

1 VIRGINIA ACTS OF ASSEMBLY — CHAPTER

2 *An Act to amend the Code of Virginia by adding in Title 6.1 a chapter numbered 19, consisting of*
3 *sections numbered 6.1-472 and 6.1-473, relating to Asset-Backed Securities Facilitation Act.*

4
5 Approved

[S 536]

6 **Be it enacted by the General Assembly of Virginia:**

7 **1. That the Code of Virginia is amended by adding in Title 6.1 a chapter numbered 19, consisting**
8 **of sections numbered 6.1-472 and 6.1-473, as follows:**

9 *CHAPTER 19.*

10 *ASSET-BACKED SECURITIES FACILITATION ACT.*

11 *§ 6.1-472. Title.*

12 *This chapter shall be known as the Asset-Backed Securities Facilitation Act.*

13 *§ 6.1-473. Securitization transactions; no interest retained by transferor.*

14 *A. Notwithstanding any other provision of law, including, but not limited to, § 8.9A-623, to the extent*
15 *set forth in the transaction documents relating to a securitization transaction:*

16 *1. Any property, assets, or rights purported to be transferred, in whole or in part, in the*
17 *securitization transaction shall be deemed to no longer be the property, assets, or rights of the*
18 *transferor;*

19 *2. A transferor in the securitization transaction, its creditors or, in any insolvency proceeding with*
20 *respect to the transferor or the transferor's property, a bankruptcy trustee, receiver, debtor, debtor in*
21 *possession, or similar person, to the extent the issue is governed by the laws of the Commonwealth,*
22 *shall have no rights, legal or equitable, whatsoever to reacquire, reclaim, recover, repudiate, disaffirm,*
23 *redeem, or recharacterize as property of the transferor any property, assets, or rights purported to be*
24 *transferred, in whole or in part, by the transferor; and*

25 *3. In the event of a bankruptcy, receivership, or other insolvency proceeding with respect to the*
26 *transferor or the transferor's property, to the extent the issue is governed by the laws of the*
27 *Commonwealth, such property, assets, and rights shall not be deemed to be part of the transferor's*
28 *property, assets, rights, or estate.*

29 *B. Nothing contained in this chapter shall be deemed to require any securitization transaction to be*
30 *treated as a sale for federal or state tax purposes or to preclude the treatment of any securitization*
31 *transaction as debt for federal or state tax purposes or to change any applicable laws relating to the*
32 *perfection and priority of security or ownership interests of persons other than the transferor,*
33 *hypothetical lien creditor or, in the event of a bankruptcy, receivership or other insolvency proceeding*
34 *with respect to the transferor or its property, a bankruptcy trustee, receiver, debtor, debtor in*
35 *possession, or similar person. Nothing in this chapter shall change the tax treatment of securitizations*
36 *that take place pursuant to this chapter.*

37 *C. "Securitization transaction" means a transaction relating to the issuance or transfer by a special*
38 *purpose entity of beneficial interests or undivided interests, which entitle their holders to receive*
39 *payments or other distributions that depend primarily on the cash flow from assets, including financial*
40 *assets and other credit exposures, in which that special purpose entity has rights or the power to*
41 *transfer rights.*

ENROLLED

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