

## Joint Associations' Letter on the Prudential Treatment of Securitisation under CRR

20 April 2026

Dear Members of the ECON Committee,

We, the undersigned trade associations (the "Associations"), would like to share the following observations in the context of the ongoing discussions in the European Parliament on securitisation under the Capital Requirements Regulation (CRR). We do so with the shared ambition and objective of ensuring that the overall framework is consistent and risk-sensitive, so that securitisation can play its intended role in financing the real economy.

Firstly, we note the introduction of new wording in Article 243 which effectively limits the scope of automatic resilience eligibility to 1) traditional securitisations of STS auto and equipment loans and leases and 2) STS ABCP securitisations of trade receivables.<sup>1</sup> In practice, **this approach will result, without evident reason, in the automatic exclusion of many STS and non STS traditional (ABCP and non-ABCP) securitisations that are equally important to the real economy and that have exhibited very strong credit performance over 40 years** — for example, transactions backed by residential mortgages, ABCP financed auto / equipment loans / leases and trade receivables backed directly by banks, to name but a few.

Given that tranching in traditional securitisations is adjusted to reflect the benefit of excess spread and is typically based on historically low loss assumptions, the senior tranche of traditional securitisation may often attach below  $1.1 \times KA$  and therefore fall outside the proposed resilience criteria, notwithstanding strong structural protections in place.

Furthermore, banks finance corporate clients interchangeably either by lending directly from their balance sheet or via an ABCP conduit. In the former case, as investors, in the latter as sponsors. The proposed approach would therefore result in preferencing prudential treatment of the sponsor role over the investor role and vice versa for the very same product unjustifiably. This distinction appears arbitrary and risks introducing material inconsistencies in the prudential treatment of the same asset class. In respect of trade receivables, in particular, given the critical role trade receivables financing plays in supporting working capital — particularly for SMEs — such inconsistencies could have unintended consequences for the efficient flow of credit to the real economy.

The proposal would likely minimise resilient eligibility for other important asset classes, including unsecured consumer loans, SME lending and credit card receivables. Each of these plays a distinct and essential role in supporting households and businesses, and in facilitating the broader functioning of the real economy.

In conclusion, the most recent proposal risks introducing unwarranted distinctions in prudential treatment through the introduction of a new "resilient" measure that 1) introduces inconsistency in eligibility of the same securitisation, depending on how it is financed and 2) disregards long standing credit resilience of those STS and non-STS securitisations that do not make automatic eligibility and often will not pass the resilience tests despite demonstrating long-term resilience. These outcomes are very relevant as they will logically negatively impact availability by banks to finance the real economy.

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<sup>1</sup> Article 243, paragraph 3, and Articles 260(2) and 262(2) and 263 (limb 3b) of the latest CRR compromise.

**Consequently, and in light of the stated objective of the reforms - to support the development and growth of the securitisation market as a whole – the Associations propose to apply the resilient status to all traditional transactions (whether STS or not) and not only for specific STS asset classes.** Hence, the respective wording should be deleted from all relevant provisions.<sup>2</sup> This, we believe, is a more balanced approach which better aligns with the overall objective of the reforms, reflects 40 years of strong credit performance of securitisation permissible under the Securitisation Regulation (whether STS or non-STS)<sup>3</sup> and will avoid unintended distortions.

In respect of non-STS securitisation, we note that the compromise text reinstates the distinction between originators/sponsors and investors across all approaches (SEC-SA, SEC-IRBA and SEC-ERBA). **The Associations consider that this distinction should be removed.** Maintaining separate categories introduces an unnecessary layer of complexity that is not supported by evidence.

As mentioned above, extensive historical data—spanning more than 40 years of publicly available default and performance information for securitisations placed with investors—demonstrates that both STS and non-STS transactions have performed consistently strongly, broadly in line with equivalently rated sovereign, financial and non-financial corporate bonds.<sup>4</sup> Moreover, the level of model and agency risk faced by bank investors is comparable to that of originators and sponsors. This reflects the depth of information available to investors through robust due diligence processes, as well as the limited reliance on third-party models for securitisations compliant with the existing regulatory framework.

Importantly, **many of the transactions captured within the non-STS category are integral to the functioning of the real economy.** For example, project finance and whole business securitisation provide long-term financing for infrastructure and essential services, including digital and data infrastructure. Regarding issuance volumes, non-STS securitisation (EUR 175.7 billion in 2025) significantly exceeds STS issuance (EUR 76.6 billion), underscoring its central role in market-based financing.<sup>5</sup>

Finally, we note that the definition of “senior securitisation position” has been removed in its entirety. The Associations do not support the wording previously proposed by the Commission which requires the senior position to attach above KIRB or KA. However, it is unclear from the compromise text whether the intention is to remove this specific requirement only or to delete the definition altogether, which would appear unexpected.

In conclusion, the Associations encourage Members of the ECON Committee to kindly take the above considerations into account while finalising their CRR review. A more proportionate and consistent framework would better support a well-functioning securitisation market while ensuring continued financing to the real economy. We would also welcome the opportunity to discuss these points further and remain at your disposal to provide any additional input.

Kind regards,

The Associations

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<sup>2</sup> Please refer to footnote 1.

<sup>3</sup> AFME myth-busting series 2025, episode 1 “Performance of European securitisation over 40 years” ([here](#)).

<sup>4</sup> *ibid.*

<sup>5</sup> AFME Securitisation Data Report, 2025 Full Year & Q4 2025 ([here](#)).