

GUARANTEE SCHEME FOR ASSET BACKED SECURITIES

19 January 2009, 7:30am

The Government announced today that it will, in consultation with issuers and investors, provide full or partial guarantees to be attached to eligible AAA rated Asset Backed Securities (ABS) including mortgages and corporate and consumer debt. UK banks and building societies eligible to participate in the Credit Guarantee Scheme will be able to access the new scheme subject to fulfilling the scheme's conditions. The DMO will be responsible for auctioning the guarantees and administering the scheme. The scheme will commence in April 2009, subject to State Aid approval. Further details will be available in due course. A full statement about the scheme can be found on HM Treasury's website at www.hm-treasury.gov.uk.