

Table of Contents

CHAPTER 1. OVERVIEW OF MORTGAGE-BACKED SECURITIES AND THE SECONDARY MORTGAGE MARKET

I. MORTGAGES AND MORTGAGE-BACKED SECURITIES

- § 1:1 Overview
- § 1:2 Secondary mortgage market
- § 1:3 The increasing demand for mortgage credit
- § 1:4 Pricing as a means of diversifying risk
- § 1:5 Information resources
- § 1:6 The narrow scope of the single mortgage
- § 1:7 Dominance of the government-sponsored enterprises and Ginnie Mae
- § 1:8 The role of the private sector

II. LEGAL AND LEGISLATIVE CHALLENGES AND SOLUTIONS

- § 1:9 Generally
- § 1:10 Internal Revenue Code issues
- § 1:11 Securities law issues and responses
- § 1:12 The Secondary Mortgage Market Enhancement Act of 1984
- § 1:13 Rating issues
- § 1:14 The secondary mortgage market

CHAPTER 2. THE PUBLIC AND PRIVATE SECTORS IN THE SECONDARY MORTGAGE MARKET

I. THE SECONDARY MORTGAGE MARKET

- § 2:1 Generally

II. THE GOVERNMENT-SPONSORED ENTERPRISES AND OTHER AGENCIES: AN OVERVIEW

- § 2:2 Generally
- § 2:3 The Federal National Mortgage Association
- § 2:4 The Government National Mortgage Association
- § 2:5 —The Ginnie Mae MBS
- § 2:6 —The REMIC program
- § 2:7 The Federal Home Loan Mortgage Corporation
- § 2:8 Federal Home Loan Banks

III. RECOURSE AND OTHER FORMS OF RISK MITIGATION

- § 2:9 Introduction
- § 2:10 Overview of recourse
- § 2:11 Use of recourse by Fannie Mae and Freddie Mac
- § 2:12 Recourse treatment under the Risk-Based Capital Guidelines
- § 2:13 Impact of regulatory recourse on mortgage purchase transactions by Fannie Mae and Freddie Mac

- § 2:14 Other recourse issues affecting Fannie Mae and Freddie Mac—
Representations and warranties
- § 2:15 Other form of risk mitigation or transfer

IV. NEW DIRECTIONS IN THE PRIVATE SECTOR

- § 2:16 Overview
- § 2:17 The international market
- § 2:18 Technological innovation

CHAPTER 3. AGENCY AND NON-AGENCY MORTGAGES

I. MORTGAGES

- § 3:1 Mortgages generally
- § 3:2 Residential mortgage transactions and steps
- § 3:3 Commercial mortgage transactions
- § 3:3.50 Buying and selling commercial mortgages on the secondary market

II. AGENCY MORTGAGES

- § 3:4 Conforming criteria

III. NON-AGENCY MORTGAGES

- § 3:5 General
- § 3:6 Jumbo mortgages
- § 3:7 Subprime mortgages
- § 3:8 “Alt-A” mortgages
- § 3:9 Securitizations of non-agency mortgages

CHAPTER 4. CHARACTERISTICS OF MORTGAGE-BACKED SECURITIES AND STRUCTURES

I. OVERVIEW

- § 4:1 Generally

II. CHARACTERISTICS AND RISKS OF MORTGAGE-BACKED SECURITIES

- § 4:2 Generally
- § 4:2.50 Interest rate and duration risk
- § 4:3 Credit risk
- § 4:4 Prepayment risk
- § 4:5 Security/risk
- § 4:6 Reinvestment concerns
- § 4:7 Liquidity
- § 4:7.50 Environmental risk

III. TYPES AND STRUCTURE OF MORTGAGE-BACKED SECURITIES

- § 4:8 Mortgage-backed securities

TABLE OF CONTENTS

- § 4:9 Securitization and special purpose vehicles
- § 4:10 Mortgage pass-through certificates
- § 4:11 Modified pass-through securities
- § 4:12 Mortgage pay-through obligations
- § 4:13 Stripped mortgage-backed securities (“IOs” and “POs”)
- § 4:14 Common securitization platform
- § 4:15 Commercial mortgage-backed securities and “bankruptcy remote”
 commercial mortgage financing arrangements
- § 4:16 Credit Risk Transfer (CRT) securities

IV. COLLATERALIZED MORTGAGE OBLIGATIONS (CMOs)

- § 4:17 Generally
- § 4:18 Overview of planned amortization classes (PACs) and targeted amortization
 classes (TACs)
- § 4:19 Planned amortization classes (PACs)
- § 4:20 Targeted amortization classes (TACs)
- § 4:21 Other CMO innovations
- § 4:22 Floating-rate MBS
- § 4:23 Real Estate Mortgage Investment Conduits (REMICs)

V. SERVICING MORTGAGE LOANS AND MBS STRUCTURES

- § 4:24 Generally
- § 4:24.50 Mortgage servicing for Fannie Mae and Freddie Mac

VI. RE-REMICs AND RE-PERFORMING LOAN MBS

- § 4:25 Re-REMIC
- § 4:25.50 Re-Performing Loan MBS

VII. COVERED BONDS

- § 4:26 Generally

CHAPTER 5. MORTGAGE TRADING MARKETS

I. OVERVIEW

- § 5:1 Background of the secondary market
- § 5:2 Mechanics of the trading markets
- § 5:3 The “to-be-announced” (TBA) market
- § 5:4 Settlement of TBA trades
- § 5:5 “Fails”
- § 5:6 “Dollar rolls”
- § 5:6.50 Advantages and disadvantages of purchasing TBAs
- § 5:6.60 Advantages of purchasing TBAs
- § 5:6.70 Disadvantages of purchasing TBAs
- § 5:7 Margin and counterparty risk
- § 5:8 CMO trading
- § 5:9 Whole loans
- § 5:10 Best execution
- § 5:11 Soft dollar benefits from MBS transactions
- § 5:12 Trading best practices

II. VALUATION AND PRICING

- § 5:13 Generally
- § 5:14 Prepayment rates
- § 5:15 Pricing and quotations

III. MORTGAGE DERIVATIVES

- § 5:16 Generally
- § 5:17 Futures, options, and swaps
- § 5:17.50 Others

IV. COLLATERALIZED DEBT OBLIGATIONS (CDOs)

- § 5:18 Cash CDOs
- § 5:19 “Synthetic” CDOs

CHAPTER 6. INVESTMENT STRATEGIES AND FUNDS

- § 6:1 Institutional separate accounts
- § 6:2 Wrap fee programs
- § 6:3 Registered investment companies
- § 6:4 Exchange traded funds
- § 6:5 Collective trust funds
- § 6:6 Hedge funds
- § 6:7 Private equity funds and other private funds
- § 6:8 Insurance company general accounts
- § 6:9 Structured investment funds
- § 6:10 Mortgage real estate investment trusts (REITs)

CHAPTER 7. SECURITIES LAW ISSUES FOR MORTGAGE-BACKED SECURITIES**I. OVERVIEW**

- § 7:1 Generally

II. SECURITIES ACT OF 1933

- § 7:2 Generally
- § 7:3 1933 Act definition of a security
- § 7:4 Mortgage notes—Administrative interpretation
- § 7:5 Participation interests in mortgages
- § 7:6 Mortgage-backed securities
- § 7:7 Contracts for sale of mortgage-backed securities

III. EXEMPTION FROM REGISTRATION

- § 7:8 Exempt security
- § 7:9 —Governmental entities
- § 7:10 —Banks
- § 7:11 —Savings and loan associations
- § 7:12 Exempt transactions—Securities secured by real estate
- § 7:13 Exempt security—Participation interests in exempt securities
- § 7:14 Exempt transactions—Private offerings

TABLE OF CONTENTS

- § 7:15 Regulation D
- § 7:16 Sales to “Accredited Investors”
- § 7:17 Filing Form D and state filings
- § 7:18 General solicitations or advertising activities
- § 7:19 —“Pre-existing relationship” requirement
- § 7:20 —Number of offerees
- § 7:21 —Internet offerings
- § 7:22 Disqualification provisions
- § 7:23 Information provided to investors
- § 7:24 Integration of offerings under the 1933 Act
- § 7:25 —Non-integration safe harbor Rule (Rule 502(a))
- § 7:26 —Integration factors
- § 7:27 Rule 144A securities

IV. REGISTRATION REQUIREMENTS

- § 7:28 Generally
- § 7:29 Registration statement: key forms
- § 7:30 Prospectus
- § 7:31 Liability for false statements in a registration statement
- § 7:32 Form S-11—REITs and other real estate companies
- § 7:33 —Investment policies
- § 7:34 —Description of real estate
- § 7:35 —Material tax consequences; REMIC election
- § 7:36 —Selection, management, and custody of investments
- § 7:37 —Financial statements and information
- § 7:38 Shelf registration—Rule 415

V. RULES FOR ASSET-BACKED SECURITIES

- § 7:39 1933 Act registration process
- § 7:40 Revisions to Regulation AB and structured finance rules
- § 7:41 Regulation AB II

VI. DISCLOSURES REGARDING PREPAYMENTS

- § 7:42 Generally
- § 7:43 Aggregate and average unpaid principal balance of certificates and loans
- § 7:44 Ginnie Mae, Fannie Mae, or Freddie Mac pool numbers
- § 7:45 Ranges of and weighted average coupon rate on certificates
- § 7:46 Ranges of and weighted average coupon rate on mortgages
- § 7:47 —Range, weighted average, and last maturity
- § 7:48 —Weighted average life

VII. DISCLOSURE REGARDING CREDIT CONSIDERATIONS

- § 7:49 Generally
- § 7:50 General offerings secured by conventional mortgages
- § 7:51 General—Mortgages—Servicing contracts
- § 7:52 — —Terms of mortgages
- § 7:53 — —Number of loans
- § 7:54 — —Range of loan size, largest loan, and largest loan as a percentage of the pool

- § 7:55 — —Geographic location
- § 7:56 — —Loan-to-value ratios
- § 7:57 — —Delinquency and foreclosure information regarding pools
- § 7:58 — —Private insurance policies
- § 7:59 — —Commercial mortgages

VIII. USE OF ELECTRONIC MEDIA IN THE SECURITIES OFFERING PROCESS

- § 7:60 General
- § 7:61 Use of electronic media for delivery purposes

IX. SECURITIES EXCHANGE ACT OF 1934 REQUIREMENTS

- § 7:62 Generally
- § 7:63 1934 Act definition of a security
- § 7:64 Exemption from registration—U.S. obligations
- § 7:65 1934 Act registration
- § 7:66 Section 15G: Credit risk retention requirements
- § 7:66.50 Rule 192: Conflict of interest rule for securitizations
- § 7:67 Certification of disclosure in periodic reports—Section 302 of SOX
- § 7:68 —Section 906 of SOX
- § 7:69 Regulation of brokers and dealers—Registration of brokers and dealers
- § 7:70 —Limited exemptions from registration—Mortgage securities
- § 7:71 Regulation of broker-dealers—Limited exemptions from registration—A bank as broker-dealer

X. FINANCIAL INDUSTRY REGULATORY AUTHORITY (FINRA) REQUIREMENTS

- § 7:72 Generally

XI. TRUST INDENTURE ACT OF 1939 REQUIREMENTS

- § 7:73 Generally

XII. SECONDARY MORTGAGE MARKET ENHANCEMENT ACT OF 1984 REQUIREMENTS

- § 7:74 SMMEA 1984

XIII. INVESTMENT ADVISERS ACT OF 1940 REQUIREMENTS

- § 7:75 Generally
- § 7:76 Section 206: Antifraud provisions
- § 7:77 Advisers to pooled investment vehicles—Rule 206(4)-8
- § 7:78 Section 207: Filings
- § 7:79 Best execution
- § 7:80 Allocation and aggregation
- § 7:81 In general
- § 7:82 Principal transactions
- § 7:83 Cross trades

XIV. INVESTMENT COMPANY ACT OF 1940 REQUIREMENTS

- § 7:84 Generally

TABLE OF CONTENTS

- § 7:85 Investment company definition: Section 3(a)(1)
- § 7:86 Inadvertent investment companies: Section 3(a)(1)(C)
- § 7:87 Private company exclusion: Section 3(c)(1)
- § 7:88 Qualified purchaser exclusion: Section 3(c)(7)
- § 7:89 Discounting, sales financing, and real estate companies: Section 3(c)(5)
- § 7:90 Structured finance transactions: Rule 3a-7

XV. STATE BLUE SKY LAW REQUIREMENTS

- § 7:91 Generally

CHAPTER 8. IMPACT OF FEDERAL, STATE, AND LOCAL LAWS ON MORTGAGE-BACKED SECURITIES

I. FEDERAL, STATE, AND LOCAL LAWS AND MORTGAGE-BACKED SECURITIES

- § 8:1 Generally

II. PERFECTION AND ENFORCEMENT OF SECURITY INTERESTS IN PLEDGED COLLATERAL

- § 8:2 Generally
- § 8:3 Perfection of a security interest in book-entry FNMA, GNMA, and FHLMC certificates—Registration of book-entry securities
- § 8:4 —Transfers and pledges of book-entry securities—Background
- § 8:5 — —Definition of “securities entitlement” under UCC Article 8
- § 8:6 — —Treasury and FNMA book-entry regulations
- § 8:7 Perfection of a security interest in or sale of promissory notes and payment intangibles
- § 8:8 —UCC Article 9 provisions
- § 8:9 Perfection of a security interest in supporting obligations
- § 8:10 Perfection of security interests in collateral other than notes and mortgages
- § 8:11 —Deposit accounts
- § 8:12 Executing on collateral in the event of default
- § 8:13 Special considerations when using an escrow agent

III. CONDITIONAL ASSIGNMENT OF COLLATERAL—ALTERNATE METHOD TO SECURE MORTGAGES

- § 8:14 Generally

IV. ASSIGNMENT OF MORTGAGES WITHOUT A SECURITY AGREEMENT

- § 8:15 Generally

V. STATE AND FEDERAL LAWS AFFECTING THE VALIDITY OF THE UNDERLYING MORTGAGES

- § 8:16 Usury law
- § 8:17 —Usury restrictions governed by the federal statute
- § 8:18 —Type of loans subject to federal preemption under DIDMCA Section 501
- § 8:19 —Type of loans subject to federal preemption under Section 501—A federally related loan

- § 8:20 —Type of loans subject to federal preemption under section 501—Secured by a first lien on residential real property, stock in a residential co-operative, or a manufactured home
- § 8:21 — —Has the state chosen to override the federal preemption?
- § 8:22 —State usury laws
- § 8:23 — —Commercial loans
- § 8:24 — —Second mortgage loans
- § 8:25 — —Prepayment restrictions
- § 8:26 — —Late payment charges
- § 8:27 Due-on-sale clauses
- § 8:28 Adjustable rate mortgage restrictions
- § 8:29 Mortgage lending licensing statutes
- § 8:30 Mortgage enforcement statutes: legal and practical problems
- § 8:31 —Time required to foreclose
- § 8:32 —Redemption rights
- § 8:33 —Deficiency statutes
- § 8:34 —Mortgage moratoria
- § 8:35 Installment sales contracts
- § 8:36 Title insurance
- § 8:37 —Insurance coverage
- § 8:38 —Exclusions of coverage
- § 8:39 —Exceptions
- § 8:40 —Affirmative coverage
- § 8:41 —Obtaining endorsements upon assignment

VI. HAZARDOUS SUBSTANCES LAWS AND ENVIRONMENTAL LIABILITY AFFECTING REAL ESTATE OWNERS AND MORTGAGEES

- § 8:42 Generally
- § 8:43 Federal hazardous substances laws
- § 8:44 State hazardous substances statutes
- § 8:45 State property transfer statutes
- § 8:46 Impact of hazardous substances legislation on mortgage-backed securities
- § 8:47 Increased due diligence required for environmental issues

VII. OTHER FEDERAL STATUTES AFFECTING STATE REGULATION OF REAL ESTATE

- § 8:48 Real Estate Settlement Procedures Act
- § 8:49 RESPA—Disclosure; at application settlement; post-closing
- § 8:50 —Kickbacks
- § 8:51 —Title company restraints
- § 8:52 —Escrow accounts
- § 8:53 —MBS concerns
- § 8:54 Truth-in-Lending Act
- § 8:55 Appraisal requirements of FIRREA

VIII. CONCLUSION

- § 8:56 Generally

CHAPTER 9. ACCOUNTING FOR MORTGAGE-BACKED SECURITIES TRANSACTIONS

I. OVERVIEW

§ 9:1 Generally

II. THE FINANCIAL ACCOUNTING STANDARDS BOARD AND INTERNATIONAL ACCOUNTING STANDARDS BOARD

§ 9:2 Generally

III. CRITERIA FOR ACCOUNTING FOR TRANSFERS OF FINANCIAL ASSETS AS SALES

§ 9:3 Generally

§ 9:4 Surrender of control—Isolation of financial assets

§ 9:5 —Transfer constraints

§ 9:6 —Absence of effective control

§ 9:7 Recognition/derecognition

§ 9:8 —Disclosure requirements

IV. ACCOUNTING FOR AND DISCLOSURE OF MORTGAGE SECURITIES

§ 9:9 Generally

§ 9:10 Investments—Debt and equity

§ 9:11 — —Held-to-maturity securities—General rule

§ 9:12 — — —Changed circumstances

§ 9:13 — —Trading securities

§ 9:14 — —Available-for-sale securities

§ 9:15 — —Requirements of general applicability

§ 9:16 Consolidation

V. MORTGAGE SERVICING RIGHTS

§ 9:17 Generally

VI. CONCLUSION

§ 9:18 Generally

CHAPTER 10. PENSION FUND INVESTMENTS IN MORTGAGE-BACKED SECURITIES: ERISA ISSUES

I. PENSION PLAN ASSETS AND ERISA

§ 10:1 ERISA overview

II. PLAN FIDUCIARY DEFINITION

§ 10:2 Definition of “fiduciary”

III. FIDUCIARY RESPONSIBILITY

§ 10:3 Standards

§ 10:4 Sanctions

IV. ERISA PROHIBITED TRANSACTIONS

§ 10:5 General

§ 10:6 Basic prohibited transactions

§ 10:7 Self-dealing prohibitions

§ 10:8 Internal Revenue Code

V. STATUTORY EXEMPTIONS

§ 10:9 Generally

VI. PROHIBITED TRANSACTION CLASS EXEMPTIONS

§ 10:10 Generally

§ 10:11 Mortgage pool investments—PTCE 83-1

§ 10:12 Qualified professional asset managers (QPAMs)—PTCE 84-14

§ 10:13 Insurance company general accounts—PTCE 95-60

§ 10:14 Transactions with affiliated broker-dealers—PTCE 86-128

§ 10:15 Securities transactions with broker-dealers and other financial institutions—PTCE 75-1

§ 10:17 Residential mortgage financing arrangements—PTCE 88-59

§ 10:17.50 Investment advice arrangements—PTCE 2020-2

VII. PLAN ASSETS

§ 10:18 Generally

§ 10:19 General rule

§ 10:20 Exceptions—Insignificant equity participation

§ 10:21 Guaranteed governmental mortgage pool certificates

VIII. UNDERWRITERS' EXEMPTIONS

§ 10:22 General

IX. BASIC TAX ISSUES FOR PENSION PLANS

§ 10:23 Unrelated Business Taxable Income (UBTI)

§ 10:24 Tax-exempt status of trust

CHAPTER 11. RATINGS OF MORTGAGE-BACKED SECURITIES

I. OVERVIEW

§ 11:1 Generally

II. RATINGS STRUCTURE, APPROACH, AND REGULATION

§ 11:2 Generally

§ 11:3 Ratings approach

§ 11:4 SEC regulation of NRSROs—1934 Act Rules 17g-1 through 17g-10

§ 11:5 Regulatory changes from the Dodd-Frank Act

III. TYPES OF COMMONLY RATED MORTGAGE-BACKED SECURITIES

- § 11:6 Types of securities
- § 11:7 —Mortgage pass-through certificates
- § 11:8 —Mortgage-backed bonds
- § 11:9 —Pay-through bonds

IV. RATING AGENCY EVALUATION OF LEGAL RISK

- § 11:10 Legal review

V. EVALUATION OF CREDIT RISK

- § 11:11 Generally
- § 11:12 Foreclosure frequency and loss severity
- § 11:13 Prime mortgage pool characteristics
- § 11:14 Obligations backed by U.S. government and government-sponsored entity guarantees

VI. COVERING CREDIT RISKS: CREDIT PROTECTION

- § 11:15 Primary risks
- § 11:16 Special concerns: issues relating to loss coverage—Insurance companies
- § 11:17 —Servicers

VII. ADJUSTABLE RATE MORTGAGES AND COMMERCIAL PROPERTY AS MBS COLLATERAL

- § 11:18 Generally
- § 11:19 Adjustable rate mortgage-backed securities
- § 11:20 Rating CMBS

VIII. MATURITY AND YIELD CONSIDERATIONS

- § 11:21 Generally

CHAPTER 12. BANK AND S&L MORTGAGE-BACKED SECURITIES AND MORTGAGE BANKING ACTIVITIES

I. OVERVIEW

- § 12:1 Generally

II. BANKING REGULATION

- § 12:2 Generally

III. MORTGAGE BANKING AND MORTGAGE-RELATED ACTIVITIES OF BANKING ORGANIZATIONS

- § 12:3 Generally
- § 12:4 Mortgage origination
- § 12:5 Providing credit/warehouse facilities
- § 12:6 Servicing mortgage loans and MBS structures

- § 12:7 Serving as trustee for mortgage-backed structures
- § 12:8 Purchasing and selling mortgages and MBS
- § 12:9 The “Volcker Rule” and proprietary trading in MBS
- § 12:10 Sponsoring or underwriting MBS structures
- § 12:11 Structuring derivatives or acting as a counterparty
- § 12:12 Managing portfolios containing MBS

IV. CAPITAL REQUIREMENTS AND RISK MANAGEMENT

- § 12:13 General
- § 12:14 Simplified Supervisory Formula Approach

V. BANK EXAMINATIONS

- § 12:15 General

CHAPTER 13. BANKRUPTCY AND INSOLVENCY

I. INTRODUCTION

- § 13:1 Generally
- § 13:2 Overview of bankruptcy law

II. OUTLINE OF FEDERAL BANKRUPTCY CODE

- § 13:3 Filing a case
- § 13:4 The bankruptcy estate
- § 13:5 The bankruptcy estate: True sale—Special purpose vehicle
- § 13:6 —Structuring a true sale
- § 13:7 The bankruptcy estate—Interest in the servicing agreement
- § 13:8 —Interest in custodial and escrow accounts
- § 13:9 The bankruptcy estate: “Bankruptcy remote” structures
- § 13:10 Substantive consolidation
- § 13:11 —Piercing the corporate veil
- § 13:12 —Liquidation of subsidiary
- § 13:13 Avoiding the stay and adequate protection
- § 13:14 Secured claims
- § 13:15 Preferential transfer
- § 13:16 Executory contracts and fraudulent transfers

CHAPTER 14. TAX CONSIDERATIONS RELATING TO MORTGAGE-BACKED SECURITIES

I. OVERVIEW

- § 14:1 In general
- § 14:2 Limited partnerships
- § 14:3 Corporations

II. ISSUANCE OF COLLATERALIZED MORTGAGE OBLIGATIONS (CMOs)

- § 14:4 CMO structure
- § 14:5 Ownership of collateral

TABLE OF CONTENTS

§ 14:6 Phantom income

III. REAL ESTATE MORTGAGE INVESTMENT CONDUITS (REMICs)

§ 14:7	Introduction—In general
§ 14:8	Structure of the REMIC—In general
§ 14:9	— —Examples of structures
§ 14:10	— —REMIC impact
§ 14:11	—REMIC requirements; Startup day
§ 14:12	—REMIC election
§ 14:13	—Termination of REMIC
§ 14:14	—Self-liquidating pool
§ 14:15	Transfers to the REMIC
§ 14:16	—REMIC basis in property
§ 14:17	—Taxation of retained interest
§ 14:18	Interests in a REMIC—Regular interests—Specified portion
§ 14:19	— —Special rules for regular interests
§ 14:20	—Residual interest
§ 14:21	—Permitted interests
§ 14:22	—Special holders
§ 14:23	Qualified investments—In general
§ 14:24	—Qualified mortgages—Real property
§ 14:25	— —Convertible mortgage; purchase agreement
§ 14:26	— —Limitations—Principally secured by real property
§ 14:27	— — —Credit enhancement
§ 14:28	— — —Defeasance
§ 14:29	— — —Assumptions and modifications—In general
§ 14:30	— — — —Pass-through certificates
§ 14:31	—Qualified replacement mortgages; defective obligations
§ 14:32	—Permitted investments
§ 14:33	— —Cash flow investments
§ 14:34	— —Qualified reserve asset—Reserve funds
§ 14:35	— — —Outside reserve funds
§ 14:36	— —Foreclosure property
§ 14:37	—Prepayment interest shortfalls
§ 14:38	—Impact of failing asset test
§ 14:39	Inadvertent termination
§ 14:40	Prohibited transactions—In general
§ 14:41	—Qualified liquidation
§ 14:42	—Clean-up call
§ 14:43	Transfers to disqualified organizations—In general
§ 14:44	—Reasonable arrangements
§ 14:45	—Tax payable
§ 14:46	—Waiver of tax
§ 14:47	Tax on “pass-thru entity”—In general
§ 14:48	Liquidation of a REMIC
§ 14:49	Taxation of regular interests—Debt treatment of regular interest holder
§ 14:50	—Gain on disposition
§ 14:51	—Original issue discount rules—In general
§ 14:52	Taxation of residual interests—Calculation of tax liability
§ 14:53	—Phantom income: excess inclusions—Description

- § 14:54 —Sales of residual interests
- § 14:55 REMIC taxable income—In general
- § 14:56 —Code Section 212 deduction
- § 14:57 —Limitation on deductions—Organizational expenses
- § 14:58 Allocation of expenses by a REMIC—Allocation of expenses—In general
- § 14:59 —Pass-thru interest holder
- § 14:60 —Pass-thru entity—In general

CHAPTER 15. LATEST TRENDS AND DEVELOPMENTS

I. REGULATORY DEVELOPMENTS

- § 15:1 Final SEC rules on conflicts of interest in securitization transactions
- § 15:2 Court vacation of SEC rules for private fund advisers
- § 15:3 New anti-money laundering rules for investment advisers
- § 15:4 Adoption of new DOL fiduciary rule and subsequent vacation by court
- § 15:5 Proposal to allow Freddie Mac to buy secondary mortgages
- § 15:6 Revised best practices for trading in agency MBS and other debt instruments

APPENDICES

- Appendix A. Glossary of Terms
- Appendix A1. 1933 Act Section 3(a)(2)
- Appendix A2. 1933 Act Section 4(a)(2)
- Appendix A3. 1933 Act Section 5
- Appendix B. 1933 Act Rule 144A
- Appendix B1. 1933 Act Rule 193
- Appendix B2. 1933 Act Rule 415
- Appendix C. 1933 Act Regulation D
- Appendix C1. 1933 Act Regulation AB
- Appendix D. Securities Act Release No. 3892
- Appendix E. Enhancing Disclosure in the Mortgage-Backed Securities Markets
- Appendix F. 1934 Act Section 3(a)(4)
- Appendix F1. 1934 Act Section 3(a)(5)
- Appendix F2. 1934 Act Section 3(a)(12)
- Appendix F3. 1934 Act Section 3(a)(41)
- Appendix F4. 1934 Act Section 15E
- Appendix F5. 1934 Act Section 15G
- Appendix F6. 1934 Act Rule 15Ga-1
- Appendix F7. 1934 Act Section 15Ga-2
- Appendix G. 1934 Act Rule 17g-1
- Appendix G1. 1934 Act Rule 17g-2
- Appendix G2. 1934 Act Rule 17g-3
- Appendix G3. 1934 Act Rule 17g-4
- Appendix G4. 1934 Act Rule 17g-5

TABLE OF CONTENTS

Appendix G5.	1934 Act Rule 17g-6
Appendix G6.	1934 Act Rule 17g-7
Appendix H.	1940 Act Section 2(a)(51)
Appendix H1.	1940 Act Section 3(a)
Appendix H2.	1940 Act Section 3(c)(1)
Appendix H3.	1940 Act Section 3(c)(5)
Appendix H4.	1940 Act Section 3(c)(7)
Appendix I.	1940 Act Rule 2a51-1
Appendix I1.	1940 Act Rule 3a-7
Appendix J.	ERISA Section 3
Appendix J1.	ERISA Section 404
Appendix J2.	ERISA Section 406
Appendix J3.	ERISA Section 408
Appendix K.	Prohibited Transaction Class Exemption 83-1
Appendix L.	Prohibited Transaction Class Exemption 88-59
Appendix M.	DOL Advisory Op. 1999-03A
Appendix M1.	DOL Advisory Op. 96-23A
Appendix N.	12 U.S.C.A. § 1701j-3
Appendix N1.	12 U.S.C. 3801
Appendix O.	Truth in Lending Act—Definitions and Disclosure Provisions
Appendix O1.	Truth in Lending (Regulation Z)— Mortgage Transaction Rules
Appendix P.	Interagency Advisory on Mortgage Banking
Appendix Q.	Letter to D’Amato from Robert L. Clarke
Appendix R.	FRB SR Letter 10-14
Appendix S.	OFHEO Mortgage Market Note 08-3
Appendix T.	FCIC Staff Report—Apr. 7, 2010
Appendix U.	FCIC Staff Report—June 29, 2010

Table of Laws and Rules

Table of Cases

Index