



# *GSE Activity Report*

---

Thursday, August 31, 2023

## *The Secondary-Market Suggestion Box*

As we noted [yesterday](#), the global banking, securities, and insurance regulators who comprise the Financial Stability Board (FSB) are heading back [to look](#) again at securitization to see if the post-08 framework it crafted still works. The FSB is in our view increasingly irrelevant to home- and host-country rulemaking, but that's not to say it's totally toothless. If – and this is a big if – the FSB comes up with concrete suggestions in key areas such as revisions to regulatory capital or risk-retention standards, U.S. agencies will take a hard look.

And, the FSB is clearly thinking new secondary-market thoughts, questioning in particular the extent to which securitization misaligns origination incentives and/or opaquely prices risk as to confuse investors. That said, the FSB's methodology is, as always, murky. Its request for comment lays out quantitative and qualitative areas for exploration as well as the ways in which it may focus on financial stability, looking in particular at CDOs and CLOs along with the non-government mortgage securitization arena. Comment is due by September 22, with the FSB planning to publish preliminary findings in early 2024 and finalize a report by mid-2024.

---

Federal Financial Analytics, Inc.  
2101 L Street, N.W., Suite 300, Washington, D.C. 20037  
Phone (202) 589-0880  
E-mail : [info@fedfin.com](mailto:info@fedfin.com) [www.fedfin.com](http://www.fedfin.com)

© 2023 Federal Financial Analytics. All Rights Reserved.