



EUROPEAN CENTRAL BANK

EUROSYSTEM

1 April 2011

ABS LOAN LEVEL DATA INITIATIVE¹
LETTER TO PARTIES INTERESTED TO BUILD AND PARTICIPATE
IN THE ABS DATA WAREHOUSE

Following the significant support received from market participants at a public consultation, on 16 December 2010 the Governing Council of the European Central Bank (ECB) has decided to establish loan-by-loan information requirements for asset-backed securities (ABSs) in the Eurosystem collateral framework. The Governing Council intends to introduce the loan-by-loan information requirements approximately within the next 18 months, first for retail mortgage-backed securities (RMBSs) and thereafter gradually for other ABSs.

The Eurosystem also recognised the need to establish a data warehouse for the processing, verification and transmission of ABS loan-level data (the Data Warehouse). The Eurosystem firmly believes that this initiative should facilitate investment and support transparency, integrity and restore confidence in the structured finance markets as well as aid the simplification of data processes in the industry by ensuring investor access to comprehensive and standardised information across the European ABS market. Loan-by-loan information will be made readily available to market participants utilising the Data Warehouse.

The Eurosystem expects that a Data Warehouse will be built by an independent constructor external to the Eurosystem. To the extent possible, market participants will have the opportunity to use and invest in the Data Warehouse subject to entering into appropriate legal arrangements.

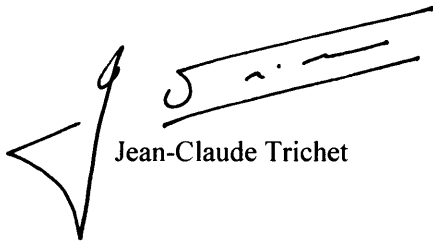
The Eurosystem fully supports and encourages an open, fair and transparent tender process for the selection of a Data Warehouse constructor. The Eurosystem is acting as a catalyst in this initiative. The Eurosystem is fully committed to ensuring an independent, fair, open and market-driven selection process in relation to the warehouse constructor and oversight of the Data Warehouse.

Once constructed (and subject to agreeing appropriate technical specifications which include that the Data Warehouse is built in a cost-efficient manner that would be reflected in the fees levied on the users of the Data Warehouse and adequate service levels), the Eurosystem intends to make use of the Data Warehouse in connection with the Eurosystem collateral information requirements approved by the Governing Council in December 2010. The Eurosystem participation and use of the Data Warehouse is also subject

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to such an initiative being built in a cost-efficient manner that would also be reflected in the future rates, levied on the users of the Data Warehouse. The Eurosystem intends to become a client of the Data Warehouse on a non-exclusive basis once ABS loan-by-loan information requirements become collateral eligibility requirements, as envisaged by the Eurosystem. Furthermore, the Eurosystem would like to encourage market participants to express their interest in building the Data Warehouse and/or providing support to this important initiative.

The Eurosystem looks forward to working with the industry to restore confidence in the ABS market and would like to encourage market participants to lend their support to this important initiative.

A handwritten signature in black ink, consisting of a stylized 'J' followed by 'C. Trichet'.

Jean-Claude Trichet

President

European Central Bank