Issuer Credit Quality and the Price of Asset-Backed Securities

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Mortgage Market and the Financial Crisis
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Appendix 1: ABS Sample Characteristics

	Securities	Dollar Volume
Collateral Type	100%	100%
Auto loans	1.9%	8.6%
CDOs	3.5%	5.2%
CMBS	3.1%	6.8%
Credit Cards	1.5%	10.5%
Equipment	0.4%	0.8%
Home equity	55.6%	28.7%
Man. Housing	0.4%	0.5%
RMBS	32.1%	32.5%
Student Loans	1.4%	6.3%
Coupon Type	100%	100%
Floating rate	63.1%	69.6%
Fixed rate	36.9%	30.4%
Trust Type	100%	100%
Mortgage Loan Trust	50.2%	51.2%
Other Trust	49.8%	48.8%
Initial rating	100%	100%
AAA	57.6%	92.0%
AA	11.9%	2.9%
A	11.6%	2.6%
BBB	11.8%	1.9%
BB and below	7.1%	0.6%
Parent Rating	100%	100%
AAA	1.0%	1.4%
AA	22.3%	22.2%
A	44.0%	43.9%
BBB	9.0%	8.4%
BB and below	8.7%	8.3%
NR	15.1%	15.8%
Deal Participants	100%	100%
Sponsor = servicer	26%	27%
Sponsor = servicer = underwriter	18%	15%
Servicer or underwriter unidentified	25%	25%
Sponsor ≠ servicer	31%	33%
Sponsor Diversification	100%	100%
Collateral types issued > 4	26%	71%
Collateral types issued ≤ 4	74%	29%
Total	99,019 secs.	\$ 5,211 bn.

Appendix 2: Mean Coupon Spreads

	Average spread (ppt.)
Collateral Type	
Auto loans	0.14
CDOs	1.54
CMBS	0.33
Credit Cards	0.94
Equipment	0.10
Home equity	0.81
Man. Housing	2.00
RMBS	0.86
Student Loans	0.44
Coupon Type	
Floating rate	1.05
Fixed rate	0.42
Trust Type	
Mortgage Loan Trust	0.83
Other Trust	0.83
Initial rating	
AAA	0.43
AA	0.75
A	1.11
BBB	1.81
BB and below	1.92
Parent Rating	
AAA	1.15
AA	0.85
A	0.80
BBB	0.77
BB and below	0.68
NR	0.91
Deal Participants	
Sponsor = servicer	0.73
Sponsor = servicer = underwriter	0.73
Servicer or underwriter unidentified	0.85
Sponsor ≠ servicer	0.92
Sponsor Diversification	
Collateral types issued > 4	0.96
Collateral types issued ≤ 4	0.78
Whole Sample	0.82

Appendix 3: Coupon Spread Coefficients Not Reported in Table 1

Variables	Coupon Spread (ppt.)	Variables	Coupon Spread (ppt.)
Vintage - 2000H1	-0.618*** (0.161)	Collateral type - Auto loans	0.428*** (0.127)
Vintage - 2000H2	0.000 (0.000)	Collateral type - Equipment	0.132 (0.219)
Vintage - 2001H1	-0.018 (0.126)	Collateral type - Home equity	0.690*** (0.115)
Vintage - 2001H2	0.047 (0.137)	Collateral type - RMBS	0.720*** (0.113)
Vintage - 2002H1	0.087 (0.130)	Collateral type - Student loans	0.285 (0.180)
Vintage - 2002H2	-0.161 (0.123)	Constant	1.293*** (0.169)
Vintage - 2003H1	-0.389*** (0.127)	Observations	88288
Vintage - 2003H2	-0.280** (0.126)	R-squared	0.170
Vintage - 2004H1	-0.325*** (0.124)	Robust standard errors in parentheses	
Vintage - 2004H2	-0.494*** (0.119)	Standard errors clustered by deal	
Vintage - 2005H1	-0.872*** (0.118)	*** p<0.01, ** p<0.05, * p<0.1	
Vintage - 2005H2	-1.033*** (0.117)		
Vintage - 2006H1	-1.102*** (0.119)		
Vintage - 2006H2	-1.080*** (0.122)		
Vintage - 2007H1	-0.954*** (0.121)		
Vintage - 2007H2	-0.800*** (0.135)		
Vintage - 2008H1	0.526*** (0.200)		

Appendix 4: Coefficients from Coupon Spread and Hazard Regressions

Seller	Hazard	Spread
ACC CAPITAL HOLDINGS	-0.01	-0.18
AMERICAN HOME MORTGAGE INVESTMENT	0.02	0.17
AMERICREDIT	-0.27	0.24
BANK OF AMERICA	0.13	0.30
BEAR STEARNS	0.67	-0.53
CAPITAL ONE FINANCIAL CORP	-0.18	0.23
C-BASS	0.20	-0.11
CHEVY CHASE BANK	0.22	-1.03
CITIGROUP	0.09	-0.06
COUNTRYWIDE FINANCIAL CORP	0.06	0.08
CREDIT SUISSE GROUP	0.02	0.46
DEUTSCHE BANK	0.03	-0.03
FIRST HORIZON NATIONAL CORP	0.11	0.65
FORD MOTOR COMPANY	3.13	-0.29
GMAC	-0.04	-0.13
HONDA MOTOR	2.26	0.03
JPMORGAN CHASE & CO	0.08	0.23
LEHMAN BROTHERS HOLDINGS	-0.04	0.12
MERRILL LYNCH AND CO	-0.03	-0.03
MORGAN STANLEY	-0.09	0.10
NELNET	2.49	-0.65
NISSAN MOTOR	2.20	0.12
REDWOOD TRUST	0.15	-0.99
ROYAL BANK OF SCOTLAND GROUP	-0.04	-0.15
SLM HOLDING CORP	0.56	-0.65
THORNBURG MORTGAGE	0.27	-0.33
UBS	0.07	0.24
WASHINGTON MUTUAL	0.05	0.23
WELLS FARGO	0.18	0.37
WESTCORP	2.18	-0.37