

SFIG Member Survey: Summary Results

May 2019

Thank you to all our members who participated in our survey. We truly value the information you provided as it helps us identify the areas important to you, and thereby, determine where to focus our resources. It also provides your fellow members insight into the full spectrum of industry concerns as well as factors impacting securitization volumes. You can see the full results of the survey below. There is a lot of great information, so we hope you will take the time to read through it.

SFIG Member Survey: Summary Results

May 2019

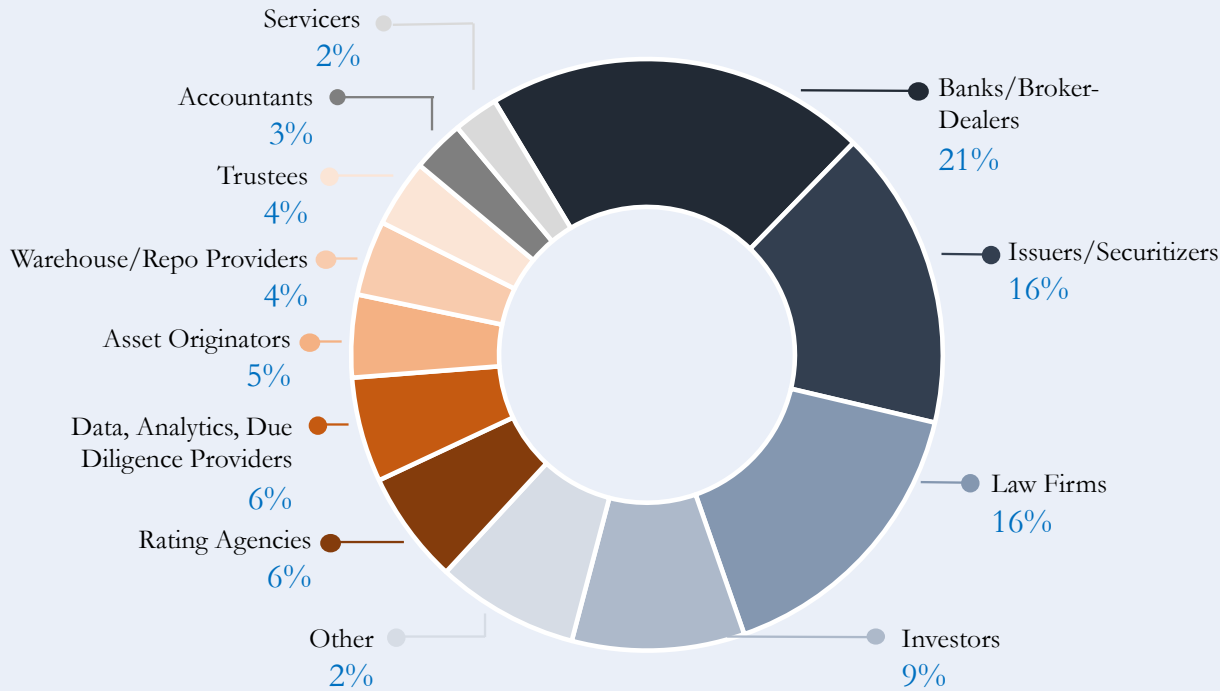
Key Survey Takeaways

- Confirmed the importance of many of our key focus areas with **LIBOR Transition, Disclosure & Reporting, Capital & Liquidity** and **Women in Securitization** ranking high across our entire membership.
 - Note: A meaningful percent of investors indicated both **Reg AB II implementation** (29%) and **ongoing and upfront disclosure requirements** (29%) were factors that increased their investment volume over the last 2 – 3 years while a similarly meaningful percent of issuers indicated a decrease in their issuance volumes due to the same two factors (at 33% and 13%, respectively). We will continue to promote the appropriate level of reporting and transparency as established by active industry consensus building including engaging in cost/benefit discussions.
- A number of sector-specific issues also received high marks – from those members participating within the respective sector – including the new **EU Securitization Regulations, Housing Finance** and the **Valid-When-Made doctrine**.
 - Consistent with the responses from mortgage participants, we will be focusing our **Housing Finance** efforts on the looming CFPB deadline on the QM patch as well as fostering a more level playing field for private capital in a variety of forms including capital treatment.
- Split views on the importance of **SFIG’s Political Action Committee** – with Banks/Broker-Dealers and Rating Agencies expressing a high level of importance while Law Firms and especially Investors indicating a markedly lower level. We will continue our focus on educating market participants on how the PAC enhances our advocacy efforts on their behalf – these efforts are already showing tremendous results with **PAC contributions reaching over \$100,000.**
- A small number of market participants indicated a very high degree of interest in the **Chinese securitization market**, while most expressed skepticism. We plan to work to monitor this market’s development given the sheer size, but we will be judicious with resources.
- Across the board interest in **Technology and Innovation** that deserves a more in-depth review to ensure we focus resources on the areas of most value to you – keep an eye out for an detailed Technology survey to be released soon.

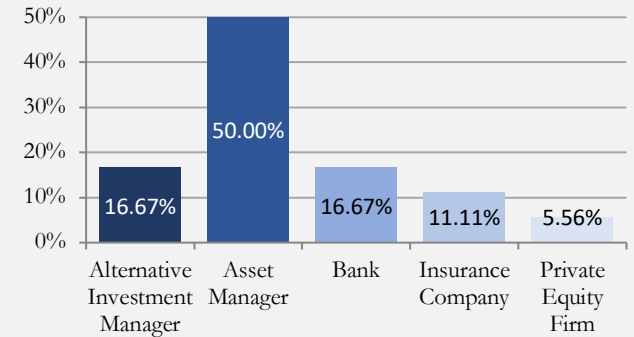
Overview of Respondents

We received responses from a broad spectrum of market participants – fairly consistent with the makeup of our membership

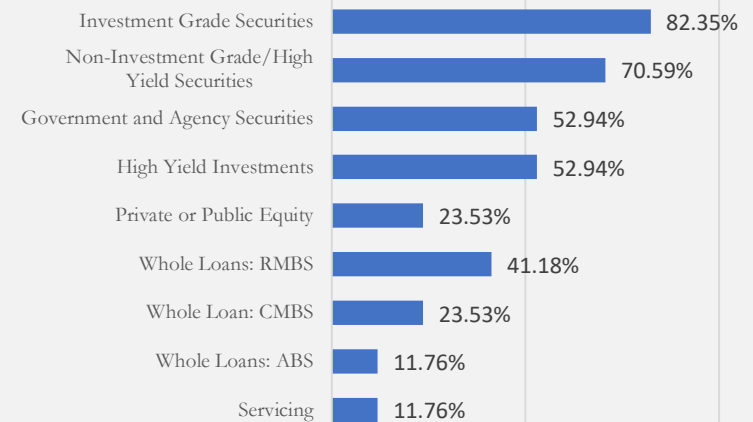
178 Member Respondents



Types of Investor Firms
(for "Investor" Respondents)



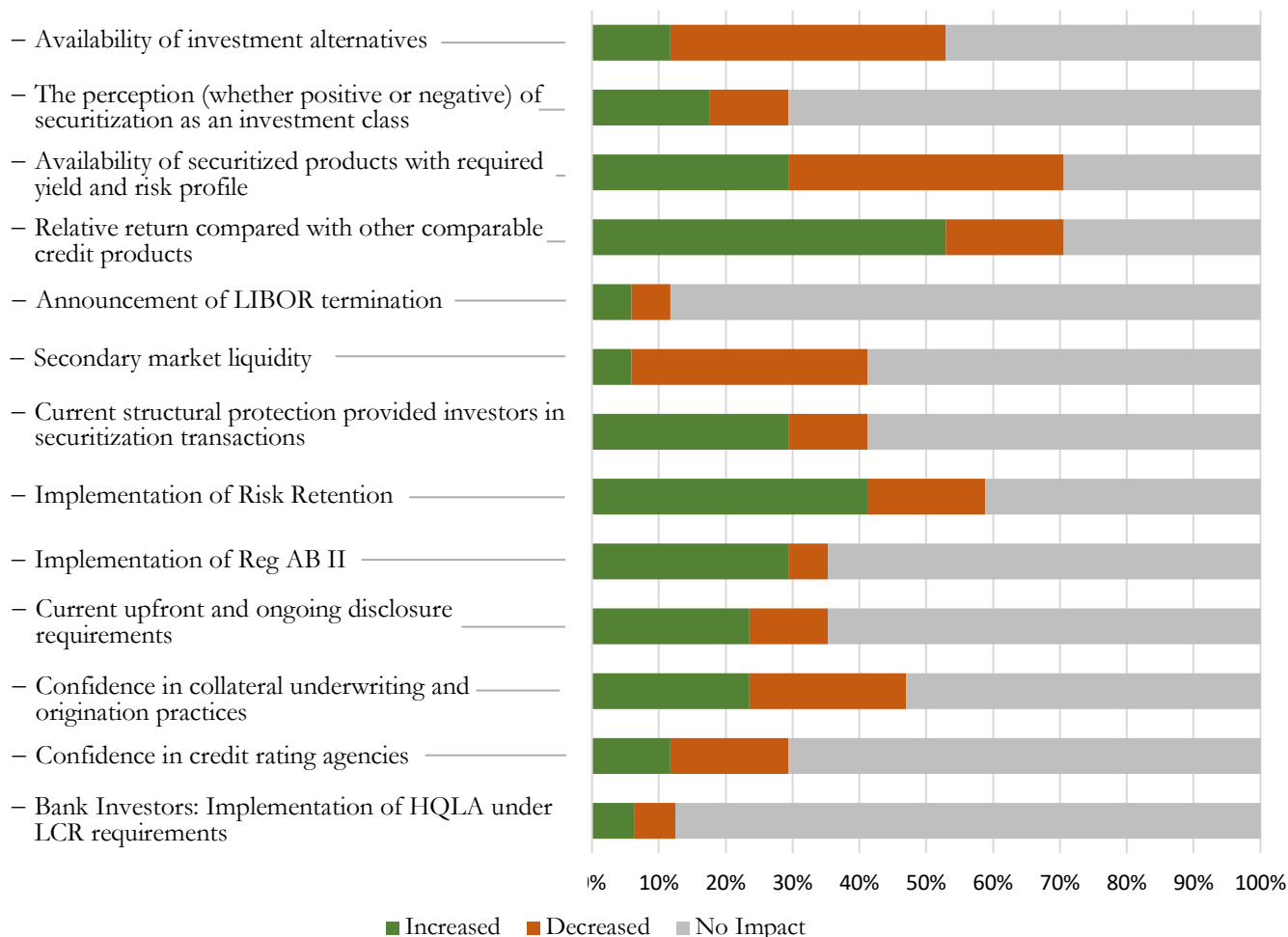
Investment Types
(for "Investor" Respondents)



Factors Impacting Investor Volumes

How have the following market factors impacted the securitization volume your firm has invested in over the past 24 -36 months?

Respondents: Investors Only



A significant percent of **investor** respondents reported the following factors as having a positive impact to their securitization volumes:

- **53%** Relative return of securitization compared to other comparable credit products
- **41%** Implementation of Risk Retention
- **29%** Implementation of Reg AB II
- **29%** Availability of securitized products with the required yield and risk profile
- **29%** Current upfront and ongoing disclosure requirements

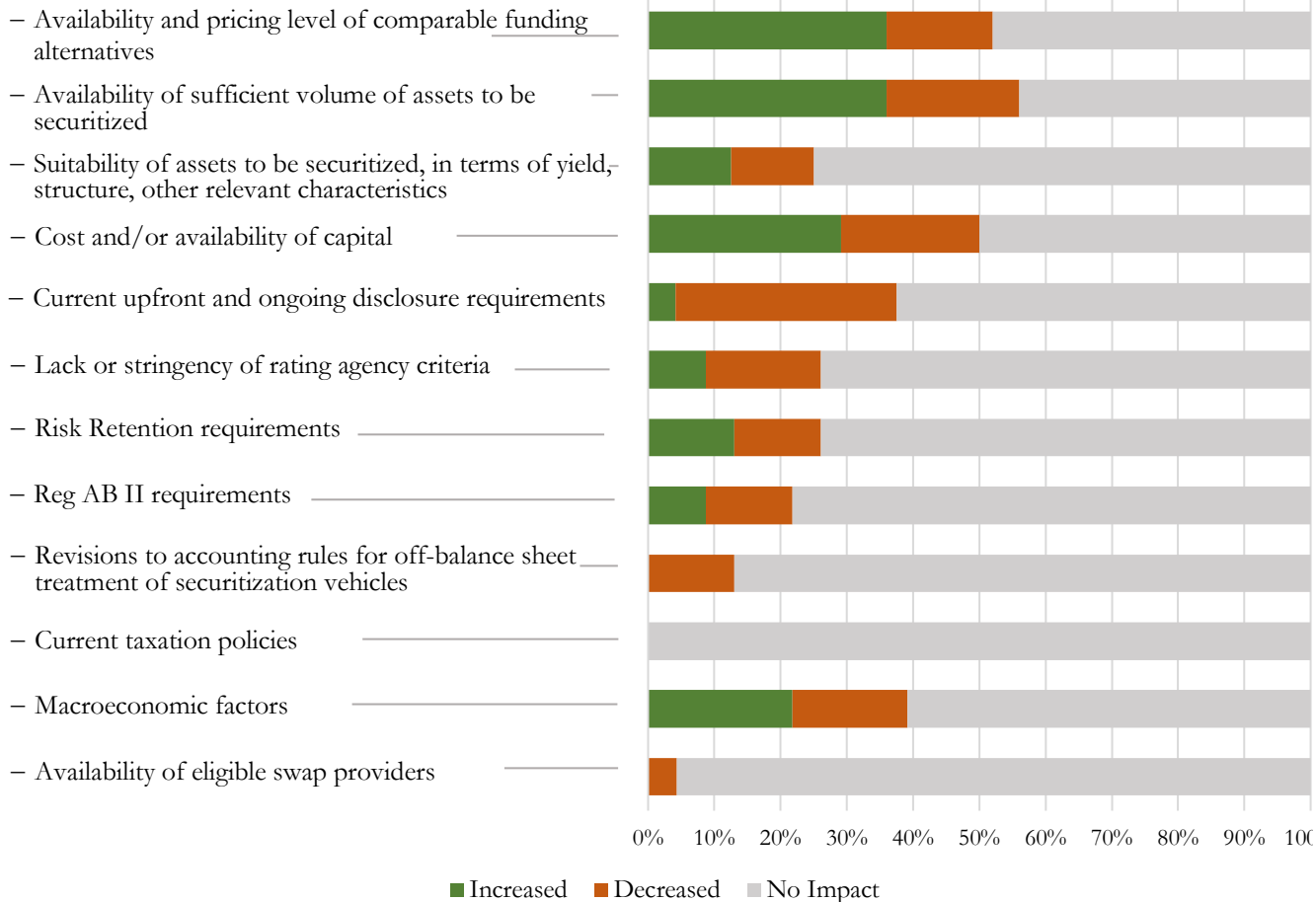
Factors reported as having a **negative** impact:

- **-41%** Availability of investment alternatives
- **-41%** Availability of securitized products with the required yield and risk profile
- **-35%** Secondary market liquidity

Factors Impacting Issuer Volumes

How have the following market factors impacted the securitization volume your firm has issued over the past 24 -36 months?

Respondents: Issuers Only



A significant percent of issuer respondents reported the following factors as having a positive impact to their securitization volumes:

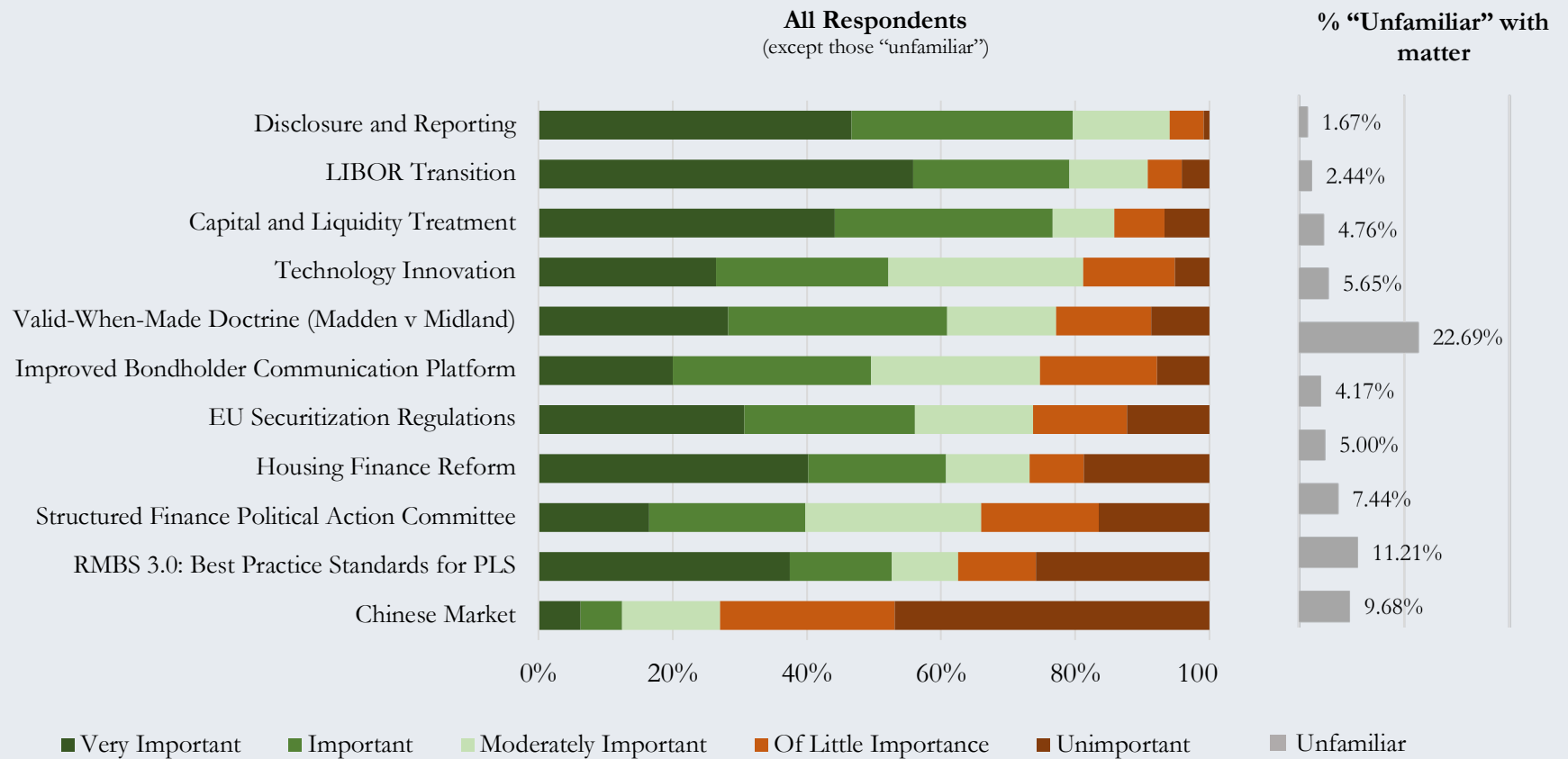
- **36%** Availability and pricing level of comparable funding alternatives
- **36%** Availability of sufficient volume of assets to securitize
- **29%** Cost and/or availability of capital
- **22%** Macroeconomic factors

Factors reported as having a negative impact:

- **-33%** Current upfront and ongoing disclosure requirements
- **-20%** Availability of sufficient volume of assets to securitize
- **-20%** Cost and/or availability of capital

Matters of Interest

How valuable is it to your firm to have SFIG involved in the following regulatory, legislative and market matters?



Matters of Interest – by Market Participant Group

Percent of constituency base that ranked each respective matter as moderately important, important or very important

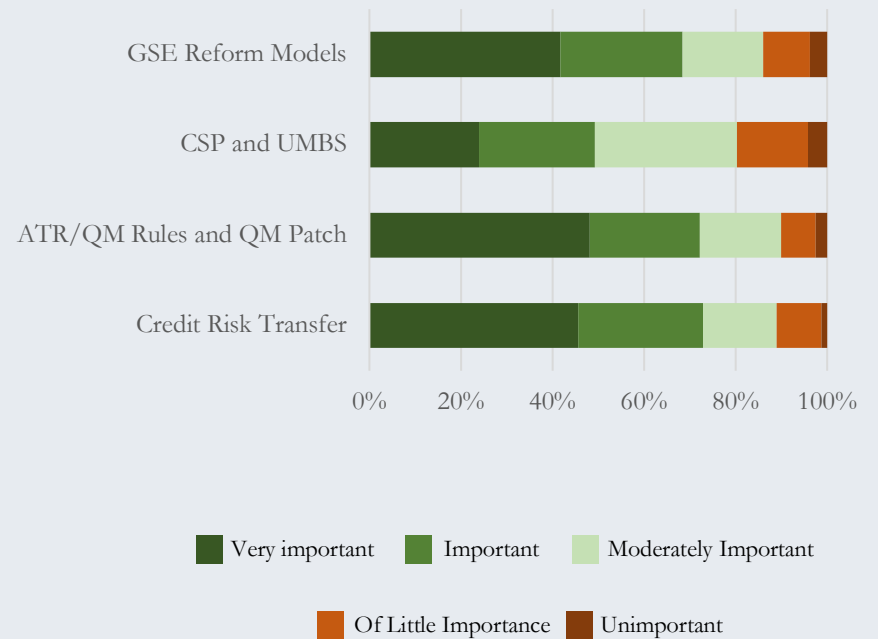
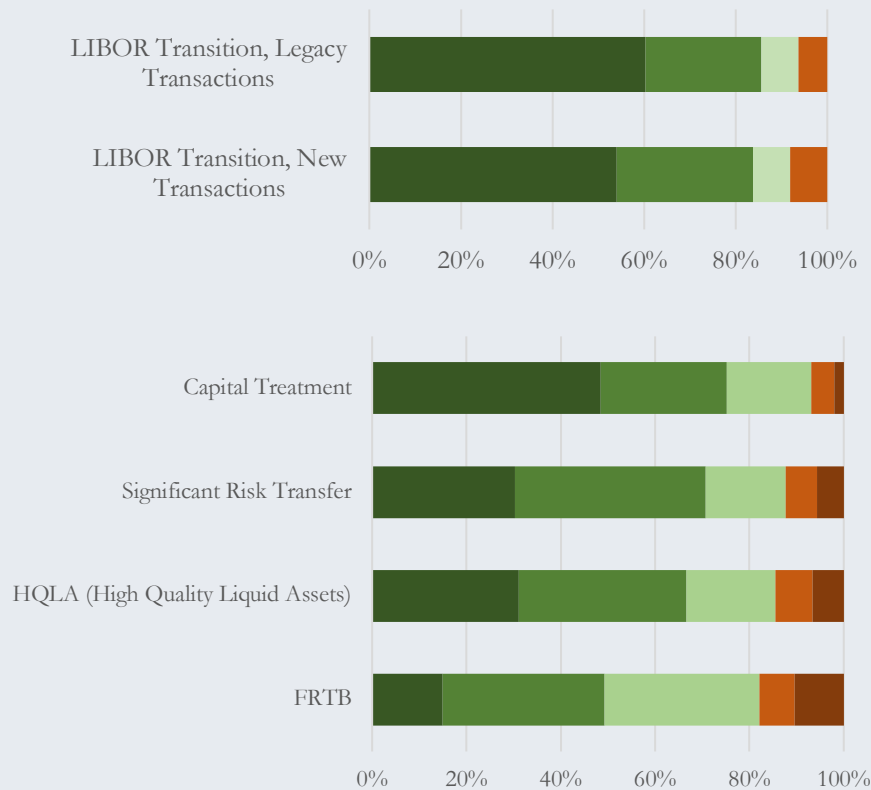
	All		Investors		Issuers		Banks, Broker-Dealers, Warehouse Providers		Rating Agencies		Law Firms		Other	
	Ranking		Ranking		Ranking		Ranking		Ranking		Ranking		Ranking	
Disclosure and Reporting	94%	1	93%	2	100%	1	95%	3	100%	1	92%	3	91%	2
LIBOR Transition	91%	2	100%	1	88%	2	100%	1	100%	1	96%	1	75%	8
Capital and Liquidity Treatment	86%	3	87%	5	78%	3	95%	2	88%	7	87%	4	82%	5
Technology Innovation	81%	4	87%	6	67%	6	94%	4	88%	5	71%	7	88%	4
Valid-When-Made Doctrine (Madden v Midland)	77%	5	67%	9	65%	7	75%	6	83%	9	95%	2	81%	6
Improved Bondholder Communication Platform	75%	6	87%	4	63%	8	75%	7	88%	6	71%	6	78%	7
EU Securitization Regulations	74%	7	93%	3	71%	5	63%	9	86%	8	84%	5	60%	10
Housing Finance Reform	73%	8	87%	7	46%	9	69%	8	100%	1	62%	8	94%	1
Structured Finance Political Action Committee	66%	9	31%	10	73%	4	80%	5	67%	11	55%	10	75%	9
RMBS 3.0: Best Practice Standards for PLS	63%	10	73%	8	33%	10	50%	10	100%	1	57%	9	88%	3
Chinese Market	27%	11	18%	11	6%	11	21%	11	75%	10	25%	11	35%	11

Matters of Interest

How valuable is it to your firm to have SFIG involved in the following regulatory, legislative and market matters?

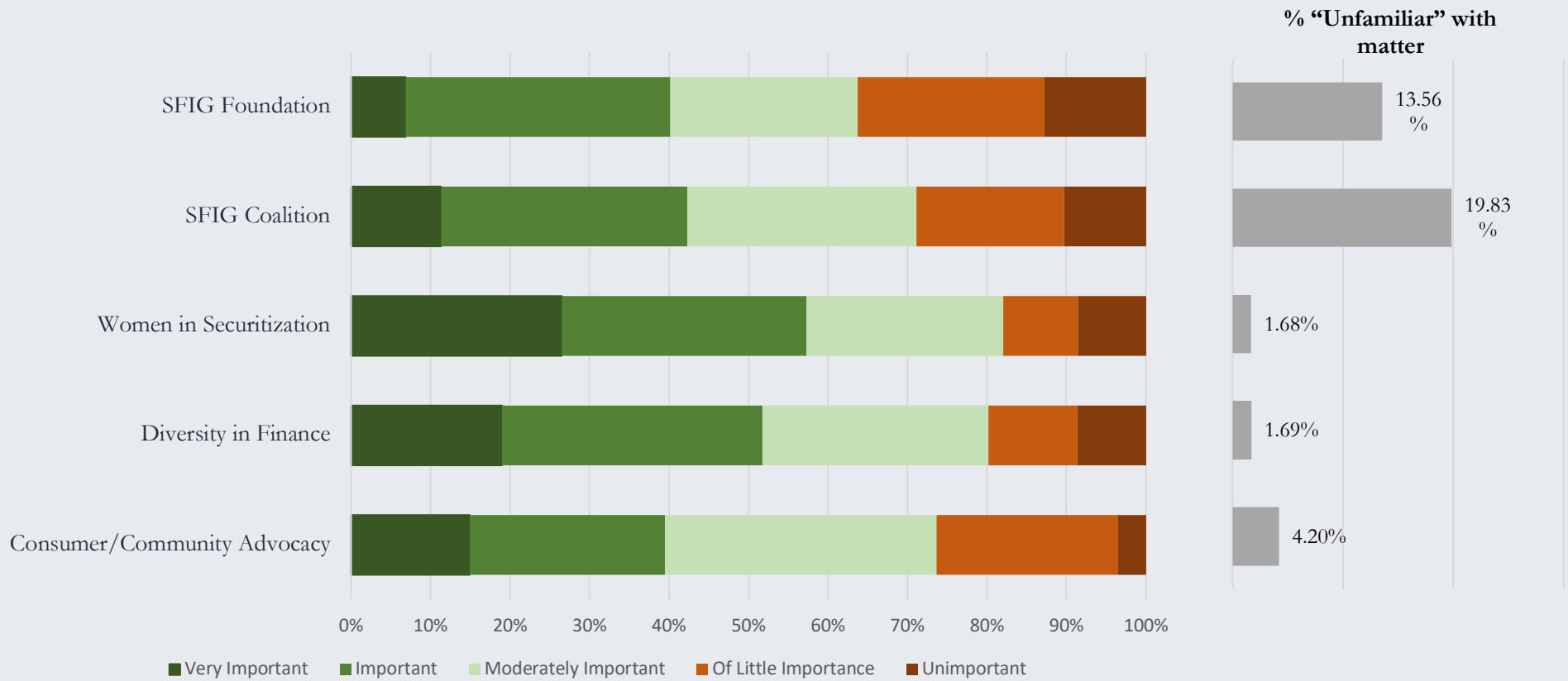
Respondents: See note

Note: Respondents who selected moderately important, important and very important for “LIBOR Transition”, “Housing Finance Reform” and/or “Capital and Liquidity Treatment” were asked follow-up questions

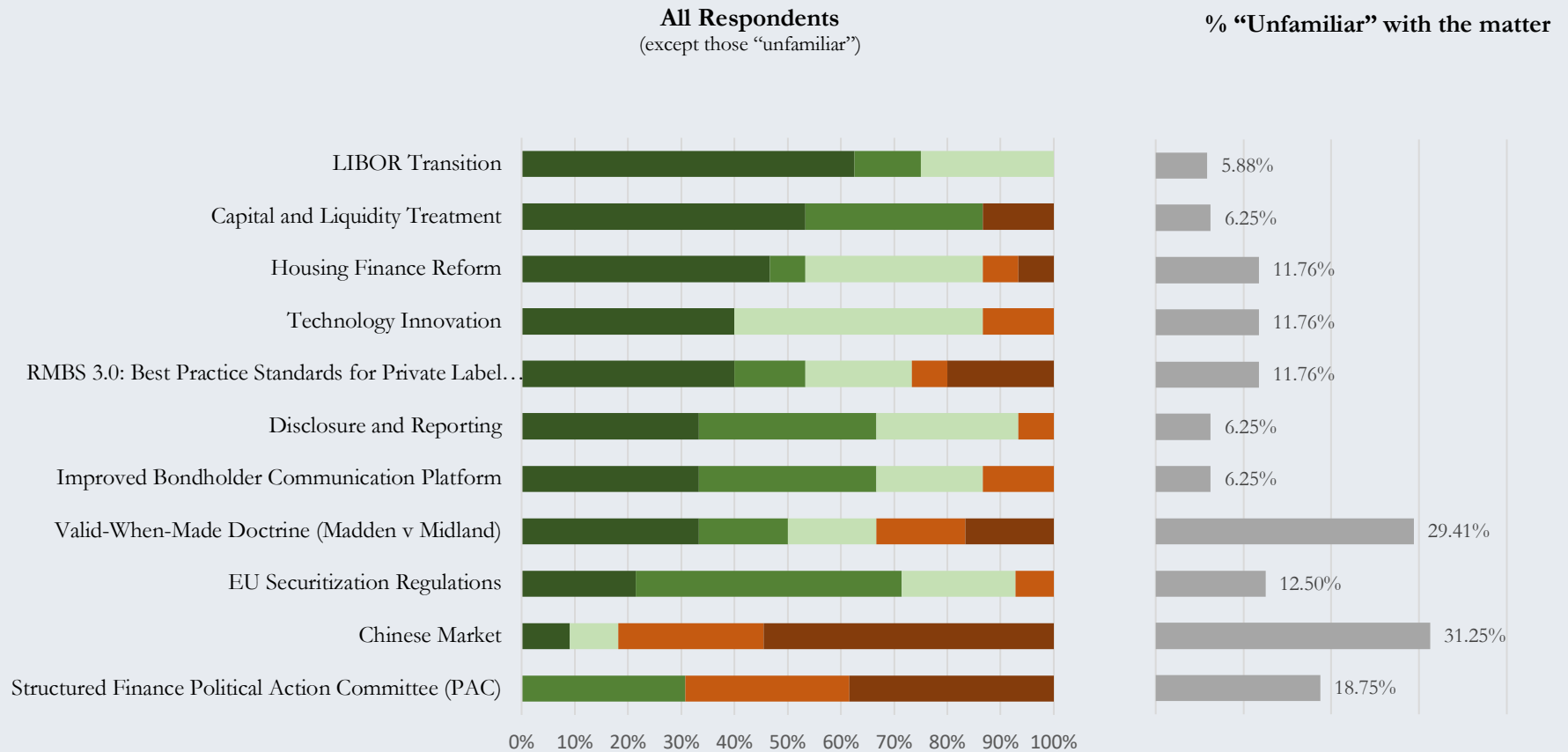


Initiatives of Interest

How valuable is it to you and your firm to have SFIG involved in the following initiatives?



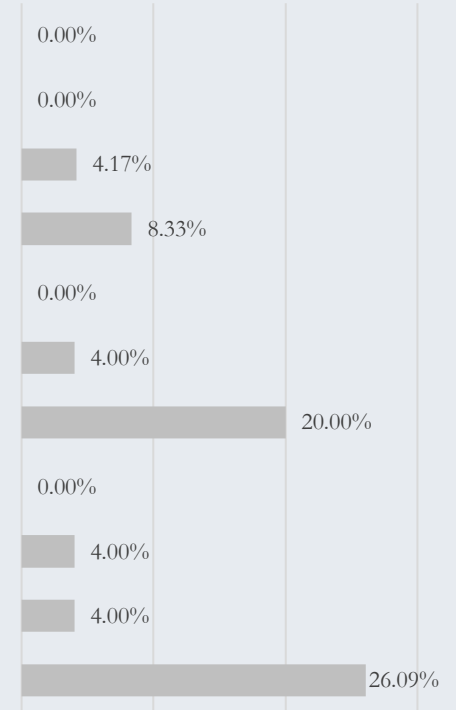
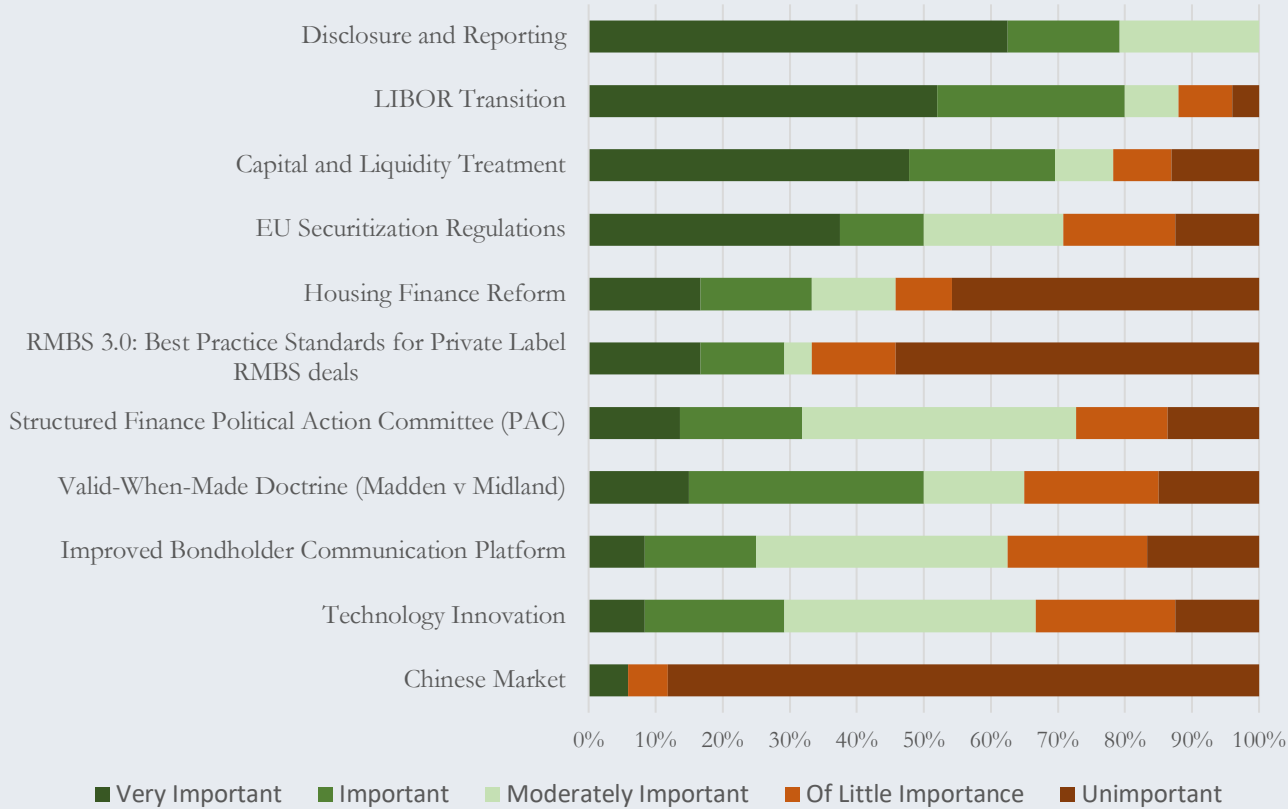
Appendix 1: Issue Priorities for Investors



Appendix 2: Issue Priorities for Issuers

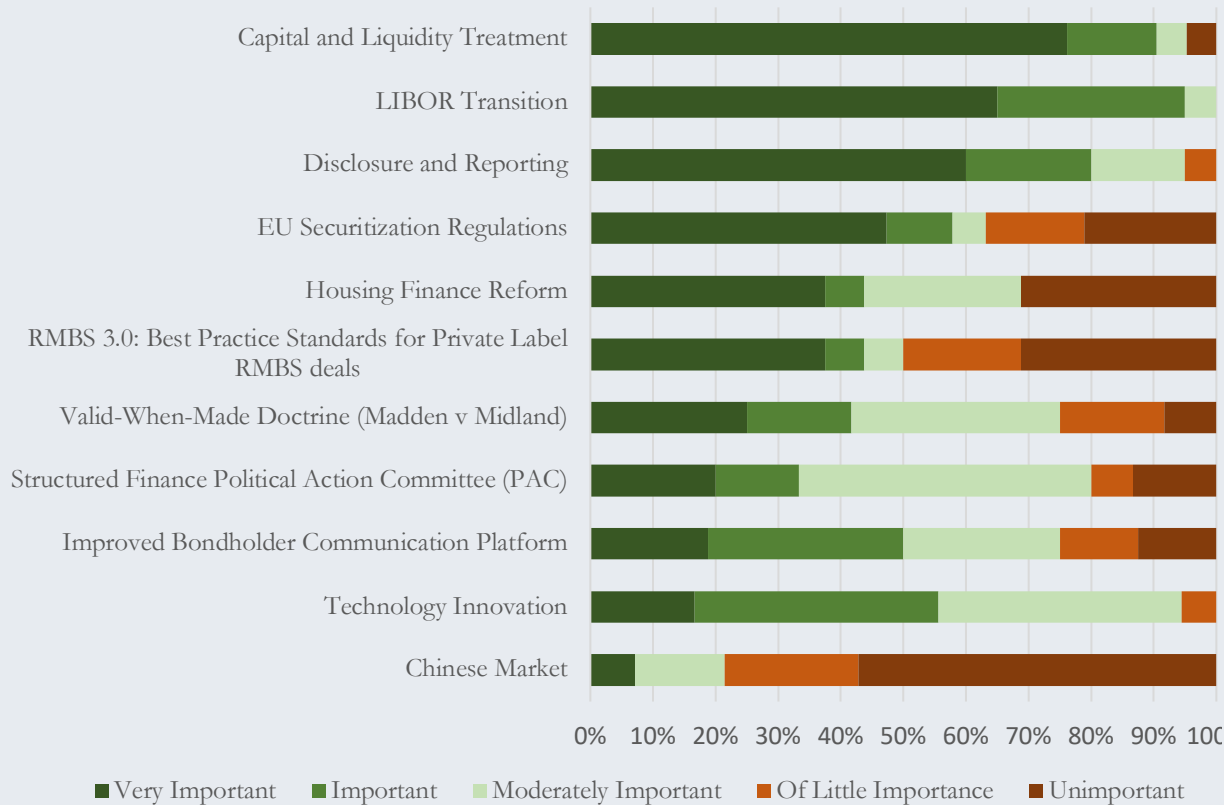
All Respondents
(except those “unfamiliar”)

% “Unfamiliar” with the matter

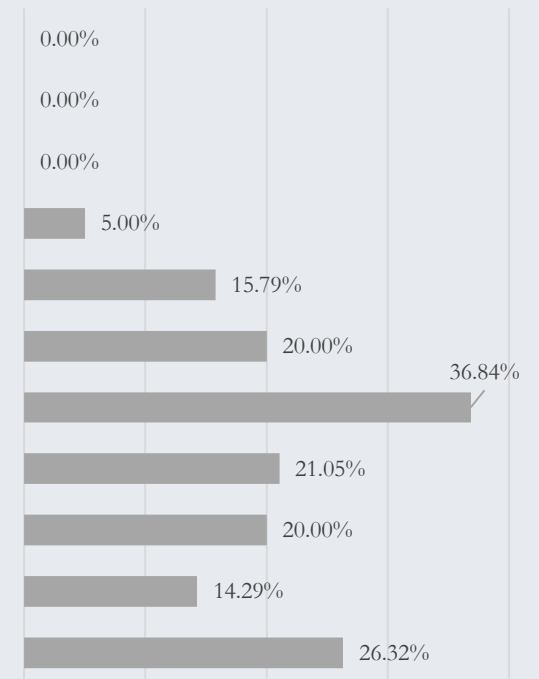


Appendix 3: Issue Priorities for Banks/Broker-Dealers/Warehouse Providers

All Respondents
(except those “unfamiliar”)

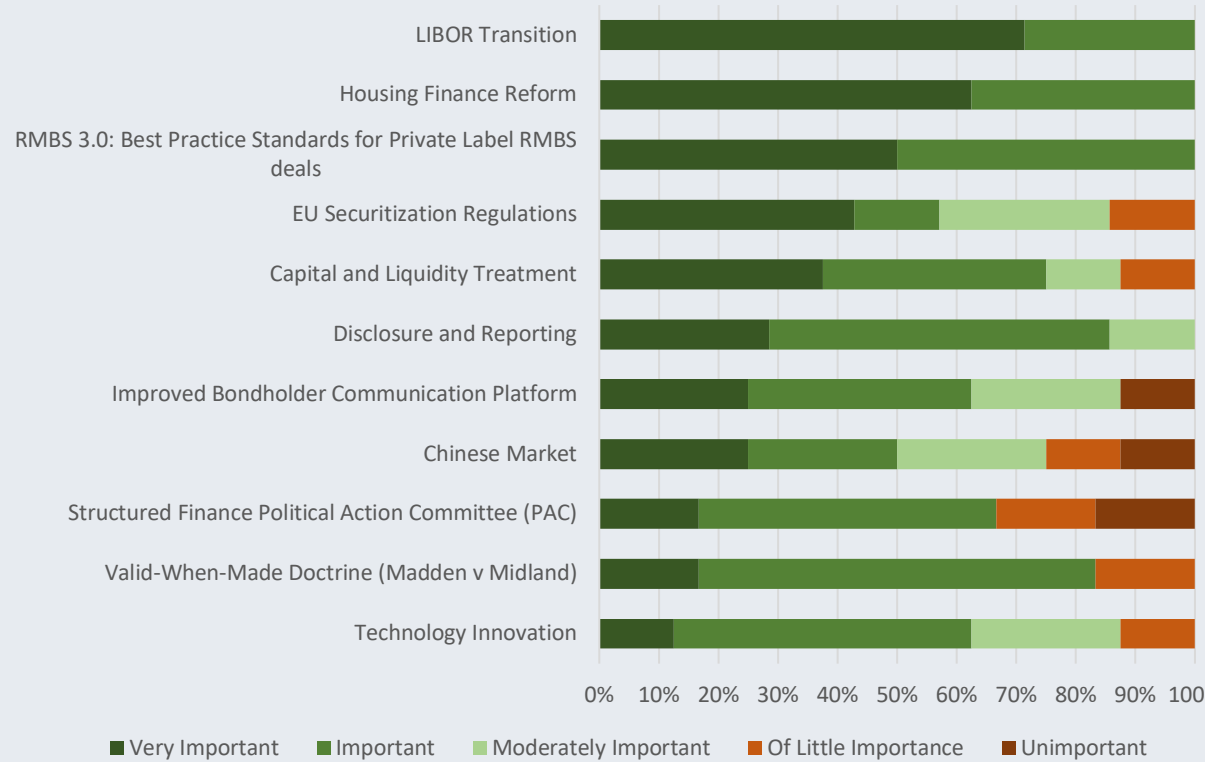


% “Unfamiliar” with the matter

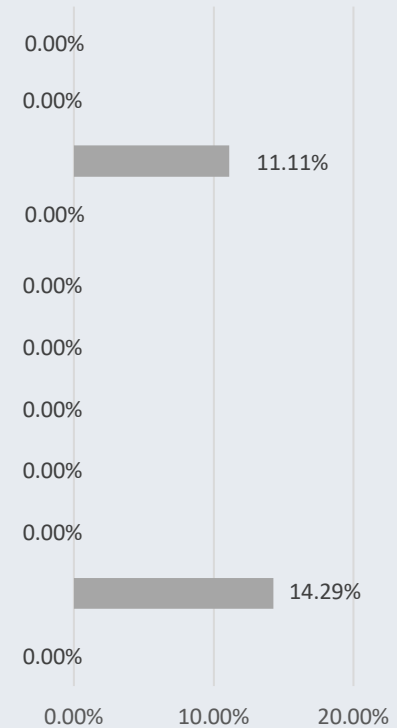


Appendix 4: Issue Priorities for Rating Agencies

All Respondents
(except those “unfamiliar”)

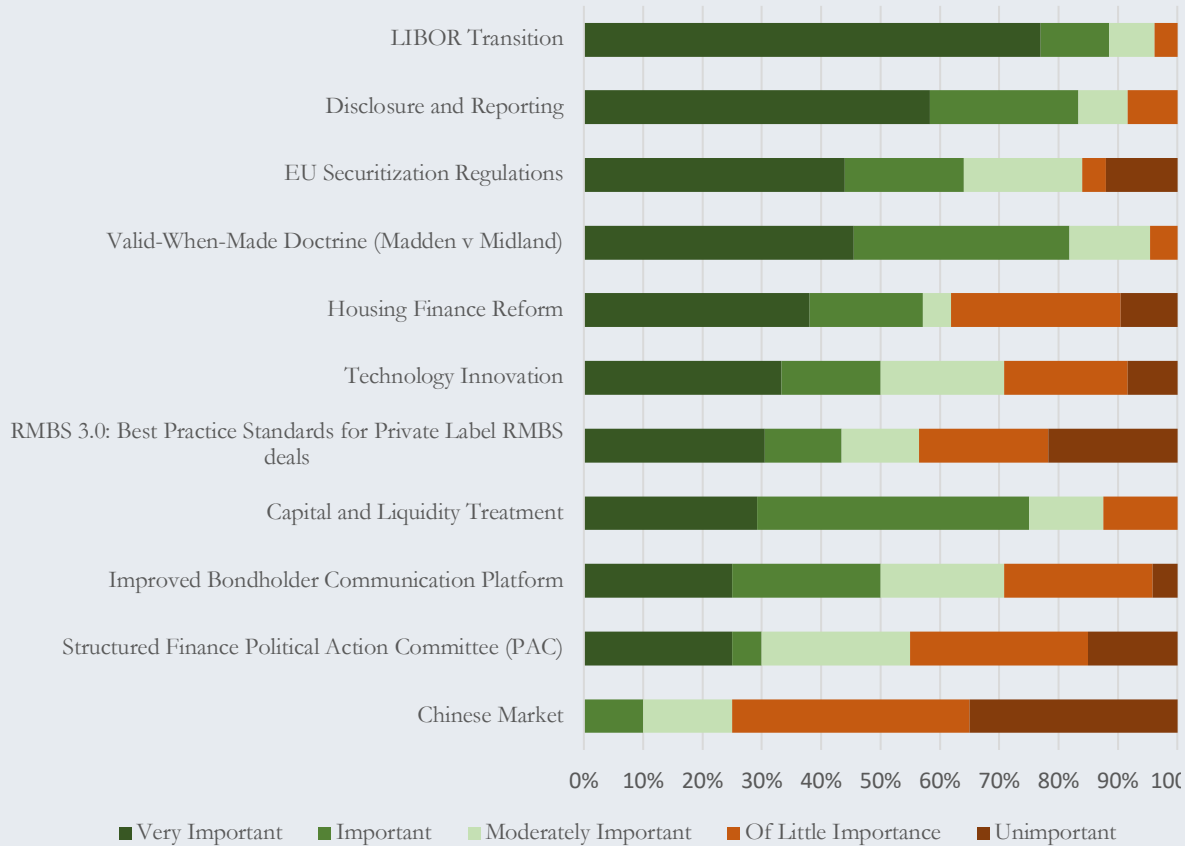


% “Unfamiliar” with the matter

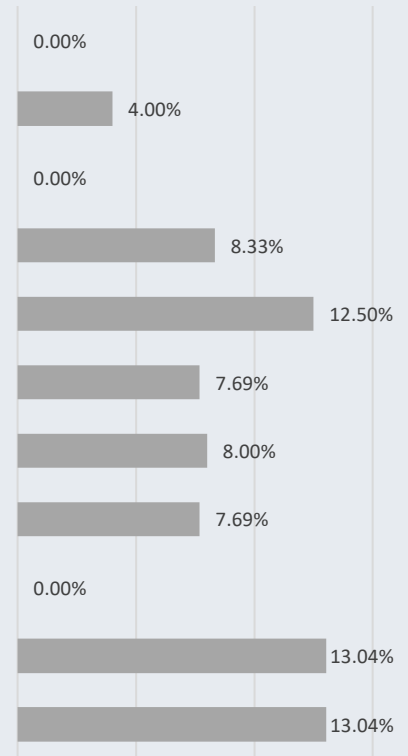


Appendix 5: Issue Priorities for Law Firms

All Respondents
(except those “unfamiliar”)

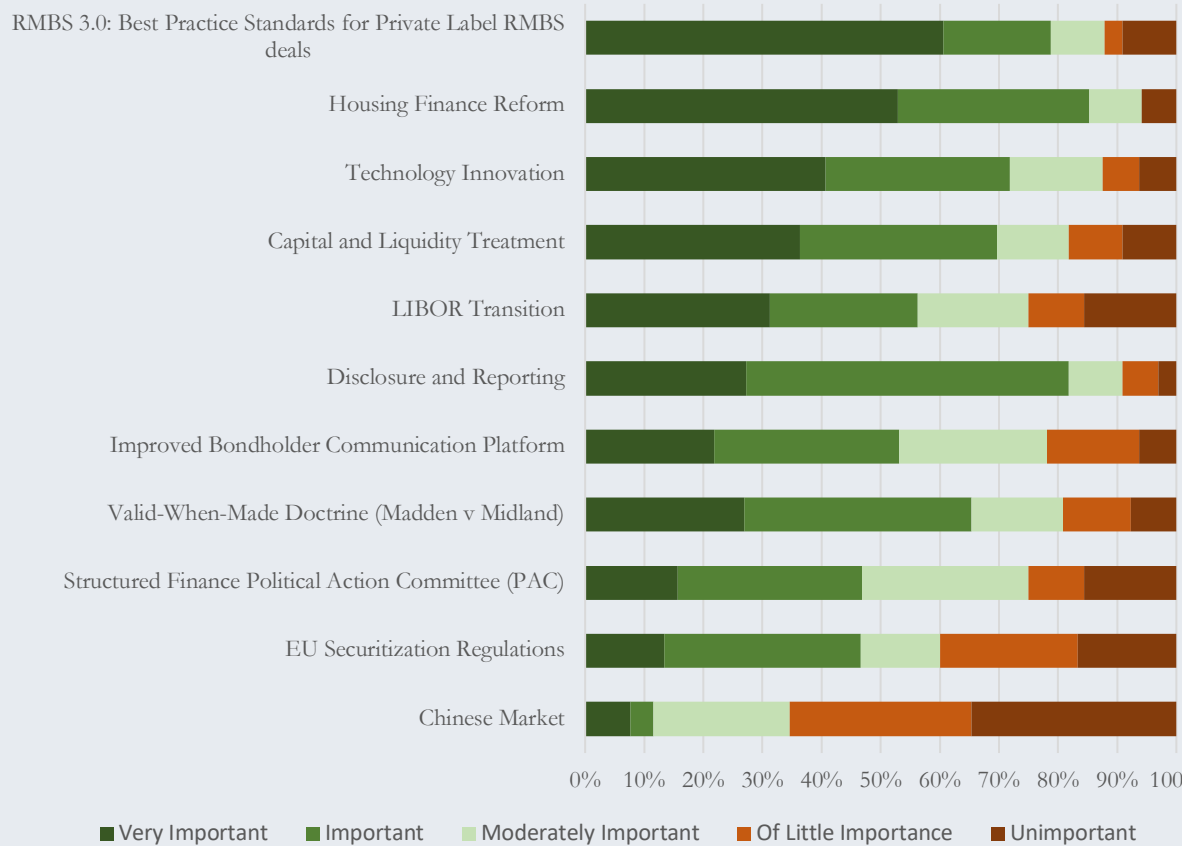


% “Unfamiliar” with the matter



Appendix 6: Issue Priorities for All Other Members

All Respondents
(except those “unfamiliar”)



% “Unfamiliar” with the matter

