

**Reference: Advisory for
Banks/FBBs/T&L/Life**

Our File: P2200-5-1

January 7, 2005

TO: Banks
Foreign Bank Branches
Federally Regulated Trust and Loan Companies
Federally Regulated Life Insurance Companies

Subject: Advisory on Securitization – Large Exposure Issues Pertaining to Liquidity Support Facilities

The attached Advisory clarifies the application of credit risk management practices outlined in Guideline B-2, *Large Exposure Limits*, as they relate to liquidity facilities provided by way of liquidity asset purchase facilities and liquidity facilities containing a market disruption clause. The Advisory takes into account industry comments following the November 25th, 2004 posting of the draft of this document.

Questions with respect to this Advisory should be addressed to Roger Love by telephone at (416) 973-1171, by e-mail at roger.love@osfi-bsif.gc.ca, or by fax at (416) 973-8966.

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