

Allonhill Rolls Out RMBS Due Diligence Platform

by DIANA GOLOBAY

Thursday, January 28th, 2010, 6:59 am

<http://www.housingwire.com/2010/01/28/allonhill-rolls-out-rmbs-due-diligence-platform/>

Risk management firm Allonhill is taking a new residential mortgage-backed securities (RMBS) due diligence platform live today.

The new approach to RMBS meets credit-rating agency requirements for third-party review firms. It emphasizes transparency and accountability in identifying loans underlying RMBS trusts.

“We are rewriting the securitization process,” said Allonhill CEO Sue Allon in an e-mailed statement Thursday. “We’re proud to be the first third-party review firm to market with a comprehensive approach addressing the needs of a variety of market participants, to help bring our industry back to life in a responsible way.”

Allonhill’s offering includes scientific sampling methodologies, reports of loan errors, exceptions and their resolution. It brings a new level of transparency to the securitization process, from pre-sale due diligence to post-securitization risk monitoring.

The product was under wraps Wednesday, but Jacob Gaffney of *HousingWire* got the scoop on what the product would look like, essentially a combination of transparency and accountability for renewed investor confidence. However, Allonhill is not in the business of providing documentation directly to investors, to be sure.

“[Investors] want evidence of any errors and they want to see solutions enacted and reported,” Sue Allon told *HousingWire*. “We want to give investors full disclosure, in accordance with what the rating agencies are requiring.”

Allonhill consulted the four major rating agencies, DBRS, Fitch Ratings, Moody’s Investors Service and Standard & Poor’s, to incorporate the various requirements for public and private securitizations of each agency.

“While the rating agencies share the goal of restoring transparency and credibility to the securitization market and meeting new regulatory and statutory requirements, they each go about it in a different way, forcing issuers and other market participants to confront a variety of securitization standards,” said Allonhill president and Chief Operating Officer Diana Mead in the statement Thursday.

Allonhill’s offering also includes the universal Loan Identification Number Code (LINC), designed by the American Securitization Forum (ASF) to identify an individual asset’s origination timeline, country of origin and loan type.

Write to [Diana Golobay](mailto:diana.golobay@housingwire.com).

