

Yield Book's ESG framework for securitized assets

Governance themes in MBS

Leverage quantitative ESG-related insights from the market's leading MBS analytics platform and first ESG framework provider for securitized assets

Our proprietary framework for ESG in securitized assets offers 20+ ESG metrics and scores across the thematic areas of Responsible Lending and Responsible Servicing, both key Governance themes for the securitized market.

Behaviors such as loan churning and extending unfair rates to borrowers persist in today's markets. However, using the latest techniques in data science and machine learning, we have derived purely quantitative insights into very large datasets to detect these and provide monthly ESG measures on 560,000+ US Agency RMBS and CMOs, augmenting a range of other socio-economic data, green and ESG flags.

Our approach is both top-down and bottom-up, developed with extensive feedback from the market. We have designed our framework such that ESG thematic scores can be combined flexibly across sub-asset classes, while in parallel building underlying metrics that reflect material concepts within each theme.

40+

Datapoints in MBS across Governance and socio-economic data

560k

Securitized instruments covered, including RMBS and CMBS

~\$6trn+

Notional outstanding with associated ESG measures

Principles of our ESG Framework

OBJECTIVITY

Our purely quantitative approach enabled by innovative techniques in machine learning and data science aids verifiability and avoids common issues caused by subjectivity

ASSET-FOCUSED

All approaches in different asset classes are loan-level based, rolling up to security level to enable application across asset classes

RELEVANT & THEMATIC

To facilitate flexibility in adoption of given ESG principles across asset classes within securitized; different weights are typically applied based on the goal of the investment

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