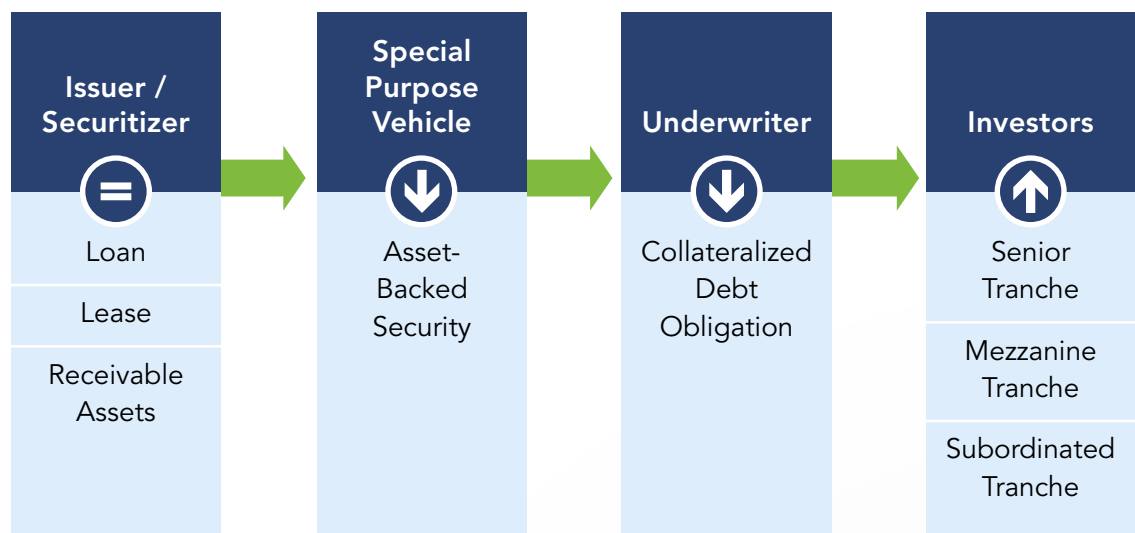




About Municipal Asset-Backed Securities

An asset-backed security (ABS) is a fixed-income security with underlying assets that generate income to return the total amount of its cost to the holder of the security through payments based on cash flow from the assets. The process of creating an ABS is known as securitization. Financial institutions create them by buying so-called “self-liquidating assets” such as loans, leases or receivables and placing them in a trust or a special purpose vehicle (SPV) whose sole function is to buy and bundle such assets. The bundled assets are typically divided into separate “tranches,” which represent new securities with different levels of risks and returns that are sold to investors in the secondary market.

The process of creating an ABS is known as securitization.



Section 3(a)(79) of the Securities Exchange Act of 1934 defines the distinct types of ABS by their structure and composition of underlying assets, including collateralized mortgage obligations, collateralized debt obligations and collateralized bond obligations. Most public offerings of ABS are conducted through expedited Securities and Exchange Commission (SEC) registration procedures known as shelf offerings or are issued through private placement offerings to institutional investors.¹

In January 2011, the SEC adopted rules about representations and warranties related to ABS. In general, SEC Rule 15Ga-1 under the Exchange Act requires securitizers of asset-backed securities to file SEC [Form ABS-15G](#) regarding the repurchase activity of

¹ A shelf offering is an offering of new securities that are released in the public market incrementally over a period of time.



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assets underlying the ABS.² The rule seeks to provide additional transparency and disclosure to ABS investors and enable them to compare ABS issuers and offering information.

SEC Rule 15Ga-1 applies to municipal securitizers, which are defined as any securitizer that is a state or territory, the District of Columbia, any political subdivision of any state, territory or the District of Columbia, or any public instrumentality of one or more states, territories or the District of Columbia.

For example, an issuer of single family housing bonds or student loan bonds is likely a municipal securitizer for purposes of SEC Rule 15Ga-1 because these entities are typically political subdivisions or public instrumentalities issuing securities (i.e., bonds) that are collateralized by self-liquidating assets (e.g., loans or mortgages) in which the holder of the issuer's bonds expects to receive payments on the bonds that primarily depend on the cash flow from the self-liquidating assets.

Under SEC Rule 15Ga-1, certain disclosures related to municipal ABS must be made publicly available, including, among other things:

- The asset class;
- The name of the issuing entity;
- Whether the transaction was registered with the SEC and the CIK number of the issuing entity (as applicable);
- The name of the originator of the underlying assets;
- The number, outstanding principal balance and percentage by principal balance of assets at the time of securitization;
- The number, outstanding principal balance and percentage by principal balance of assets that were subject to a demand to repurchase or replace for breach of warranties and representations; and
- The number, outstanding principal balance and percentage by principal balance of assets that were repurchased or replaced for breach of warranties and representations.

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|--|---|
| <p>UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549</p> <p>FORM ABS-15G ASSET-BACKED SECURITIZER REPORT PURSUANT TO SECTION 15G OF THE SECURITIES EXCHANGE ACT OF 1934</p> | <p>OMB APPROVAL OMB Number: 3235-0675 Expires: October 31, 2021 Estimated average burden hours per response 19.307</p> |
| <p>Check the appropriate box to indicate the filing obligation to which this form is intended to satisfy:</p> <p><input type="checkbox"/> Rule 15Ga-1 under the Exchange Act (17 CFR 240.15Ga-1) for the reporting period</p> <p>_____ to _____</p> <p>Date of Report (Date of earliest event reported) _____</p> <p>Commission File Number of securitizer: _____</p> <p>Central Index Key Number of securitizer: _____</p> <p>_____</p> <p>Name and telephone number, including area code, of the person to contact in connection with this filing.</p> <p>Indicate by check mark whether the securitizer has no activity to report for the initial period pursuant to Rule 15Ga-1(c)(1) []</p> <p>Indicate by check mark whether the securitizer has no activity to report for the quarterly period pursuant to Rule 15Ga-1(c)(2)(i) []</p> <p>Indicate by check mark whether the securitizer has no activity to report for the annual period pursuant to Rule 15Ga-1(c)(2)(ii) []</p> <p><input type="checkbox"/> Rule 15Ga-2 under the Exchange Act (17 CFR 240.15Ga-2)</p> <p>Central Index Key Number of depositor: _____</p> <p>_____</p> <p>(Exact name of issuing entity as specified in its charter)</p> <p>Central Index Key Number of issuing entity (if applicable): _____</p> <p>Central Index Key Number of underwriter (if applicable): _____</p> <p>_____</p> <p>Name and telephone number, including area code, of the person to contact in connection with this filing</p> <p><small>SEC 2860 (6-15) Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.</small></p> | |

² In many asset securitization transactions the underlying documents contain representations and warranties relating to the quality of the pool of assets and their origination. Generally, upon discovery of noncompliance of an asset with the stated representations or warranties, the transaction sponsor or other obligated party must repurchase the asset or substitute it with a different asset.



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[Municipal securitizers can read about submitting municipal ABS filings to EMMA.](#)

The Municipal Securities Rulemaking Board's [Electronic Municipal Market Access \(EMMA®\) system](#) accepts and publicly disseminates continuing disclosures related to municipal asset-backed securities filed by municipal securitizers on Form ABS-15G. The initial filings of Form ABS-15G were required to be made by February 14, 2015, reflective of the three-year period ending on December 31, 2014.

After the initial filing, municipal securitizers are required to disclose demand, repurchase and replacement activity no later than 45 calendar days after the end of each calendar quarter, if during the period the securitizer issued an ABS,

organized and initiated an ABS transaction, or had outstanding ABS held by a non-affiliate.

If no demand, repurchase or replacement activity occurs within the given calendar quarter, a municipal securitizer can "check-the-box" on [Form ABS-15G](#) and suspend its quarterly reporting requirements until a demand, repurchase or replacement activity occurs.

The asset-backed securities filings can be located on EMMA by using the Advanced Search feature and filtering for Disclosures and then Asset-Backed Securities Filings.

The screenshot shows the EMMA search interface. On the left, there are search filters for Security Information, Trade History, and Disclosures (highlighted in green). Below these are sections for 'Search with MyEMMA' and 'What If You Could Get More from Your Search?'. The main area displays a list of disclosure criteria with checkboxes. The 'Asset-Backed Securities Filings' category is highlighted in green, and it includes sub-items like 'Annual Asset-Backed Securities Disclosure', 'Initial Asset-Backed Securities Disclosure', 'Other Asset-Backed Securities Disclosure', and 'Quarterly Asset-Backed Securities Disclosure'.

Municipal securitizers can direct questions on submitting Form ABS-15G to EMMA by contacting MSRB Support at 202-838-1330 or MSRBsupport@msrb.org.

This information is for educational purposes only and provides a general overview of the subject matter and does not constitute investment, tax, business, legal or other advice.



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