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**Carlyle Group** where he was a managing director and head of marketing and investor relations in the leveraged finance group.

**The American Securitization Forum** recently made a \$25,000 charitable donation to **Habitat for Humanity International**. In its statement announcing the donation, the ASF noted the link between housing finance and securitization markets, "the Board felt that contributing to this organization was an appropriate and responsible way for the ASF to supplement the charitable initiatives being undertaken by many of its individual members and member firms to alleviate the pain, loss and dislocation caused by the recent Gulf Coast hurricanes."

**HSBC Securities** said it plans to launch a new CMBS conduit next year, backed by loans from its 22 regional centers and 4,000-branch network. According to market reports, the bank expects to securitize its future property loans that are over £10 million (\$17.67 million) in size.

While existing home sales reported by the **National Association of Realtors** rose by 2% to 7.29 million units annualized — the second highest to June's all-time record and the fifth straight reading above the seven million mark — the **Commerce Department** reported a 9.9% drop in new home sales.

**RBS Greenwich Capital** Chief Economist **Stephen Stanley** said that based on existing home sales figures, recent reports of the housing sector's demise have been greatly exaggerated. The uptick in existing

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## Florida chooses advisor for hurricane recovery bond program

The Florida Public Service Commission announced last week it selected New York-based advisor **Saber Partners** to be advisor for a program of hurricane recovery stranded cost ABS issuance to help Florida utility companies fund repairs to power lines and facilities after last year's brutal hurricane season.

While financing orders have not been finalized, **Saber CEO Joseph Fichera**, said the first transaction is likely to be from Raleigh, N.C.-based **Progress Energy**, which has 15 distribution plants in Northern and Central Florida. That deal is currently expected to hit the market sometime in 1Q06. Other issuers, such as Juno Beach, Fla.-based **Florida Power & Light Co.**, and Tampa-based **Tampa Electric** are likely to bring deals to market as well, as those issuers have significant costs associated with

rebuilding power systems.

Fichera stressed, however, it is very early in the process and no final decisions have been made. **Saber** has been chosen to "assist in structuring the financing orders and in the process in general," added Fichera.

Other advisors in the running were **C.H. Guernsey & Co.**, the **Public Resources Advisory Group**, **Vantage Consulting, Inc.** and **Via Finance**. According to a release from the Florida P.S. Commission, **Saber** was a unanimous pick to advise on the deals.

The bonds will be structured similarly to other rate-reduction bonds, meaning they are backed by fees collected from electricity consumers. Bonds of this type have been used mostly to recover costs associated with power industry deregulation, but are now being used to fund environmental improvements to power facilities — *GC*

## ABA report spooks some, but CCABS on solid ground

An American Bankers Association report that credit card delinquencies rose for the second quarter in a row raised some eyebrows in the ABS market last week. However, sources say the news may be much ado about nothing, and poses no immediate threat to credit card ABS performance.

The report stated that credit card loan delinquencies reached a record high of 4.81% of accounts in 2Q05, besting last quarter's record numbers of 4.76. The statistics account for the actual number of delinquent accounts, but do not reflect delinquencies as a percentage of outstanding balances, which are at all-time lows as of August.

The increase in the number of delinquent accounts "has not translated into credit card ABS performance yet," said **Barclays Capital**

Associate Director and consumer ABS strategist **Juliet Jones**. Thirty-plus day delinquencies in credit card ABS pools have trended down year-over-year for the last 24 months consecutively. The ABA report cites higher gas prices as a main driver of the rise in the number of delinquent accounts, however, **Jones** noted that the consumers most affected by the rise in gas prices are those already burdened with heavy debt loads and those with lower incomes.

For **CCABS**, said **Jones**, most of the focus has been on the increase in the minimum payment requirement outlined by regulators, and the bankruptcy reform law set to take effect in mid-October, which had already caused a spike in chargeoffs since it was passed early this spring. — *GC*