Criteria | Structured Finance | General:

Counterparty Risk Methodology

July 25, 2025

These criteria are effective July 25, 2025, except in jurisdictions that require local registration. In those jurisdictions, the criteria are effective only after the local registration process is completed.

ANALYTICAL CONTACTS

Giuseppina Martelli
Milan
+ 39 02 72 111 274
giuseppina.martelli@spglobal.com

Florent Stiel
Paris
+ 33 14 420 6690
florent.stiel@spglobal.com

Jose Coballasi
Mexico City
+ 52 55 5081 4414
jose.coballasi@spglobal.com

Elizabeth A Steenson
Melbourne
+ 61 3 9631 2162
elizabeth.steenson@spglobal.com

METHODOLOGY CONTACT

Volker Laeger
Frankfurt
+ 49 693 399 9302
volker.laeger@spglobal.com

This criteria article describes S&P Global Ratings' methodology for assessing the counterparty risk primarily in structured finance transactions (see Appendix 1 for details on the scope of these criteria). For information about the initial publication of this article as of July 25, 2025, including key changes, the impact on ratings, and superseded criteria, see "Updated Counterparty Risk Methodology Published."

METHODOLOGY

Overview

Our analysis of counterparty risk focuses on the possibility that a party involved in a financial transaction may not fulfill its contractual obligations, such as failing to pay or meet the terms of a contract. This can result in a loss for other parties involved, including the issuer. We consider various types of counterparty risks, including those related to third parties that hold assets (including cash) or make financial payments. Typically these are exposures to institutions that maintain key accounts and providers of derivative contracts, such as interest rate and currency swaps.

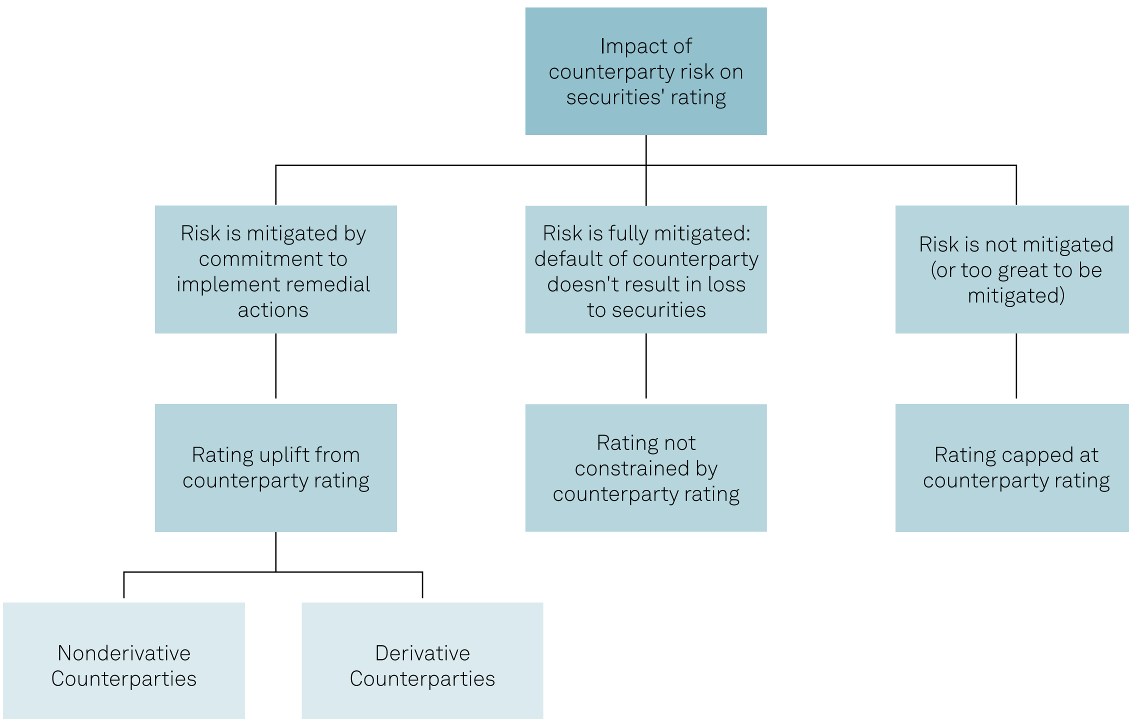
These criteria primarily apply to structured finance transactions, with the detailed scope provided in Appendix 1. They establish a framework for analyzing counterparty risks and any potential mitigants. Typical mitigants may include legal or structural factors, as well as contractual commitments from the counterparties to act on a deterioration in their creditworthiness. Our assessment of counterparty risk may limit the rating assigned to a financial obligation if the highest supported rating--as determined by these criteria--is lower than what would be supported under other applicable criteria in our analysis of that financial obligation. The framework considers three scenarios, each discussed in detail in its respective section:

- Rating uplift from counterparty rating: The rating on the supported financial obligations may exceed the rating on the counterparty if counterparty risk is mitigated by downgrade remedies, i.e., the counterparty's commitment to take specific remedial actions if the rating falls below a certain threshold (the remedy rating trigger). If a downgraded counterparty fails to implement the committed remedial action, we may lower the rating on the supported notes unless other mitigating factors justify maintaining the current rating.

- Rating not constrained by counterparty rating: The rating on the supported financial obligations is not limited by the counterparty rating when counterparty risk is fully mitigated by legal or structural factors.
- Rating capped at counterparty rating: The rating on the supported financial obligations cannot exceed the rating on the counterparty if counterparty risk is not mitigated. Examples would be if the counterparty doesn't commit to appropriate remedial actions in case of a downgrade, or we have determined that the materiality of the counterparty risk is too great to be mitigated by typical downgrade remedies (high exposure).

Chart 1

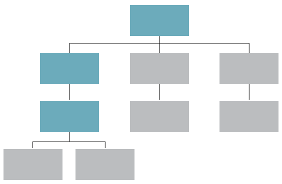
Overview of the framework for analyzing counterparty risks



Source: S&P Global Ratings.

If there are atypical counterparty risks or mitigants in a transaction that are not contemplated in these criteria, we assess those by applying the framework based on their specifics and our analytical judgment.

Methodology



Rating Uplift From Counterparty Rating

The rating on the supported financial obligations may reflect an uplift over the rating on the counterparty if downgrade remedies mitigate counterparty risk. In these cases, when the counterparty commits to remedial actions if it is downgraded below the remedy rating trigger, we start our analysis by determining the applicable counterparty rating for the specific obligation. We then evaluate the counterparty's obligations, along with the documented remedial actions. For this assessment, we differentiate between derivative and nonderivative obligations because derivative agreements involve unique factors, particularly concerning collateralization and termination events.

Determining the applicable counterparty rating

The applicable counterparty rating input is generally either the issuer credit rating (ICR) or resolution counterparty rating (RCR) on the counterparty.

We use the RCR if we have assigned one and if we believe the obligation qualifies as an RCR liability according to our financial institutions rating criteria (see "Related Publications") and as published in our RCR jurisdiction assessments. Otherwise, we use the ICR.

The local currency rating on the counterparty is relevant for obligations denominated in its local currency while the foreign currency rating applies to obligations denominated in a currency other than the counterparty's local currency.

These criteria reference long-term ratings when defining the minimum eligible counterparty ratings. When counterparties have only short-term ratings or reference short-term counterparty ratings in their documentation, we infer a long-term rating from the documented short-term rating. This inferred long-term rating is the lowest one that maps to the relevant short-term rating according to our criteria for linking long- and short-term ratings (see "Related Publications").

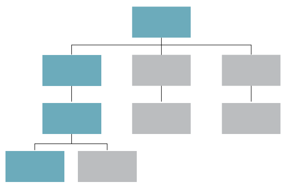
If a counterparty is not rated but belongs to a group with a rated parent, we may determine the rating using our group rating methodology (see "Related Publications"), as applicable to the specific group. This analysis considers the rating on the counterparty's group parent and the counterparty's status within the group. Under the criteria, we evaluate whether the documented downgrade remedies adequately reflect both the rating on the parent and the counterparty's group status. For counterparties that are unrated branches of rated banks, we apply our methodology to bank branch-supported transactions (see "Related Publications").

When assessing the counterparty risk to delinked covered bonds, the issuing bank's reference rating level (see our covered bonds criteria in "Related Publications") would be the applicable counterparty rating, in situations where the counterparty is related to the covered bond issuer.

Counterparty ratings limited by the relevant sovereign rating. When the rating on a counterparty is constrained by the relevant sovereign rating at 'BB' or below, the applicable counterparty rating input may refer to the higher of:

- The ICR or RCR (as applicable to the relevant obligation type), and
- The counterparty's stand-alone credit profile (SACP).

If the counterparty's SACP is the applicable rating (because it is higher than the relevant sovereign rating), we consider that the counterparty risk analysis addresses the issuer's exposure to the counterparty's idiosyncratic default risk. However, we also recognize that the issuer remains exposed to counterparty risk in a sovereign default scenario. This risk may influence our assessment of the transaction's sensitivity to sovereign default risk, in accordance with our criteria for incorporating sovereign risk (see "Related Publications").



Nonderivative counterparties

Nonderivative obligations for which we analyze counterparty downgrade remedies include transaction bank accounts, servicers collecting cash from securitized assets (which may introduce commingling risk), liquidity or credit facilities, and commitments to fund reserves for specific transaction risks. These obligations can contribute to the credit enhancement of a supported security but are not the sole repayment source, unlike credit substitution.

Remedial actions. For nonderivative exposures, typical counterparty downgrade remedies include a firm commitment from the counterparty, within the remedy period, to:

- Replace itself with, or obtain a guarantee from, a higher-rated counterparty at its own cost (we evaluate such guarantees according to our guarantee criteria, see "Related Publications");
- Prefund or draw-to-cash its obligations for the duration of the transaction; and/or
- Implement structural mechanisms or other mitigating factors to eliminate counterparty risk.

We consider these downgrade remedies effective in mitigating counterparty risk if the remedy period doesn't exceed 90 calendar days. For bank accounts, the implementation of the downgrade remedies may be the responsibility of the issuer or its trustee, using commercially reasonable efforts. Otherwise, we believe the counterparty should be accountable for firmly committing to any remedial actions.

If there is no commitment to cover any cost associated with implementing the downgrade remedies, we reflect such costs in the cash flow analysis if our cash flow criteria (see "Related Publications") are applicable.

Exposure classification. We classify the counterparty risk exposures of rated securities as low, medium, or high. An exposure is classified as low if it meets both conditions below. Otherwise, it is generally classified as medium. For high exposures, see the "Rating Capped At Counterparty Rating" section. We perform this classification when a new transaction is initiated and generally don't expect it to change during the transaction's life.

Conditions for exposure classification of low:

Parameter. Sensitivity to counterparty performance

Common assessment. We assess that the hypothetical scenario of the counterparty's insolvency would not, in itself, disrupt payments on the rated notes (low sensitivity). This assessment considers any structural features or mitigating factors that could prevent payment disruptions on the rated notes if a counterparty defaults.

For example:

- The covered risk would not materialize as a direct consequence of the counterparty's default.

For example, an obligation to fund a reserve to cover set-off risks on the securitized assets, when the issuer would only be exposed to losses if borrowers made set-off claims in the future.

- Structural features exist that mitigate the counterparty's default. For example, the frequent sweeping of cash amounts held in a bank account to limit the amount of cash that may accumulate in the account at any time. If the resulting exposure is small relative to the issuer's other available resources, then a counterparty default would likely not directly disrupt payments on the rated notes.

Parameter. Materiality of the exposure

Common assessment. To assess that the exposure to the counterparty has low materiality, we consider the size of the exposure, which may be a fixed amount, or a function of transaction features, such as the payment profile of the securitized assets and the frequency of distributions to noteholders.

Fixed amount. When the exposure amount is fixed (or capped) at a certain amount, we generally classify the exposure as low if it is not higher than 5% of the original pool balance (or, for revolving structures and programs with ongoing issuance, the higher of the original and current pool balances). When a transaction has multiple fixed (or capped) exposures (e.g., a liquidity facility and a reserve fund commitment) to the same counterparty, we compare the aggregate exposures with the 5% threshold if we assess that failure to perform on any of these obligations individually would not lead to a direct disruption in payments on the rated notes. If we determine that default on any one of these obligations could itself lead to a payment disruption, we will generally classify such exposure as "medium" and exclude it from the aggregate against which we assess the remaining exposures' materiality.

Minimum eligible counterparty rating. Based on our classification of the exposure and the rating level of the security, we recognize replacement commitments when the remedy rating trigger meets or exceeds the minimum eligible counterparty rating, as outlined in table 1.

Table 1

Minimum eligible counterparty rating based on exposure classification and security rating

	--Minimum eligible counterparty rating--	
Security rating	**Medium exposure**	**Low exposure**
AAA	A	BBB
AA+	A	BBB
AA	A-	BBB
AA-	A-	BBB-
A+	BBB+	BBB-
A	BBB	BBB-
A-	BBB-	BB+
BBB+	BBB-	BB+
BBB	BBB-	BB
BBB-	BB+	BB
BB+	BB+	BB-

Table 1

Minimum eligible counterparty rating based on exposure classification and security rating (cont.)

	--Minimum eligible counterparty rating--	
Security rating	Medium exposure	Low exposure
BB	BB	BB-
BB-	BB-	B+
B+	B+	B
B	B	B

The specifics of the exposure classification for bank account providers and commingling risk are as follows:

Bank account providers. We may determine that exposure to a bank account provider doesn't limit the rating on the securities if the exposure is minor. To reach this conclusion, all the following conditions must be met:

- The account provider only manages the issuer's collection account, meaning it solely holds collections from the securitized assets.
- The exposure period is limited to a maximum of one month of collections from the securitized assets, i.e., collections are swept at least monthly.
- The weighted-average remaining term of the securitized assets at closing is sufficiently long, typically at least 36 months.
- The account provider has, at the time the transaction is initiated, a minimum credit rating of 'BBB' or equivalent, subject to the application of primary rating drivers in our ratings-based inputs criteria (see "Related Publications").

We may also separately conclude that a bank account provider doesn't constrain the rating on the securities if collections received in the account are moved within two business days into an account with an eligible counterparty in the issuer's name. We consider both the potential exposure amount and its impact on the supported security when determining if this two-day exposure is consistent with the rating on the security without additional mitigating factors.

We may classify exposures to bank account providers as low in the following scenarios:

- The bank account provider operates in a jurisdiction with an effective bail-in resolution regime, making it likely to undergo a resolution process were it to reach nonviability. A bank account provider with an RCR typically meets this condition; or
- We conduct a cash flow analysis simulating the loss resulting from the bank account provider's default, along with applicable rating stresses. This sensitivity analysis supports ratings on securities that are no more than one rating category below those based on the assumption that the bank account provider doesn't default.

Otherwise, we classify the exposure to the bank account provider by first determining sensitivity and then materiality, as outlined above. For typical accounts with monthly or quarterly distributions and low sensitivity, we generally classify the counterparty risk exposure as shown in table 2 below. These classifications reflect the materiality of the exposure based on the amount of cash that may accumulate for a typical asset pool payment profile.

Table 2

Typical classification of exposures to bank account providers with low sensitivity

Securitized asset type	Classification
Residential mortgages	Low
Auto loans	Low
Auto lease	Medium (may also be low in the absence of concentrations of residual value maturities in any given month)
Student loans	Low
Consumer loans	Low
Credit cards	Medium
Trade receivables	Medium
Commercial mortgages	Low
Auto dealer floorplan loans	Medium
Equipment loans and leases	Low (may also be medium if there are concentrations of residual value maturities in any given month)
Corporates/SMEs (CDO/CLO)	Low
Manufactured housing	Low
Data centers	Low
Solar loans and leases	Low

SME--Small- to midsize enterprise. CDO--Collateralized debt obligation. CLO--Collateralized loan obligation.

For accounts in transactions secured by assets not covered in table 2 or those with atypical payment profiles or structural features, we generally assess the materiality of the counterparty risk exposure relative to the 5% threshold described above.

Commingling risk. Commingling risk refers to the potential delays or losses in collections from the securitized assets due to the servicer's insolvency. We generally conclude that commingling risks don't limit the rating on the securities if all the following conditions are met:

- The exposure period is limited to a maximum of one month of collections from the securitized assets, i.e. the collections that the issuer is entitled to receive are swept at least monthly into an account in the issuer's name.
- The weighted-average remaining term of the securitized assets at closing is sufficiently long, typically at least 36 months.
- The servicer has, at the time the transaction is initiated, a minimum credit rating of 'BBB' or equivalent, subject to the application of primary rating drivers in our ratings-based inputs criteria.

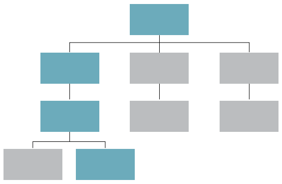
We may also recognize structural mechanisms that effectively protect the issuer from losses or delays in receiving funds due to the servicer's insolvency. In such cases, the rating on the servicer does not constrain the rating on the securities. Structural mechanisms include:

- A commitment to deposit all collections that the issuer is entitled to receive into a deposit account with an eligible counterparty in the issuer's name within two business days of receipt, like our assessment of bank account providers (see above);

- Obligor payments made directly into an account in the issuer's name; and
- Obligor payments made into a lockbox account to which the servicer has limited access until the funds are transferred into an account in the issuer's name.

When sizing commingling risk, we consider the amounts that may accumulate with the servicer before its insolvency or resolution, where applicable. We generally do not consider amounts that may be paid following its insolvency or resolution. To assess the amounts that may accumulate with the servicer, we generally review the borrower payment schedules for the securitized assets and the frequency with which the servicer will pay the issuer the collections it is entitled to receive. Otherwise, we classify the commingling exposure by first determining sensitivity and then materiality, as outlined above, including table 2.

Failure to take remedial actions. If a counterparty fails to take remedial actions within the remedy period after the rating falls below the remedy rating trigger, we believe it may still be appropriate for the ratings on the supported securities to remain above the rating on the counterparty. In such cases, we consider various factors in our analysis, including the available credit enhancement in the transaction, transaction performance since closing, the reasons for the failure to act, and any communicated plans from the counterparty or trustee regarding further actions. Unless our analysis indicates that the transaction would not incur a loss if the counterparty defaults, we generally lower the rating on the securities to a level not higher than the rating that follows from the application of table 1, based on an assumed minimum eligible counterparty rating equal to the current rating on the counterparty.



Derivative counterparties

Derivative obligations generally differ from nonderivative obligations because of collateralization and the potential impact of termination payments. Typical derivative obligations are contracts to hedge risks like interest rates or currency exchange rates.

Remedial actions Derivatives typically include the following contractual commitments to implement certain remedies and outline consequences if the credit rating on the counterparty falls below specified remedy rating triggers:

- The counterparty commits to posting collateral;
- The counterparty commits to replace itself with an eligible counterparty and allows the issuer to terminate the derivative if the counterparty fails to do so (referred to as an "additional termination event" [ATE]); and
- Termination payments are subordinated when the derivative terminates and the counterparty is the defaulting or sole affected party following an ATE.

When assessing the remedial actions, we differentiate situations with subordinated termination payments from those in which termination payments rank senior. Table 3 provides an overview of how we assess different combinations of the counterparty's commitment to post collateral and/or replace itself, if we assess that termination payments are subordinated. We apply the same analysis if we assess that the liquidity risk resulting from senior termination payments is otherwise mitigated. See Appendix 2 for the analysis when termination payments are not subordinated.

Table 3

Assessment of remedial actions if termination payments are subordinated

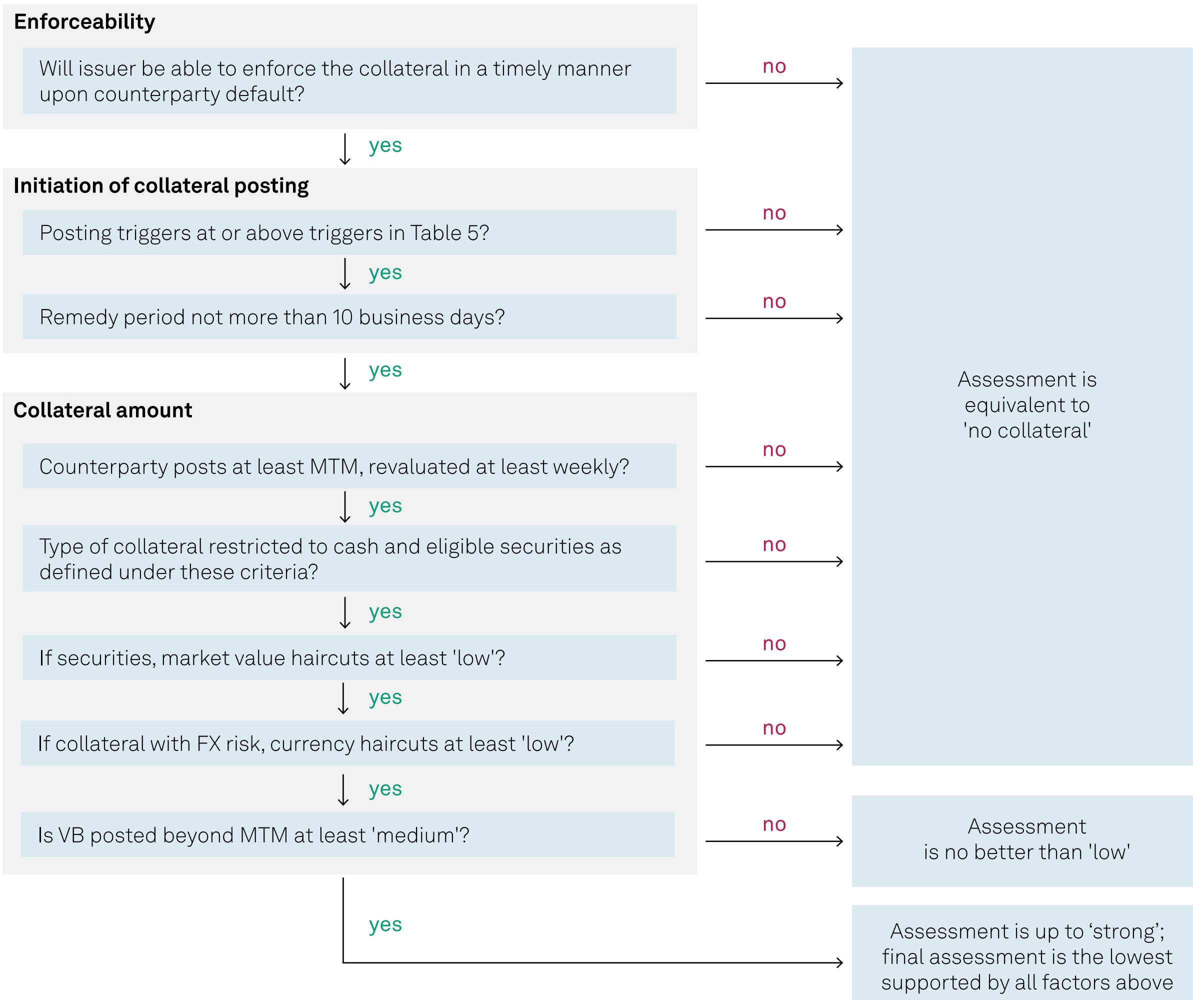
	With replacement commitment*	No replacement commitment§
With collateral posting commitment*	Minimum eligible ratings depend on security rating and strength of collateral framework (see table 6)	Benefit given depends on strength of collateral framework (see table 7)
No collateral posting commitment§	Minimum eligible ratings depend on security rating (see table 6, rightmost column)	No rating uplift. Risks are either reflected in the cash flow analysis or ratings on securities are capped at counterparty rating.

*If commitment meets minimum standards. §Or if commitment doesn't meet minimum standards for at least "low" collateral framework.

Assessment of collateral posting framework. Our assessment of the collateral frameworks starts with the analysis of the collateral enforceability. We then categorize the strength of the collateral framework. Chart 2 illustrates our assessment of the collateral framework.

Chart 2

Collateral framework assessment



MTM--mark-to-market. FX--foreign exchange. VB--volatility buffer. Source: S&P Global Ratings.

Collateral enforceability analysis. Our analysis considers the issuer's ability to enforce the collateral arrangement if the counterparty defaults, so that it can access the collateral in a timely manner and use it to rehedge its exposure. We expect that sophisticated market participants, in consultation with their legal advisers, have performed the necessary legal analysis to conclude this.

A key assumption underlying these criteria is that derivative collateral arrangements are legally enforceable in typical derivatives when:

- The derivative agreement follows a standardized market-wide framework, such as the templates provided by the International Swaps and Derivatives Assn. (ISDA);
- The derivative is a market-rate hedge (e.g., hedging interest rate or foreign exchange movements);
- The counterparty is a regulated financial institution;

- The use of derivatives in transactions similar to the supported securities is well-established in the counterparty's jurisdiction;
- The collateral posted by the counterparty is held by an independent third party (i.e., custodian) located in a jurisdiction typical for such accounts in transactions similar to the supported securities; and
- The assets eligible to be posted as collateral are limited to those that are eligible under either these criteria or the Basel regulatory framework for margin requirements on noncentrally cleared derivatives.

In such cases, our analysis will focus on the review of elections made by the counterparties under the credit support annex (CSA), according to our derivative agreement criteria (see "Related Publications"). We will consider whether the elections made by the parties in the CSA give the issuer clear enforcement rights against the collateral if the counterparty is the defaulting party or the sole affected party. If applicable, we will also analyze the issuer's exposure to the counterparty risk of the custodian holding the collateral.

If we don't conclude that the likelihood of enforceability of the collateral arrangement is commensurate with the uplift contemplated under these criteria, we consider the collateral framework equivalent to no collateral framework.

Collateral framework categorization. We categorize the counterparty's collateral posting framework for a given derivative contract as low, medium, or strong based on our assessment of the likelihood that collateral would allow the issuer to rehedge its exposure if a counterparty defaults. The factors that we consider in this determination are shown in chart 2 and in further detail in table 4.

We generally assign a collateral framework to a specific category only if it meets all the conditions of that category, unless we deem a specific variation to be minimal or adequately mitigated. If a collateral framework doesn't satisfy at least the conditions for the low category, we consider it equivalent to no collateral framework.

Table 4

Collateral posting framework assessments summary

	--Collateral framework strength--		
	Strong	**Medium**	**Low**
Remedy period to begin collateral posting (if applicable)	Not more than 10 business days following downgrade of the counterparty	Not more than 10 business days following downgrade of the counterparty	Not more than 10 business days following downgrade of the counterparty
Min. rating trigger below which posting of MTM is initiated	See table 5	See table 5	See table 5
Coverage of the issuer's exposure to the counterparty	Posting of MTM	Posting of MTM	Posting of MTM
Min. rating trigger below which posting of VB is initiated	See table 5	See table 5	NA
Coverage of volatility risk in the swap value	Strong VB	Medium VB	None
Revaluation of collateral	At least weekly	At least weekly	At least weekly
Assets eligible as collateral	Cash and eligible assets listed in Appendix 3	Cash and eligible assets listed in Appendix 3	Cash and eligible assets listed in Appendix 3

Table 4

Collateral posting framework assessments summary (cont.)

	--Collateral framework strength--		
	Strong	**Medium**	**Low**
Coverage of market value risk on collateral assets (if non-cash assets are posted)	Strong market value haircuts	Medium market value haircuts	Low market value haircuts
Coverage of currency risk on collateral assets (if currency mismatch exists between collateral and currency needed for replacement)	Strong currency haircuts	Medium currency haircuts	Low currency haircuts

min.--Minimum. NA--Not applicable. MTM--Mark-to-market. VB--Volatility buffers.

Initiation of collateral posting and remedy period. Typically, counterparties begin to post collateral either on entering into a derivative agreement or when the counterparty is downgraded below a specified rating (collateral posting trigger).

Table 5 provides the minimum collateral posting triggers we use in the collateral framework assessment for posting first the mark-to-market and, when applicable, subsequently the volatility buffers. To give benefit to a collateral framework, we believe the remedy period to begin collateral posting should be no more than 10 days after the downgrade of the counterparty.

Table 5

Minimum collateral posting triggers for MTM and VB

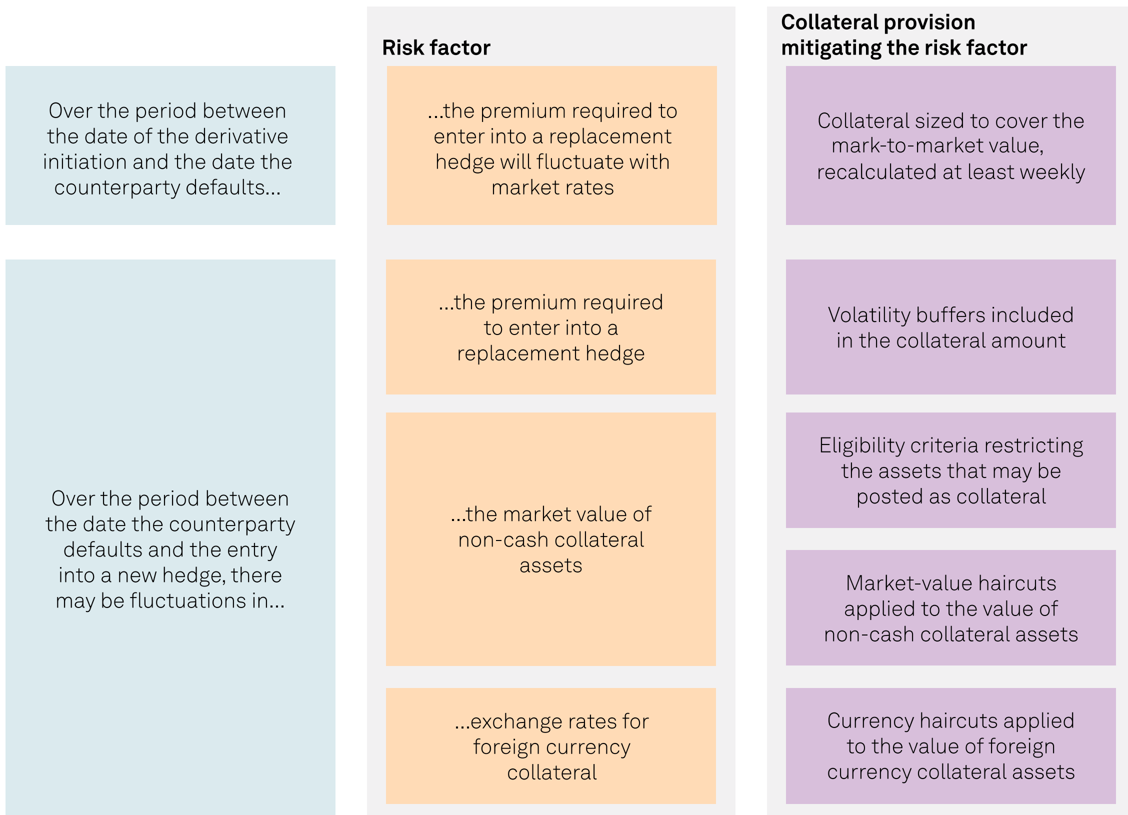
	--Minimum posting trigger--	
Security rating	**Posting MTM**	**Posting VB**
AAA	A-	BBB+
AA+	A-	BBB+
AA	BBB+	BBB
AA-	BBB+	BBB
A+	BBB	BBB-
A	BBB	BBB-
A-	BBB-	BB+
BBB+	BBB-	BB+
BBB	BBB-	BB+
BBB-	BB+	BB
BB+	BB+	BB
BB	BB	BB-
BB-	BB-	B+
B+	B+	B
B	B	B-

MTM—Mark-to-market. VB—Volatility buffers.

Assessing the sufficiency of the collateral amount posted. After the derivative counterparty defaults, to enter a replacement derivative with a new counterparty on similar terms, the issuer may need to pay an up-front premium. Posted collateral can help fund this. To assess the collateral framework, our criteria assess the risks to the sufficiency of the collateral amount for this purpose, and any provisions that mitigate these risks, as illustrated in charts 2 and 3.

Chart 3

Risk factors affecting the issuer's ability to rehedge



Source: S&P Global Ratings.

We calibrate the quantitative assumptions for the volatility buffers and market-value and currency haircuts as follows:

Volatility buffers. Based on the simulation of mark-to-market (MTM) volatility on idealized swaps in hypothetical rate volatility scenarios, historical data on the volatility of swap prices, and, as a proxy, sovereign bond prices, in each case differentiated by remaining weighted-average life (WAL).

Market-value haircuts. Based on observed historical market-value declines for those asset types considered eligible, differentiated by remaining asset term to maturity.

Currency haircuts. Based on observed historical volatility for the relevant currencies.

For all the above, we may also consider other market reference points (e.g., applicable haircuts or margin requirements under over-the-counter derivative regulation) and external research that may inform the calibration of specific assumptions.

We differentiate collateral framework assessments based on how robustly volatility risks are covered. Specifically, we will assess the coverage as:

- Strong, if we consider that volatility risks would be covered for at least 90 calendar days after the counterparty's default;
- Medium, if we consider that volatility risks would be covered for at least two weeks (but less than 90 calendar days) after the counterparty's default; or
- Low, if we consider that volatility risks would be covered up to the time of the counterparty's default only, with no coverage thereafter, i.e., coverage of MTM value of the derivative only.

We provide the volatility buffers for typical structured finance interest rate and currency derivatives in Appendix 3. For other types of derivatives, we would consider the assumptions in Appendix 3 as a reference point for comparison, in addition to the factors listed above.

To support a collateral framework assessment of at least low, the posted collateral should be limited to cash and/or high-credit-quality and liquid assets that are not issued by the counterparty itself (or one of its affiliates). In determining which noncash asset types are eligible, we consider the credit rating on the asset and the classification of the asset type under liquidity coverage regulations for financial institutions. We will also consider other factors that may affect our view of the asset's liquidity. For example, for sovereign bonds, we also consider whether the bond is issued in the sovereign's local currency, whether this is a reserve currency, and the depth of the market for the sovereign's issuances. We include in Appendix 3 (and may update from time to time) a list of asset types that we consider to be eligible, as well as the market-value haircuts that we consider to be commensurate with each asset type.

In Appendix 3 we provide (and may update from time to time) a list of currencies that we consider eligible for posting collateral, along with the currency haircuts that align with our collateral framework assessments.

Derivatives in structured finance transactions typically include unilateral collateral posting: The counterparty may be required to post collateral to the issuer, depending on the calculation of the collateral posting amount, but the issuer does not post collateral to the counterparty, regardless of the calculation of the collateral posting amount. When a derivative contract requires the issuer to post collateral to the counterparty, we will apply our criteria for assessing special-purpose vehicle margin requirements for swaps (see "Related Publications").

Increased volatility and liquidity risks. We may adjust the collateral framework assessment if we assess that a specific type of swap may exhibit higher volatility risks than the typical interest-rate and currency derivatives seen in established structured finance markets, which are reflected in our volatility buffer assumptions.

We may reach such a conclusion, for example, for transactions in jurisdictions where the use of derivatives in structured finance is less established. In such cases, we assess the collateral framework as no better than medium depending on our assessment of the incremental volatility risk relative to typical derivatives in established structured finance markets. We assess the collateral framework as low if we consider that there is no effective coverage of volatility risks that may arise after the counterparty's default. In extreme cases, we may determine a collateral framework does not meet the conditions to be considered a differentiating factor in our analysis, i.e. being equivalent to no collateral framework.

Another example where we may adjust our collateral framework assessment downward is if we believe a transaction is exposed to a material liquidity risk between the initial swap counterparty's default and the entry into a swap with a new counterparty (other than the liquidity risk associated with senior termination payments). We may apply such an adjustment where the derivative counterparty's creditworthiness has deteriorated and is closer to default because we would have some information about the circumstances and market environment that an issuer would be facing in a counterparty default scenario.

We may apply this adjustment if we believe the issuer will likely not make payments on the rated securities without a hedge in the short-term aftermath of a counterparty default. To assess the potential for and materiality of liquidity risk in a counterparty default scenario, we may consider:

- The transaction's payment mechanics, particularly whether principal receipts may be used to make interest payments on the notes;
- Any cash reserves in the transaction that provide available liquidity;
- The issuer's ability to use the collateral received from the counterparty to make interest payments on the notes before entering a new swap;
- The materiality of the swap cash flows to the transaction; and
- Any other structural features that may support or hinder the issuer's liquidity profile in a counterparty default scenario (e.g., excess spread between interest received on the assets and interest paid on the liabilities may provide short-term liquidity to the issuer).

Assessment of replacement framework. Based on our assessment of the collateral posting obligation, we give credit to replacement commitments when the remedy rating triggers meet or exceed the minimum ratings, as outlined in table 6. The minimum ratings are provided as A / B | C with the following meaning:

- A: minimum posting trigger for MTM
- B: minimum posting trigger for VB
- C: minimum eligible counterparty rating for replacement

Table 6

Minimum eligible counterparty rating and posting trigger based on collateral framework assessment and security rating

	--Minimum posting trigger and eligible counterparty rating--			
Security rating	Strong collateral framework	Medium collateral framework	Low collateral framework	No collateral
AAA	A- / BBB+ | BBB-	A- / BBB+ | BBB	A- / -- | BBB+	-- / -- | A
AA+	A- / BBB+ | BBB-	A- / BBB+ | BBB	A- / -- | BBB+	-- / -- | A
AA	BBB+ / BBB | BB+	BBB+ / BBB | BBB-	BBB+ / -- | BBB	-- / -- | A-
AA-	BBB+ / BBB | BB+	BBB+ / BBB | BBB-	BBB+ / -- | BBB	-- / -- | A-
A+	BBB / BBB- | BB	BBB / BBB- | BB+	BBB / -- | BBB-	-- / -- | BBB+
A	BBB / BBB- | BB	BBB / BBB- | BB+	BBB / -- | BBB-	-- / -- | BBB
A-	BBB- / BB+ | BB-	BBB- / BB+ | BB	BBB- / -- | BB+	-- / -- | BBB-
BBB+	BBB- / BB+ | BB-	BBB- / BB+ | BB	BBB- / -- | BB+	-- / -- | BBB-
BBB	BBB- / BB+ | BB-	BBB- / BB+ | BB	BBB- / -- | BB+	-- / -- | BBB-
BBB-	BB+ / BB | B+	BB+ / BB | BB-	BB+ / -- | BB	-- / -- | BB+
BB+	BB+ / BB | B+	BB+ / BB | BB-	BB+ / -- | BB	-- / -- | BB+
BB	BB / BB- | B	BB / BB- | B+	BB / -- | BB-	-- / -- | BB
BB-	BB- / B+ | B-	BB- / B+ | B	BB- / -- | B+	-- / -- | BB-
B+	B+ / B | B-	B+ / B | B-	B+ / -- | B	-- / -- | B+
B	B / B- | B-	B / B- | B-	B / -- | B-	-- / -- | B

Note: This table is only applicable when termination payments are subordinated. '--'--Not applicable.

Table 7 indicates the uplift above the rating on the counterparty if the counterparty doesn't commit to replace itself or the commitment doesn't meet minimum standards but commits to post collateral. To avoid doubt, the uplift will not be higher than what would follow from the application of table 6.

Table 7

Uplift for security ratings supported by collateral framework only

Assessment of collateral framework	Uplift above counterparty rating
Strong	Three notches
Medium	Two notches
Low	One notch

Note: This table is only applicable when termination payments are subordinated.

In this scenario, we may also perform a cash flow analysis simulating the default of a derivative counterparty (i.e., running the transaction cash flows without the benefit of the hedge) to determine the hypothetical rating that would be supported if a transaction were to become unhedged. The uplift then depends on the assessment of the collateral framework and is equivalent to the levels provided in table 7, but is applied to this hypothetical rating rather than the counterparty rating. The uplift based on the collateral framework assessment allows us to differentiate a truly unhedged transaction from one benefiting from a collateralized derivative, where the absence or weakness of the replacement framework would otherwise constrain the rating. For the avoidance of doubt, this provision cannot lead to a final rating on the supported securities that exceeds the rating supported by our analysis of the transaction cash flows, with the benefit of the relevant hedge.

Assessment of replacement commitment. We will give credit in our analysis to a counterparty's contractual commitment to replace itself if the derivative documentation includes the following minimum standards:

- The counterparty's firm commitment to replace itself if the rating is lowered below the remedy rating trigger.
- A remedy period for the replacement of no longer than 90 calendar days, or, if the remedy period is not quantified, it is defined as "as soon as reasonably practicable" (or similar language). In this case we also consider that a counterparty has failed to replace if it has not done so within 90 calendar days of its downgrade below the minimum eligible counterparty rating.
- An ATE, which allows the issuer to terminate the derivative if the counterparty fails to replace itself. If a remedy period is not quantified, we assess how the issuer's termination right may be enforced in a timely manner. We consider that the applicability to the counterparty of the breach-of-agreement event of default supports this timely enforceability.

If there is no commitment to also cover any cost associated with the replacement, we reflect such costs in the cash flow analysis, applying our cash flow criteria.

Failure to replace. If a counterparty fails to replace within the remedy period after the rating is lowered below the remedy rating trigger, the maximum supported rating may remain above the rating on the counterparty, depending on the strength of the collateral framework (if at least low) and the issuer's ability to terminate the derivative (see table 8).

This is because these two factors may allow the issuer to rehedge its exposure with an eligible replacement counterparty. The issuer may terminate the derivative with the initial counterparty and enter a derivative on similar terms with a new counterparty. If the issuer does not terminate the derivative and the initial counterparty eventually defaults, the issuer may still use available collateral to enter a new derivative with an eligible replacement counterparty.

We may assign a weaker collateral framework assessment when the issuer has not exercised its termination right to replace the counterparty even though significant time has elapsed following the initial downgrade. We assign a weaker assessment than would otherwise be supported if we conclude that this failure shows that the issuer will likely not secure a replacement if the counterparty defaults. We may reach such a conclusion, for example, if the counterparty's creditworthiness has continued to deteriorate following the initial downgrade.

Table 8

Failure to replace: Maximum uplift for security ratings supported by collateral framework and the issuer's right to terminate the derivative

Assessment of collateral framework	Maximum uplift above counterparty rating
Strong	Five notches
Medium	Three notches
Low	Two notches

Note: This table is only applicable when termination payments are subordinated.

Rating Not Constrained By Counterparty Rating

The rating on the supported financial obligations is not constrained by the rating on the counterparty in situations in which we determine that counterparty risk is fully mitigated by legal or structural factors. We may reach this conclusion if we assess that the supported financial obligations would not incur any losses if the counterparty defaulted on its relevant obligations. Below is an overview of typical scenarios in which we may come to this conclusion.

Legal/structural factor

Trust or custodial arrangements

Common analysis

We may conclude that the exposure to an account provider's insolvency is fully mitigated if the cash or securities in the account would not constitute assets of the account provider in the event of its insolvency under the laws of the account provider's jurisdiction. In jurisdictions where this is relevant, such accounts are typically identified as fiduciary, trust, or custodial accounts whereby the account provider acts in a fiduciary capacity for the benefit of designated beneficiaries such as holders of certificates or bonds. To determine whether the assets in an account would be isolated from the account provider's insolvency risk, we consider the jurisdiction in which the account provider is domiciled and how the account is defined or described in the applicable transaction documents.

To date, we have assessed that accounts holding securities may be insulated from the account provider's default risk, in jurisdictions such as the U.S., the U.K., Argentina, Japan, Australia, and Mexico.

Nevertheless, the issuer is exposed to credit and market-value risks on those securities, which we analyze under our temporary investments criteria (see "Related Publications").

To the extent the account provider is placing the issuer's cash in a deposit account that would not benefit from comparable legal protection, we would analyze the resulting counterparty risk according to the criteria.

Legal/structural factor

Coverage of counterparty risk through credit enhancement

Common analysis

To conclude that available credit enhancement fully mitigates a specific counterparty risk, we may perform a cash flow analysis of the transaction that simulates a counterparty default, along with applicable rating stresses. If this analysis supports a rating higher than the rating on the counterparty, we typically assign this higher rating to the notes. For the avoidance of doubt, this provision cannot lead to a final rating on the supported securities that exceeds the rating supported by our analysis of the transaction cash flows, with the benefit of the relevant hedge.

For example:

- For a derivative counterparty, our cash flow analysis simulates the issuer's unhedged exposure to the risk hedged by the counterparty, considering any credit enhancement available to the issuer if the counterparty defaults.
- For a liquidity facility provider, our cash flow analysis considers a scenario in which the liquidity facility is unavailable.
- For a servicer, our cash flow analysis considers the loss (or delay) of the commingled funds.

Legal/structural factor

Government-sponsored deposit insurance schemes

Common analysis

Government-sponsored deposit insurance schemes may mitigate:

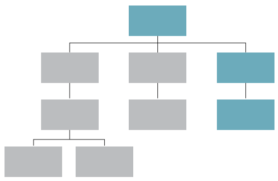
- Deposit set-off risks where the insurance applies to the underlying borrower's deposits, or
- Commingling risks where the insurance applies to the issuer's funds.

Examples of government-sponsored entities providing deposit insurance include the Financial Deposit Insurance Corp. in the U.S., the Deposit Insurance Corp. of Japan, and the Financial Services Compensation Scheme in the U.K.

Examples in which the insurance mitigates commingling risks include certain residential mortgage-backed securities transactions originated by Japanese deposit-taking institutions.

We consider that the issuer is not exposed to counterparty risk from the relevant depositary institution on the insured amount if we assess that the deposit insurance will pay out unconditionally and in a timely manner. We may also conclude that this counterparty risk is mitigated--even if timely payment on the insurance is uncertain--if our cash flow analysis shows that a delay in payment is unlikely to result in a default on the supported financial obligation. If the insurance doesn't cover the full amount of the issuer's exposure, we assess the counterparty risk exposure to the relevant depositary institution on the uninsured amount.

Exposures to government-sponsored deposit insurers are typically not mitigated through downgrade remedies. If we consider that the creditworthiness of a government-sponsored deposit insurer is equivalent to that of the relevant sovereign, we don't constrain the structured finance rating under our counterparty criteria. Instead, we assess the transaction's sensitivity to sovereign default risk according to our criteria for incorporating sovereign risk.



Rating Capped At Counterparty Rating

The rating on the supported financial obligations will not exceed the rating on the counterparty in situations where we believe the obligations would incur a loss upon the counterparty defaulting and we assess that the counterparty doesn't commit to appropriate remedial actions in case of a downgrade, or when the materiality of the counterparty risk is too great to be mitigated by the typical remedies the counterparty has committed to undertake (high exposure).

Level of mitigation

Typical exposure to counterparty risks, but no documented remedial actions

Common analysis

If no appropriate remedy actions are documented in case of a downgrade, and we assess that a failure by the counterparty to perform would likely lead to a default on the supported financial obligation, we may limit the rating to no higher than the rating on the counterparty.

Level of mitigation

High exposure

Common analysis

We generally reach this conclusion if the counterparty is a substantial source of repayment for the supported financial obligation, as in a credit substitution. In determining whether a specific exposure fits this description, we consider the exposure's size, nature, and duration, as well as the nature of any remedies available.

In exceptional cases, exposure to a bank account provider may be high, e.g. if the structure allows the issuer to accumulate larger balances in an account, and we expect the exposure amount to remain at a similar magnitude to the total balance of the supported financial obligations, for longer than a typical 90-calendar-day remedy period.

In our analysis of funded synthetic transactions, we typically consider certain counterparty exposures to be high. This includes certain derivatives, bank accounts holding cash collateral for longer than 90 calendar days, and other obligations of counterparties that provide functional equivalents (such as total return swaps, repurchase agreements, or investment agreements).

If a transaction is, for example, supported throughout its life by a material letter of credit facility, and the counterparty commits only to replace itself if downgraded, we may assess the exposure as high. However, if the counterparty also commits to draw the full obligation to cash if it has not replaced itself by the end of the remedy period, we may consider that counterparty risk is mitigated by the downgrade remedies. It is important to note that the draw-to-cash may create further dependence on the entity holding the drawn amount, and we analyze this exposure accordingly.

APPENDIXES

Appendix 1: Criteria Scope

These criteria primarily apply to structured finance transactions. They also apply:

- To the analysis of financial counterparties in project finance transactions, except for those specifically covered in the project finance criteria (see "Related Publications").
- To the analysis of counterparty risks in delinked covered bonds, except for bank account exposures, which are covered in the covered bonds criteria (see "Related Publications").
- In certain circumstances, to our analysis of counterparties supporting other corporate and government issues that exhibit structured finance characteristics, such as catastrophe bonds, gas prepay financings, stand-alone tax-exempt single-family and multifamily housing bonds, and equipment trust certificates.

However, these criteria don't apply to:

- Counterparties that perform administrative or operational roles. For example, paying agents and similar service providers are not in scope of the criteria. Such exposures are generally analyzed as administrative parties under our operational risk criteria (see "Related Publications"). To clarify, in transactions where servicers collect cash on securitized assets, the financial exposure to the servicer is assessed according to our counterparty criteria while the operational risk is evaluated under our operational risk criteria.
- Issues for which counterparty risk is managed by the corporate or government issuer, and the rating on the notes doesn't exceed that issuer's creditworthiness.
- Counterparty exposures explicitly contemplated in our terminating transactions criteria (see "Related Publications"), like credit derivatives and other exposures where a replacement framework does not apply.

Appendix 2: Determination Of Uplift If Termination Payments Rank Senior

If we assess that termination payments rank senior and the resulting liquidity risk is not mitigated otherwise, the maximum supported rating will be lower than if they were subordinated. This reflects liquidity risk if a counterparty defaults and the reduced effectiveness of an ATE as an incentive for the counterparty to replace itself.

The tables below replace the corresponding tables from above in situations in which the termination payments are not subordinated.

Table 9

Determination of uplift if termination payments rank senior

	With replacement commitment*	No replacement commitment§
With collateral posting commitment*	Minimum eligible ratings depend on security rating and strength of collateral framework (see table 11)	Benefit given depends on strength of collateral framework (see table 12)
No collateral posting commitment§	Minimum eligible ratings depend on security rating (see table 11, rightmost column)	No rating uplift. Risks are either reflected in the cash flow analysis or the ratings on securities are capped at counterparty rating.

*If commitment meets minimum standards. §Or if commitment doesn't meet minimum standards for at least low collateral framework

Table 10

Minimum collateral posting triggers for MTM and VB (senior termination payments)

	--Minimum posting trigger--	
Security rating	**Posting MTM**	**Posting VB**
AAA	AA-	A+
AA+	AA-	A+
AA	A+	A
AA-	A+	A
A+	A	A-
A	A-	A-
A-	BBB+	BBB+
BBB+	BBB+	BBB+
BBB	BBB	BBB
BBB-	BBB-	BBB-
BB+	BB+	BB+
BB	BB	BB
BB-	BB-	BB-
B+	B+	B+
B	B	B

Table 11

Minimum eligible counterparty rating and posting trigger based on collateral framework assessment and security rating (senior termination payments)

	--Minimum posting trigger and eligible counterparty rating--			
Security rating	Strong collateral framework	Medium collateral framework	Low collateral framework	No collateral
AAA	AA- / A+ | A-	AA- / A+ | A	AA- / -- | A+	-- / -- | AA-
AA+	AA- / A+ | A-	AA- / A+ | A	AA- / -- | A+	-- / -- | AA-
AA	A+ / A | BBB+	A+ / A | A-	A+ / -- | A	-- / -- | A+
AA-	A+ / A | BBB+	A+ / A | A-	A+ / -- | A	-- / -- | A+
A+	A / A- | BBB	A / A- | BBB+	A / -- | A-	-- / -- | A
A	A- / A- | BBB	A- / A- | BBB+	A- / -- | A-	-- / -- | A-
A-	BBB+ / BBB+ | BBB-	BBB+ / BBB+ | BBB	BBB+ / -- | BBB+	-- / -- | BBB+
BBB+	BBB+ / BBB+ | BBB-	BBB+ / BBB+ | BBB	BBB+ / -- | BBB+	-- / -- | BBB+
BBB	BBB / BBB | BB+	BBB / BBB | BBB-	BBB / -- | BBB	-- / -- | BBB
BBB-	BBB- / BBB- | BB	BBB- / BBB- | BB+	BBB- / -- | BBB-	-- / -- | BBB-
BB+	BB+ / BB+ | BB-	BB+ / BB+ | BB	BB+ / -- | BB+	-- / -- | BB+
BB	BB / BB | B+	BB / BB | BB-	BB / -- | BB	-- / -- | BB
BB-	BB- / BB- | B	BB- / BB- | B+	BB- / -- | BB-	-- / -- | BB-
B+	B+ / B+ | B-	B+ / B+ | B	B+ / -- | B+	-- / -- | B+
B	B / B | B-	B / B | B-	B / -- | B	-- / -- | B

Note: A / B | C to be read as: A--Minimum posting trigger for MTM. B--Minimum posting trigger for VB. C--Minimum eligible counterparty rating for replacement. '--'--Not applicable.

Table 12

Uplift for security ratings supported by collateral framework only (senior termination payments

Assessment of collateral framework	Uplift above counterparty rating
Strong	One notch
Medium or Low	No uplift

Table 13

Failure to replace: Maximum uplift for security ratings supported by collateral framework and the issuer's right to terminate the derivative (senior termination payments)

Assessment of collateral framework	Maximum uplift above counterparty rating
Strong	Two notches
Medium	One notches
Low	No uplift

Appendix 3: Collateral Posting

Volatility buffers

Table 14 provides volatility buffers as a fixed percentage of the derivative notional amount, commensurate with "strong" and "medium" collateral framework assessments for typical structured finance interest rate and currency derivatives. In our analysis of documented volatility buffers, we assess the range of possible prepayment assumptions that may be used in computing the remaining WAL (typically by referencing low prepayment speed assumptions from the relevant asset-class-specific S&P Global Ratings criteria).

Table 14

Volatility buffers for interest rate and currency derivatives

In % of the derivative notional amount

	--VB supporting strong collateral framework--			--VB supporting medium collateral framework--		
Remaining WAL of swap (years)(i)	**Fixed-floating IRS**	**Floating-floating IRS**	**FX swap**	**Fixed-floating IRS**	**Floating-floating IRS**	**FX swap**
[0;1]	1.25	1.2	9.5	0.6	0.6	4.5
(1;2]	2.5	1.6	10	1.25	0.8	5
(2;3]	3.5	1.6	10	1.75	0.8	5
(3;5]	5	2	11	2.5	1	5.5
(5;7]	6	2.5	12	3	1.4	6
(7;10]	7	2.5	12	3.5	1.4	6
(10;15]	8	3	13.5	4	1.8	6.5
(15;20]	8.75	3.5	15	4.5	2.2	7
>20	9.25	4	16	5	2.6	7.5

(i) The symbol '(' denotes exclusion of the first data point in the range, and the symbol ']' denotes the inclusion of the last data point in the range. WAL--Weighted average life. IRS--Interest rate swap. FX swap--cross-currency swap.

For interest rate derivatives specifically, we consider that volatility buffers may alternatively be calculated as a multiple of a derivative's point-in-time dollar value of a basis point (DV01) measure, as an alternative to the fixed percentages of the notional amount. Where volatility buffers for interest rate derivatives are calculated as a function of DV01, the applicable multiple commensurate with each collateral framework assessment are:

- Strong: 140 basis points x DV01
- Medium: 70 basis points x DV01

For currency derivatives, we consider that volatility buffers should be calculated as a fixed percentage of the notional amount.

Assets eligible to be posted as collateral

In addition to cash, we currently consider that local currency bonds (coupon-bearing or zero-coupon bonds that mature within one year) issued by the following sovereigns are eligible while their local currency sovereign ratings remain at least as high as 'A' or equivalent, subject to the application of secondary rating drivers and additional considerations for liquidity assessments in our ratings-based inputs criteria:

- Australia;
- Austria;
- Belgium;
- Canada;
- China;
- Denmark;
- Finland;
- France;
- Germany;
- Hong Kong;
- Japan;
- Netherlands;
- Norway;
- Singapore;
- South Korea;
- Sweden;
- Switzerland;
- The U.K.; and
- The U.S.

We also consider that coupon-bearing covered bonds are eligible if they meet all the following conditions:

- The long-term rating is at least 'AA-' or equivalent, subject to the secondary rating drivers and additional considerations for liquidity assessments in our ratings-based inputs criteria;
- They are eligible as level one high-quality liquid assets under the counterparty's national liquidity coverage ratio regulation; and
- They are not issued by the counterparty or an affiliate of the counterparty.

Market-value haircuts

The criteria set out the factors considered in the calibration of quantitative assumptions for market-value and foreign exchange haircuts commensurate with each collateral framework assessment strong to low. The output of this calibration is shown in tables 15 and 16.

Table 15

Applicable market value haircuts for eligible assets under the criteria(i)

Remaining term to maturity (years)	[0; 1]	(1; 3]	(3; 5]	(5; 7]	(7; 10]	(10; 15]	(15; 20]	>20
Haircuts for a strong collateral framework assessment (%)								
Sovereigns	8.0	10.0	12.0	14.0	18.0	19.0	20.0	21.0
Covered bonds	12.0	15.0	18.0	21.0	27.0	28.5	30.0	31.5
Haircuts for a medium collateral framework assessment (%)								
Sovereigns	5.0	5.0	7.0	7.0	8.0	8.0	9.0	10.0
Covered bonds	7.5	7.5	10.5	10.5	12.0	12.0	13.5	15.0
Haircuts for a low collateral framework assessment (%)								
Sovereigns	0.5	2.0	2.0	4.0	4.0	4.5	5.0	5.5
Covered bonds	1.0	4.0	4.0	8.0	8.0	9.0	10.0	11.0

The symbol '(' denotes exclusion of the first data point in the range, and the symbol ']' denotes the inclusion of the last data point in the range.

Currency haircuts

Table 16

Currency haircuts commensurate with each collateral framework assessment (%)

	Strong	Medium or Low
	20	8

Currently, eligible currencies for posting collateral and that are consistent with the haircuts set out in table 16 above are:

- U.S. dollar;
- Euro;
- Japanese yen;
- British pound;
- Canadian dollar;
- Danish krone;
- Norwegian krone;
- Swedish krone;
- Swiss franc;
- Australian dollar;
- New Zealand dollar;
- Singapore dollar;
- Hong Kong dollar;

- Chinese renminbi; and
- Korean won.

KEY CHANGES FROM PREVIOUS CRITERIA

The key changes are to:

- Revise the determination of rating uplift if there are derivative counterparties with collateral posting and replacement commitments. In addition, we are updating our volatility buffers.
- Introduce the classification of account bank exposures as low if there is an effective resolution framework in the jurisdiction the bank account provider is operating in.
- Introduce conditions in which, if met, we determine commingling risk not to be a material risk.
- Remove the analysis of counterparty risks in linked covered bonds from these criteria. Those risks are proposed to be covered by the sector-specific covered bond criteria. For delinked covered bonds, these criteria continue to be applicable, except for bank account exposures.

IMPACT ON OUTSTANDING RATINGS

There are approximately 47,000 public ratings in the scope of these criteria, predominantly in structured finance. Our testing indicates that these criteria will likely affect only European structured finance transactions and no other region or sector. We anticipate that, out of the approximately 6,500 European structured finance ratings, we raise no more than 2.5%, between one and two notches on average. We don't expect any downgrades. This analysis is intended to serve as a broad, directional guide to the possible ratings impact. Ultimately, the actual ratings impact may vary, depending on the specifics and performance of the asset pool and structural features of a particular transaction.

RELATED PUBLICATIONS

Criteria To Be Fully Superseded

- Counterparty Risk Framework: Methodology And Assumptions, March 8, 2019

Related Criteria

- Global Framework For Payment Structure And Cash Flow Analysis Of Structured Finance Securities
- Guarantee Criteria
- Methodology For Linking Long-Term And Short-Term Ratings
- Financial Institutions Rating Methodology
- Group Rating Methodology
- Methodology Applied To Bank Branch-Supported Transactions

- Methodology For Rating Covered Bonds
- Incorporating Sovereign Risk In Rating Structured Finance Securities: Methodology And Assumptions
- Methodology For Determining Ratings-Based Inputs
- Global Investment Criteria For Temporary Investments In Transaction Accounts
- Global Derivative Agreement Criteria
- Special-Purpose Vehicle Margin Requirements For Swaps--Methodology And Assumptions
- General Project Finance Rating Methodology
- Global Framework For Assessing Operational Risk In Structured Finance Transactions
- Counterparty Risk In Terminating Transactions
- Principles Of Credit Ratings

A complete list of S&P Global Ratings criteria articles can be found on https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria.

Other Publications

- S&P Global Ratings Definitions, updated from time to time
- RFC Results For Counterparty Risk Methodology
- Updated Counterparty Risk Methodology Published