain knowledge, we offer our clients specialized expertise in engineering business processes and implementing custom and off-the-shelf technology solutions for financial institutions.

ABS and MBS issuers and investors should take steps now to better position themselves for when balance in the markets is fully restored. We understand the complexity and risk inherent in these products, as well as the business processes, data and disclosure requirements, and accounting standards for these products in today's ever changing regulatory environment. With our expert knowledge of the collateral, the securitization product, and the business processes that are required to originate and securitize assets, Actualize is able to deliver both the technical and subject matter expertise needed to build and manage a successful platform for issuing and/or investing in asset-backed and mortgage-backed securities.

COLLATERAL ANALYTICS

- Loan level analytics based on specific loan, borrower and property characteristics
- Review and/or derivation of prepayment, default and severity vectors based on collateral characteristics, deal performance and economic scenarios
- Analysis around geographic exposures and housing price trends
- Roll rate analysis
- Benchmarking

STRUCTURED TRANSACTION SERVICES

- Review of transaction documentation, including pooling and servicing agreement, trust agreement, and disclosure documents
- Analysis of cashflows and structural features that could impact cashflows, including triggers, reserve accounts and other structural provisions
- Validation of collateral cashflow engine and payment waterfall structure
- Reverse engineering of structured deals to support transaction analysis
- Analysis of mechanics and economics of unwinding an existing transaction

COMPLIANCE MONITORING AND PORTFOLIO SURVEILLANCE

- Forensic analysis of transactions, to include counterparty compliance, reps and warranties due diligence review, and validation of cashflow waterfall provisions
- Data extraction from monthly trustee reports
- Reporting on underlying collateral performance metrics
- Monitoring of existing and projected cashflows and credit enhancement levels
- Data warehousing and business intelligence solutions

VALUATION AND ACCOUNTING SERVICES

- Validation or derivation of key assumptions relating to prepayments, defaults, severities and interest rates based on collateral characteristics, deal performance and economic scenarios
- Scenario/break-even analysis to test integrity of structure
- Securities valuation and impairments
- GAAP accounting and methodology

TECHNOLOGY IMPLEMENTATIONS AND PROCESS ENGINEERING

- Evaluation, implementation and integration of technology infrastructure to enhance all facets of the investment process, including analysis, risk management, surveillance, accounting and other related functions
- Drafting and review of policies and procedures for all investment management-related business processes
- Management and executive analytics packages



Actualize Consulting

Our Expertise and Commitment – Driving Your Success

Issuer Services

DEAL STRUCTURING AND MODELING

- Transaction advisory
- Deal modeling, including cashflow waterfall provisions, triggers, and cash collateral accounts
- Reps and warranties quality control review
- Verification of payment calculations with trustee

END-TO-END SECURITIZATION PROCESS ENGINEERING

- Evaluation, implementation and integration of all components of the securities issuance technology architecture including origination, pipeline management, pooling, business rules, workflow management and securities sales/trading systems
- Drafting and review of policies and procedures for all securitization-related business processes
- Management and executive analytics packages

SECURITIES ISSUANCE ARCHITECTURE

- Implementation and integration of technology infrastructure to develop efficiency in portfolio stratification, loan level activity, workflow and operational management, and report generation via a custom business rules engine
- Market, loan master and securities master data management
- Data warehousing and business intelligence to support disclosure, tax reporting, management reporting and regulatory reporting requirements

ACCOUNTING AND REGULATORY COMPLIANCE SERVICES

- Regulation AB compliance
- Tax reporting
- SFAS 166, 167 services

Contacts

JUSTIN GENZLINGER

Principal
Tel 571.749.8118
jgenzlinger@actualizeconsulting.com

MATT SEU

Managing Director, Mortgage and Fixed Income
Tel 703.727.2356
mseu@actualizeconsulting.com

MIKE CLIPPINGER

Manager, Mortgage and Fixed Income
Tel 703.231.3977
mclippinger@actualizeconsulting.com

Expertise

SECURITIES

- ABS, MBS, CMBS, CDOs, CLOs, Giants/Megas/Platinums, IO/PO Strips, REMICs/CMOs, and Credit Default Swaps
- Structuring expertise, including legal documentation and cashflow modeling using Intex, Bloomberg and Excel
- Disclosure/Reg AB requirements

COLLATERAL

- Mortgage products, including fixed rate, ARM, prime, Alt-A, and sub-prime, single family, multifamily, commercial, reverse mortgage, agency and non-agency, first and second liens
- Non-mortgage assets including credit cards, student loans, commercial loans, equipment leases and auto loans
- Master servicing and default asset management

PROCESSES

- Mortgage conduit processes, including origination, warehousing, secondary marketing, pipeline management and servicing
- Securitization processes, including pooling and stratification, and deal structuring, collateral receipt and security issuance, bond payment, disclosure, investor tax reporting
- Asset management processes, including securities analysis and valuation, scenario analysis (break-even), portfolio management, impairment accounting, risk management and surveillance

