

Alternative loan. . . . loan extended to borrowers in between prime and subprime borrower. (新しい、中間の)

ARM. . . . Adjustable Rate Mortgage (変動金利型住宅ローン)

Broker. . . . an agent who represents lenders and introduces prospective borrower to them and get commission when the deal is done.

CDO. . . . Collateralized Debt Obligation. A type of MBS combined with non-bank instruments. (債務担保証券)

Credit rating agencies. . . . an appraisal company of stocks, bonds, securities, etc.,

Equity. . . . subordinate to mezzanine (劣後債)

Hedge fund. . . . a group of billionaires led by a trustor who manages their funds effectively.

Investment Banker, Investment Bank. . . . large scale securities firm
e.g. Bear Stearns, Morgan Stanley, Lehman Brothers,
Goldman Sachs. Merrill Lynch, (大手証券会社)

Mezzanine subordinate to senior (メザニン債、第二順位債)

Monoline insurers. . . . monoline started its business in 1970s. They guarantee the repayment of bond principal and interests when an bond issuer defaults.

Mortgage 1. home loan
2. debt instrument giving conditional ownership of an asset, secured by the asset being financed. (住宅抵当証書、住宅の抵当貸付債権)

Mortgage Company/ Mortgage Bank. . . .
a kind of financial institutions, a nonblank bank.. It exclusively provides financing to home purchasers.
(住宅ローン会社、住宅金融会社)

Prime loan. . . . loan extended to prime borrower.

RMBS. . . . Residential Mortgage Backed Securities. (住宅ローン担保証券)

S & L. . . . saving and loan association
In mid 1980s most of S&Ls faced bad loans. (貯蓄貸付組合)

Senior. . . . senior to mezzanine. (シニア債)

Securitization. . . . to convert mortgage or account receivable into instruments so as to be sold to investors at a discount.

Security 1. 有価証券 2. 担保、collateral security 3. 安全、安心

Servicer. . . . an agent that collects principal and interests and manages collateral on loans sold in the secondary market

SIV structured investment vehicles. Subsidiaries of investment banks.
Similar to SPC(Special Purpose Corporation) .
(仕組み投資子会社、特別目的会社)

Subprime loan/ subprime mortgage /subprime lending. . . . loan in the type of home loan extended to the borrowers like who have bad financial credit histories. Higher interest rates are charged to them.