



Structured Finance Valuation Services

Prompted by unprecedented disruption in fixed income capital markets, financial institutions are engaged in close examination of the risk and value of securitized transactions. While current economic conditions demand more robust analysis than more buoyant market environments, reduced liquidity for structured finance deals has resulted in a nearly immobile marketplace where many financial institutions are challenged to value their structured finance assets or to estimate risk capital or loss reserves.

Notwithstanding these challenges, shareholders, auditors, regulators, and issuers will not ease their demands for reliable and accurate metrics assessing the value of, and risk in, structured finance investments and issuances. Likewise, buyers of distressed investments are grappling with the issue of whether the market has bottomed out or whether further depreciation is in store.

The valuation process requires a set of tools that accurately model the behavior of instruments in a portfolio based on methodologies that are transparent and intuitive yet rigorous. Such approaches help financial professionals:

- › Obtain independent valuations, unbiased by proprietary positions
- › Complement or validate internal valuations and quotes from trading counterparties
- › Get a clear assessment of value and risk in varying scenarios
- › Understand the inherent value of current holdings and investment opportunities
- › Report values to regulators, auditors, shareholders, management, and others

Representative Engagements

Moody's Analytics has provided valuation services across a broad spectrum of structured instruments issued in the US and other jurisdictions, including:

- ABS CDOs
- Cash CDOs
- TruPS CDOs
- CLOs
- Synthetic CLOs
- RMBS
- CMBS

Our Approach

Moody's Analytics offers a full range of solutions for structured finance valuation and risk assessment across multiple asset classes. Our offerings are based on sophisticated application of modern financial theory and statistical analysis, leveraging our industry-leading analytical software, data, and credit risk expertise within transparent and customized processes.

As a result, we are able to construct powerful analyses that accurately predict the risk behavior of financial instruments. We deploy these resources through products and consulting services designed to meet the real-world challenges faced by our clients. Our ability to bring together data, models, and professional advice into a cohesive and integrated solution helps our clients earn better returns on the risks they take.

Data & Research

- CreditValues DCV Service* – Daily pricing on U.S. CLOs and corporate CBOs
- Moody's Economy.com* – The leading provider of economic analysis, data, and forecasts
- Performance Data Services* – Over 20 years of detailed performance data on ABS, RMBS and CDOs

Analytical Tools

- CDONet* – A platform for performing cashflow analytics on a single deal or portfolio level, accessing our comprehensive global CDO Deal Library
- Structured Finance Workstation* – A workstation solution for cashflow analytics on a wide variety of deals
- CreditEdge Plus* – A web-based tool for analysis of structured deal credit risk at the single-name level
- RiskFrontier* – A tool for instrument valuation, correlation and credit migration analysis, and allocation of economic capital

Consulting Solutions

Highly customized advisory engagements that use the full breadth of Moody's resources to address client needs of all types, from valuation through stress testing and advanced portfolio management. Our consulting group builds fully integrated valuation solutions that apply the best of Moody's Analytics offerings and the expertise of our credit risk professionals.





Our consultants understand there is no one-size-fits-all approach to structured finance valuation – methods and tools must be adapted based on specific asset classes, the availability of data, and the needs of the organization. Our experts work with clients to understand their challenges and build innovative and tailored solutions using a consultative service delivery approach that:

- › Helps you understand the drivers and most significant sources of risk
- › Identifies and advises on the approach that best suits your portfolio management and reporting objectives
- › Supports communication with key stakeholders, such as auditors and regulators
- › Provides thorough documentation of methods and results

Our Structured Finance Consulting Solutions		
Independent Exposure Diagnostic	Valuation Projects and Service Bureau	Portfolio and Asset Stress Testing
Understand and report on the key credit risk features and exposures in your structured finance portfolio	Build your internal valuation team, enhance your data and methodologies, or leverage our team's expertise and resources with periodic valuations performed by our specialists	Estimate expected losses and value prices of the assets in your structured finance portfolio under standard and customized stress scenarios

Our Commitment

Unparalleled Expertise and Thought Leadership

Professionals with practical experience as former analysts, practitioners, and regulators – backed by over 30 years of credit risk data and a century of experience in risk assessment – provide independent evaluations and insights that reflect a true understanding of your business, wherever you are in the world

Proven Methodologies and Data

Leading edge tools, robust and validated models, transparent frameworks, and the industry's most comprehensive proprietary credit risk data set drive immediate results

Comprehensive Solutions

A multidisciplinary and integrated view of risk management across the value chain creates solutions customized to your needs, from data architecture through advanced portfolio optimization, to support more effective decision-making

Contact Us

To learn more about how Moody's Analytics Consulting Services can help you to make better decisions in structured finance, please contact one of our specialists or email consulting@moody.com.

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