



INTERNATIONAL SWAPS AND DERIVATIVES ASSOCIATION

# NEWS RELEASE

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## **ISDA PUBLISHES TEMPLATE FOR CREDIT DEFAULT SWAPS ON ASSET-BACKED SECURITIES WITH PAY AS YOU GO SETTLEMENT**

NEW YORK, Tuesday, June 21, 2005 – The International Swaps and Derivatives Association (ISDA) has announced publication of a template for documenting credit default swaps on asset-backed securities (CDS on ABS) with a Pay As You Go (PAUG) approach.

The template is designed for use primarily with a Reference Obligation that is a residential mortgage-backed security or commercial mortgage-backed security. It is anticipated that this template will be used mainly, but not exclusively, in North America, where these securities are more commonly referenced in a CDS on ABS transaction.

“In creating derivatives documentation that is tailored to market practice in specific underlying securities, ISDA is supporting the continued growth in volume and diversity of derivative products to help mitigate credit and other types of risk.” said Robert Pickel, Chief Executive Officer and Executive Director, ISDA.

### About ISDA

ISDA is the global trade association representing leading participants in the privately negotiated derivatives industry. ISDA was chartered in 1985, and today has more than 625 member institutions from 47 countries on six continents. These members include most of the world's major institutions that deal in privately negotiated derivatives, as well as many of the businesses, governmental entities and other end users that rely on over-the-counter derivatives to manage efficiently the financial market risks inherent in their core economic activities. Information about ISDA and its activities is available on the Association's web site: [www.isda.org](http://www.isda.org).

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