

Global Methodology And Assumptions For CLOs And Corporate CDOs Published

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NEW YORK (S&P Global Ratings) June 21, 2019--S&P Global Ratings said today that it has published its global criteria for rating corporate cash flow and synthetic collateralized debt obligations (CDOs). The article, titled "Global Methodology And Assumptions For CLOs And Corporate CDOs," was published in conjunction with a guidance document (see "Guidance: Global Methodology And Assumptions For CLOs And Corporate CDOs") and a summary of the RFC comments (see "RFC Process Summary: Global Methodology And Assumptions For CLOs And Corporate CDOs").

These criteria apply to approximately 4,540 ratings across approximately 780 transactions. Based on our analysis of a representative sample of transactions globally, we expect the impact on transactions in general to be marginally positive.

The criteria apply to:

- All new and existing cash flow CDOs backed by diversified pools of corporate debt (loans and bonds) and synthetic CDOs that reference diversified pools of corporate obligations.
- CDO transactions that are backed by corporate assets consisting of a mix of cash and synthetic instruments.

They are relevant for synthetic CDOs of corporate CDOs, and CDOs backed by sovereign securities and may also be used to analyze other debt instruments where the credit risk is primarily driven by diversified pools of corporate exposures. For pools that have a small number of obligors, we may apply alternative rating methods, such as weak-linking.

The criteria will be effective immediately, except in markets that require prior notification to, or registration by, the local regulator. In these markets, the criteria will become effective when notified by S&P Global Ratings or registered by the regulator.

This report does not constitute a rating action.

The report is available to subscribers of RatingsDirect at www.capitaliq.com. If you are not a RatingsDirect subscriber, you may purchase a copy of the report by calling (1) 212-438-7280 or sending an e-mail to research_request@spglobal.com. Ratings information can also be found on S&P Global Ratings' public website by using the Ratings search box located in the left column at www.standardandpoors.com. Alternatively, call one of the following S&P Global Ratings numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow (7) 495-783-4009.

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