

## Experian In Talks for PPIP Contract

Credit-reporting company **Experian** is negotiating for a contract to help assign values to mortgage loans and bonds purchased through the federal government's Public-Private Investment Partnership.

The assignment would come via an Experian unit, launched less than a year ago, that produces software designed to link data on household and individual borrowing and payment behavior to the performance of securitization pools. Determining prices for assets purchased through PPIP has been among the thorniest issues to surface in the program's development.

Experian maintains data on 225 million American households. Officials from the Dublin-based company say they have already signed on a number of clients for the newly developed service, including large asset managers, and would win even more private-sector business with a PPIP mandate under their belts. "The government, I think, is going to be an early adopter of many of these information solutions," Experian senior vice president **Tony Hadley** said.

Experian competitors **TransUnion** and **Equifax** are developing similar software. But Experian claims to have an advantage, as it has hired 80 number-crunchers from the structured-finance industry to help present its data in a usable format.

PPIP seeks to relieve banks of toxic mortgage assets via investment partnerships between private-sector players, the **U.S. Treasury Department** and the **FDIC**. ♦

## Asset-Backed ALERT

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WORLDWIDE SECURITIZATION

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### THE GRAPEVINE

Startup financial services boutique **Stormtrooper** has hired four structured credit specialists for a newly opened office in New York, and is seeking another 20-30 people for the outpost. The initial recruits arrived at the London-based firm within the past two weeks. They include structured credit product sales director **Intersar Hale**, previously a director at **Citibank**; ex-Bear Stearns staffer **Chris O'Connor**, who leads origination and capital markets; and ex-Bear employee **Roger Kim**, working on origination and syndication. Also on board is an advisory and sales role is **Shaiab Matalas**, formerly a managing director on Citibank's CDO-syndication desk.

**Texas** **Senate** and **House** have passed companion bills negating a U.S. **Bankruptcy Court** decision that has made it difficult to reprice and securitize auto loans and equipment receivables in the state. The **American Securitization Forum** lobbied hard for the measures, which should

### UK Lenders Line Up Guaranteed MBS Issues

Private-sector demand for U.K. mortgage bonds is about to get a major test, as a handful of issuers, rumored to include **Barclays** and **TSB**, are preparing to float several billion dollars of bonds backed by prime-quality home loans in the investors, with a focus on U.S. asset-backed funds and corporate-buying programs that can pick up \$150 million to \$200 million of securities at a time.

The deals are expected to price before U.K. financial-market players take their market at that time, it's possible that they'll linger until trading picks back up in September.

The offerings would mark the first large wave of U.K. mortgage securitizations

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**Secondaries Surge Amid New-Issue Strength**

Bonds that qualify for use in the **Federal Reserve's** Term Asset-Backed Securities Loan Facility are beginning to trade more heavily on the secondary market, even as buyers keep one eye on a growing supply of new deals. In a sample of the expanding secondary market flow, a large bid list made up of TAIFF-style bonds crossed traders' desks on May 14, following the offered holdings were \$240 million of card securities issued by **Cabela's** on April 7, along with pieces of a March 18 card transaction from **Clipgroup**, a Malaysian company.

While none of the Cabela's product traded before the seller withdrew the list, over 100 Citi bonds went at prices that would translate into a spread of 140-150 basis points. That's up to 35 bp tighter than the deal's initial pricing. Some of the Ford and Harley paper also changed hands, with their prices remaining under wraps.

The seller's apparent strategy was to take short-term profits rolling from a

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### Conduit Contract Could Halt in Late '09

Some green shoots are beginning to emerge for the troubled commercial-paper conduit business, as market players contemplate an economic recovery. Amid a continued freefall in the market of conduit paper in the hands of investors, some industry participants have been pointing to improved earnings pick up. Growth in the securitization volume, brought on largely by the **Federal Reserve's** Term Asset-Backed Securities Loan Facility, are also seen as encouraging.

"I believe we'll see more and more signs of recovery between now and year-end," said **Mark A. Gandy**, senior economist at Chicago asset manager **Meslow Financial**. "I think that will really spur a little bit more of a revival for some asset classes, including ABCP."

For conduits, that scenario could mean stabilization in their outstandings in

August or September. For now, however, financial-crisis pressures are still working

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