Article Title: ARCHIVE | Legal Criteria: Multiple-Use Special-Purpose Entity Criteria--Structured Finance Data: (EDITOR'S NOTE: — This article is no longer current. It was superseded by "Structured Finance: Asset Isolation And Special-Purpose Entity Methodology," published on March 29, 2017.) 1. This article describes S&P; Global Ratings' global criteria for assessing the impact of structured finance debt issued as a series and collateralized by a discrete pool of assets that is intended to be segregated from other series of debt securities on the insolvency remoteness of a special-purpose entity (SPE). This article is related to our criteria article "Principles Of Credit Ratings," which we published on Feb. 16, 2011, and our criteria article "Asset Isolation And Special-Purpose Entity Criteria--Structured Finance," which we published on May 7, 2013. SCOPE OF THE CRITERIA 2. This article aims to provide the market with a description of the methodology S&P; Global Ratings uses to assess the impact of an issuance of debt securities collateralized by a discrete pool of assets, intended to be segregated from other series of debt securities, on the insolvency remoteness of an SPE in structured finance transactions. These criteria do not apply where S&P; Global Ratings has published jurisdiction- or asset-specific criteria that discusses methodology used to assess the impact of an issuance of debt securities collateralized by a discrete pool of assets, intended to be segregated from other series of debt securities, on the insolvency remoteness of an SPE. In such cases, the relevant jurisdiction- or asset-specific criteria article shall be applicable. SUMMARY OF THE CRITERIA 3. This article discusses the elements that S&P; Global Ratings typically considers in analyzing structured finance transactions structured to issue a series of debt securities collateralized by a discrete pool of assets and intended to be segregated from other series of debt securities. 4. The criteria contained herein do not represent a departure from our existing views. Rather, in this article, S&P; Global Ratings is setting out a general methodology for assessing the impact of structured finance debt issued as a series and collateralized by a discrete pool of assets that is intended to be segregated from other series of debt securities on the insolvency remoteness of an SPE. Readers are also directed to S&P; Global Ratings' separate articles discussing legal criteria applicable to structured finance transactions in specific jurisdictions or on discrete topics, where applicable, which may provide greater detail on how the general methodology described in this article may be applied in those contexts. The criteria as set out in this article, are not intended to be read as being prescriptive but rather as providing a general methodology that guides S&P; Global Ratings in considering legal issues we view as relevant to the credit analysis of structured finance securities. 5. This paragraph has been deleted. 6. The information in this paragraph was moved to the Appendix. METHODOLOGY Multiple-Use Criteria 7. In our criteria article titled "Asset Isolation And Special-Purpose Entity Criteria--Structured Finance," which we published on May 7, 2013, we described various characteristics that S&P; Global Ratings typically considers in its analysis of the insolvency remoteness of a SPE used in structured finance transactions, specifically: Restrictions on objects and powers. Debt limitations. Independent directors. Restrictions on a merger or reorganization. Limitations on amendments to organizational documents. Separateness. Security interests over assets. 8. Under the SPE characteristic debt limitations, S&P; Global Ratings considers whether the SPE is restricted from incurring additional indebtedness. We may view certain types of additional debt as not necessarily affecting an SPE's insolvency remoteness, including, for example, debt that is issued as a series that is viewed by S&P; Global Ratings as being adequately segregated from existing rated debt. For example, an originator of receivables may wish to use the same SPE to issue various series of term debt obligations, collateralized by different pools of receivables. Such an SPE is commonly referred to as a multiple-use SPE. 9. S&P; Global Ratings has developed the following criteria for these types of transactions, which it believes is supportive of insolvency remoteness for multiple-use SPEs such that multiple series of debt issued by a multiple-use SPE and collateralized by discrete pools of assets may carry de-linked ratings (or be unrated). In analyzing these types of transactions, S&P; Global Ratings analysis generally considers the extent to which: The issuer is structured to be an insolvency-remote SPE. The issuer issues separate series of debt obligations. Assets relating to any particular series, including any related proceeds, are to be held separate and apart from assets relating to any other series. A multiple-use SPE's obligations--including fees, expenses, and any enforcement expenses--are structured to be on a series-by series basis. Any swap transaction entered into by a multiple-use SPE for a series is structured to be separate from any other swap transaction for any other series. A security interest is created over the assets specific to each series in favor of the series noteholders and series creditors. The series are not cross-collateralized or cross-defaulted. Each series of notes includes limited-recourse provisions specifying that each series has recourse only to the assets charged to that series, is nonrecourse to the other assets of the SPE, and does not constitute a claim against the SPE if the cash flow from the series-designated charged assets is insufficient to repay the debt in full. The noteholders, all transaction participants, and any series creditors have agreed not to file, or join in any filing of, a bankruptcy or insolvency petition against the SPE. For each series, the trustee (or equivalent) is entitled to exercise remedies on behalf of the noteholders. 10. S&P; Global Ratings requests to be notified of each issuance by a multiple-use SPE of a new series of debt or other equity interest in the assets of the SPE prior to the issuance of the series, whether rated or unrated, so that it can consider the extent to which the issuance addresses the insolvency remoteness criteria and multiple-use criteria and to provide ratings confirmation for the outstanding rated series. 11. S&P; Global Ratings' rating of issues from a multiple-use SPE on a delinked basis reflects our assessment that we view the additional debt issued as a series as not inconsistent with S&P; Global Ratings' insolvency-remoteness criteria. For further information and detail regarding S&P; Global Ratings' insolvency-remoteness criteria see our criteria article titled "Asset Isolation And Special-Purpose Entity Criteria--Structured Finance," which we published on May 7, 2013. APPENDIX: CHANGE HISTORY 12. These criteria became effective on the original publication date of this article on May 7, 2013. At that time, it partially superseded the article titled, "Criteria For Rating Synthetic CDO Transactions: Legal Analysis And Surveillance," published on Sept. 1, 2004. 13. We republished the article following our periodic review completed on March 29, 2016. As a result of this review, we have deleted outdated sections that previously appeared in paragraphs 5 and 6 related to the initial publication of our criteria, which were no longer relevant. We also made minor editorial updates throughout the article. RELATED CRITERIA AND RESEARCH Asset Isolation And Special-Purpose Entity Criteria--Structured Finance, May 7, 2013 Principles Of Credit Ratings, Feb. 16, 2011 These criteria represent the specific application of fundamental principles that define credit risk and ratings opinions. Their use is determined by issuer- or issue-specific attributes as well as S&P; Global Ratings' assessment of the credit and, if applicable, structural risks for a given issuer or issue rating. Methodology and assumptions may change from time to time as a result of market and economic conditions, issuer- or issue-specific factors, or new empirical evidence that would affect our credit judgment.