ABSTRACT

Asset-backed securitization has been promoted as an important financing instrument for property developers in Singapore in order to raise the necessary capital for project development. But the securitization process itself, though promises benefits and advantages that outweigh those experienced in traditional financing i.e. bank loans, stocks and shares and bonds, does encumber certain inherent risks that traders involved in the securitization must be well versed with in order to make available management and control. This dissertation attempts to research into the various risks inherent in a typical securitization deal and through the use of a case study, suggest how the risks can be managed and controlled in order to bring maximum profitability to the key parties involved. It is concluded that ultimately, risk control remains a management issue. The way it is exercised within the organization will depend on the organization’s culture, strategy and objectives.

Key Words:
Asset-backed securitization, risk management