Vysvětlující dodatek článku Adrian, T., Shin, H. S. (2010) The Changing Nature of Financial Intermediation and the Financial Crisis of 2007–2009

In this illustration, mortgages are originated by financial institutions such as banks that sell individual mortgages into a mortgage pool such as a conduit. The mortgage pool is a passive firm (sometimes called a warehouse) whose only role is to hold mortgage assets. The mortgage is then packaged into another pool of mortgages to form MBSs, which are liabilities issued against the mortgage assets. The MBSs might then be owned by an asset-backed security (ABS) issuer who pools and tranches them into another layer of claims, such as collateralized debt obligations. A securities firm (e.g., a Wall Street investment bank) might hold collateralized debt obligations on its own books for their yield but will finance such assets by collateralized borrowing through repurchase agreements (i.e., repos) with a larger commercial bank. In turn, the commercial bank would fund its lending to the securities firm by issuing short-term liabilities, such as financial commercial paper. Money market mutual funds would be natural buyers of such short-term paper, and, ultimately, the money market fund would complete the circle as household savers would own shares of these funds.

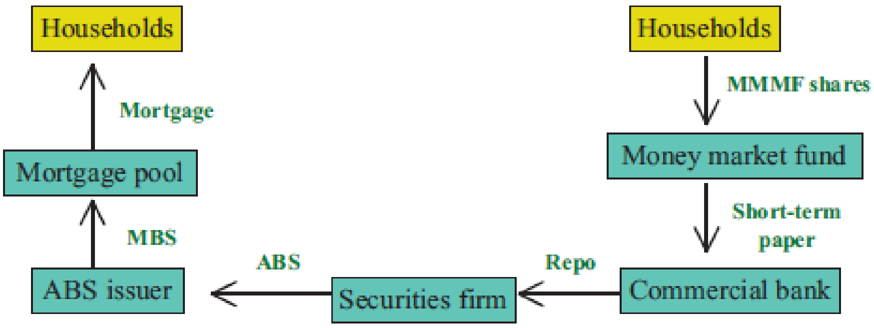
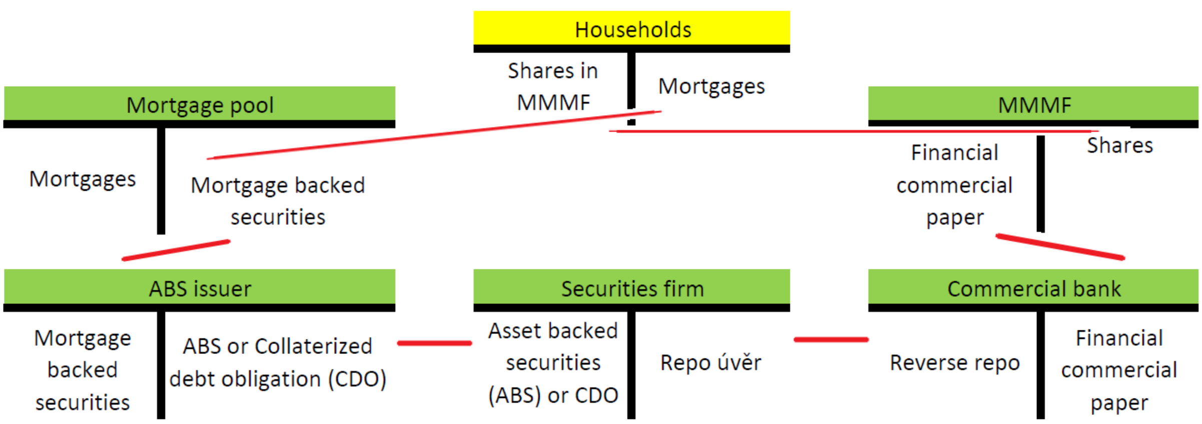


Figure 6

Long intermediation chain. ABS, asset-backed security; MBS, mortgage-backed security; MMMF, money market mutual fund; repo, repurchase agreement.



Mortgage-backed security (MBS): an asset-backed security or debt obligation that represents a claim on the cash flows from mortgage loans, most commonly on residential property

Asset-backed security (ABS): a security whose value and income payments are derived from and collateralized by a specified
pool of underlying assets, such as credit cards, auto loans, or mortgages

Collateralized debt obligation (CDO): a type of structured asset backed security whose value and payments are derived from a portfolio of underlying fixed-income assets; they are split into different risk classes, and their interest and principal payments are made in order of seniority

Repo (repurchase agreement): a transaction in which the borrower sells a security to a lender and also agrees to buy back the same security from the lender at a fixed price at some later date; equivalent to a cash transaction combined with a forward contract

Money market mutual fund: an open-end mutual fund that invests only in money markets; seeks to maintain a net asset value of $1 per share and thereby provide investors with a safe place to invest easily accessible cash equivalent assets

Money market is a component of the financial markets for assets involved in short-term borrowing, lending, buying and selling with original maturities of one year or less. Trading in money markets is done over the counter and is wholesale. There are several money market instruments, including treasury bills, commercial paper, bankers' acceptances, deposits, certificates of deposit, bills of exchange, repurchase agreements, federal funds, and short-lived mortgage-, and asset-backed securities.

Security broker-dealer: a company or other organization that trades securities for its own account or on behalf of its customers

Asset-backed commercial paper: a form of commercial paper collateralized by other financial assets; typically short-term investments that mature between 90 and 180 days, generally issued by a bank or other financial institution

Commercial paper, in the global financial market, is an unsecured promissory note with a fixed maturity of no more than 270 days. It is a money-market security issued (sold) by large corporations to obtain funds to meet short-term debt obligations