

Chapter

Article 16 Specification of risk characteristics and structural features

(1) The risk characteristics of the individual securitisation position referred to in Article 406(1)(b) of Regulation (EU) No 575/2013 shall include the following most appropriate and material characteristics, such as:

- (a) tranche seniority level;
- (b) cash flow profile;
- (c) any existing rating;
- (d) historical performance of similar tranches;
- (e) obligations related to the tranches included in the documentation relating to the securitisation;
- (f) credit enhancement.

(2) The risk characteristics of the exposures underlying the securitisation position referred to in Article 406(1)(c) of Regulation (EU) No 575/2013 shall include the most appropriate and material characteristics, including the performance information referred to in Article 406(2) of Regulation (EU) No 575/2013 in relation to residential mortgage exposures. Institutions shall identify appropriate and comparable metrics for analysing the risk characteristics of other asset classes.

(3) Additional structural features as referred to in Article 406(1)(g) of Regulation (EU) No 575/2013 shall include derivative instruments, guarantees, letters of credit and other similar forms of credit support.