

4 December 2024

European Commission
Directorate-General for Financial Stability, Financial Services and Capital Markets Union
1049 Bruxelles/Brussel
Belgium

By Electronic Submission

Re: European Commission Targeted Consultation on the Functioning of the EU Securitisation Framework

Kroll Bond Rating Agency ("KBRA")¹ welcomes the European Commission's Targeted Consultation on the Functioning of the EU Securitisation Framework (the "Targeted Consultation").

As a global credit rating agency ("CRA"), KBRA's core mission is to provide independent, transparent, and thorough credit analysis and research across multiple sectors and markets. Our credit rating coverage includes Structured Finance, Corporates, Financial Institutions, Funds, Insurance, Project Finance, Public Finance, and Sovereigns. The KBRA Structured Finance Group encompasses ABS, CMBS, RMBS, and Structured Credit. In the EU, KBRA is an active participant in the structured finance market with a rated universe that includes non-performing and re-performing mortgages, significant risk transfer ("SRT") transactions, auto transactions, esoteric asset classes (e.g., trade and inventory receivable securitisations), broadly syndicated loan public CLO transactions, a wide variety of CMBS issuance, and most recently, the first solar ABS transaction in the EU.² In addition to providing credit ratings, KBRA also publishes topical research across all sectors of structured finance, including the annual KBRA European Structured Finance Sector Outlook.³

KBRA supports the efforts of the European Commission (the "Commission") to assess the supply and demand factors impacting the securitisation market in the EU, as well as broader efforts by policymakers to revive and strengthen the EU securitisation market. Securitisation plays a crucial role in maintaining efficient financial markets and deepening capital markets. When properly structured, it serves as a key mechanism for broadening funding sources and distributing risk more effectively across the EU financial system. This process enables a wider dispersion of financial-sector risk and helps originators clear their balance sheets, facilitating additional lending to support the economy. In turn, it enhances the financial system's efficiency and opens up new investment opportunities. Securitisation also acts as a link between credit institutions and capital markets, providing improved access to financing and credit options.

We understand the Commission intends to leverage the feedback it receives through the Targeted Consultation to relaunch securitisation in the EU with a regulatory framework that is proportional and commensurate with risk and that strengthens the lending capacity of European banks, creates deeper

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² KBRA Assigns Ratings to Golden Ray S.A., Compartment 1 (November 12, 2024), available at <https://www.kbra.com/publications/bKCKCtLv/kbra-assigns-ratings-to-golden-ray-s-a-compartment-1>.

³ KBRA Sector Outlook: 2025 European Structured Finance Sector Outlook: Keep Calm and Carry On (November 20, 2024), available at <https://www.kbra.com/publications/TkXrxCqk/2025-european-structured-finance-sector-outlook-keep-calm-and-carry-on?format=file>. Additional KBRA research is accessible on our website under Publications, available at <https://www.kbra.com/search/publications?sort=createdOn&order=desc>.



capital markets, builds the European savings and investments union, and increases the EU's competitiveness. As the Commission continues to consider its review of the EU securitisation framework for its next mandate, KBRA would be pleased to provide the Commission with additional information, insight, and analysis to support these key objectives.

We look forward to continued engagement with the Commission on these important matters.