

## Funding Register

- insolvency proof trust with limited scope of application
- registration → publicity (only internal, external in the balance sheet) (register operated by the trustee)
- supervision of BaFin
- only credit institutions may be trustees

## Effects of Registration

- in the insolvency of the trustee bank:
  - insolvency segregation of the trust assets, also surrogative assets (§ 22j KWG)
  - administration of the insolvency asset separately by a Funding Register administrator (§ 22n par. 2 KWG)
- legal action against third party access (seizures, attachments) (§ 22j par. 1 s. 2 KWG)

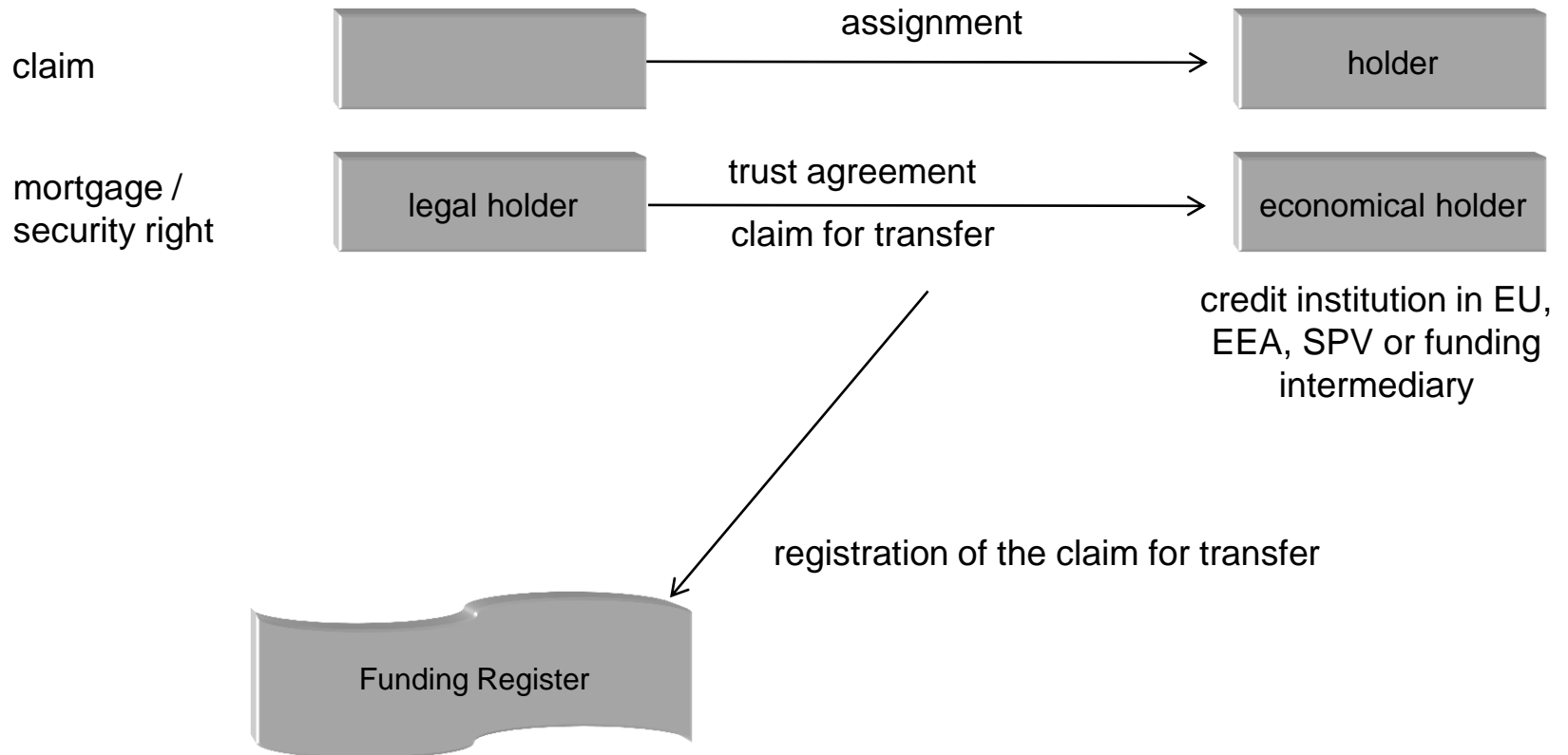
not:

- transfer of the trust assets to the trustee
- restriction of defenses
- restriction of set-up

## Effects of the funding register only if:

- agreement of a claim for the transfer of the trust assets (qualification, not effect!)
- trust asset claim of security right on real property
- registration duly done (“ordnungsgemäß”) and complete (22j par. 1, § 22d par. 3 KWG)
- register operated by a credit institution
  - this credit institution passes on from its business
  - a credit institution too small for an own register passes on
  - another “funding enterprise” passes on (securitisation of company customer claims)
- purpose funding of this institutions on the trustee
- trustor
  - credit institution in the EU or EEA
  - SPV’s
  - funding intermediaries
- not necessary:
  - register license by BaFin – no such licenses
  - Funding Register monitor appointed by BaFin – but this must follow

## Use of the funding register for mortgage loans



operated by the credit institution for itself, for an enterprise or a small credit institution