

**Department of Financial Institutions & Markets**  
**Bangladesh Bank**  
**Head Office, Dhaka.**

DFIM Circular Letter no. -01

Date : 10 January, 2008

Chief Executives/Managing Directors,  
All Scheduled Banks & Financial Institutions in Bangladesh.

Dear Sir,

**Regarding "Mortgaged Backed Securitization in Bangladesh: A Tentative Guideline"**

Overall Bond and Securitization Market in Bangladesh has not yet flourished significantly as thought of. Especially, the concept of "Mortgaged Backed Securities (MBS) Market"-is quite a new. However, in recent times, many lending banks, financial institutions, housing finance organizations and investors have started showing their interests in this sector. Anticipating the future prospects of this sector-Bangladesh Bank, as a facilitator and coordinator, feels the necessity to prepare an integrated policy guideline regarding this. In this context, a *Focus Group* was formed under the supervision of Bangladesh Bank that included experienced officials from different banks and financial institutions. Considering the regional experiences and world's best practices, the group has now prepared the "*Mortgaged Backed Securitization in Bangladesh: A Tentative Guideline*"- which is adaptable in Bangladesh perspective. A copy of the guideline is forwarded herewith.

The basic concepts and applications of MBS, assessment and analysis of various risks originating from the securitization process, future prospects of MBS in Bangladesh etc. have been described in this guideline. A tentative MBS Structuring Model has also been incorporated in the guideline. Since each securitization itself is unique in terms of quality and procedural differentiation, banks and financial institutions may therefore customized their Structuring Model depending on the requirements of the investors and Credit Rating Organizations.

Please acknowledge the receipt.

Yours Sincerely,

sd./-

(Md. Golam Mostafa)  
Deputy General Manager  
Phone : 7120956