

PROBLEMS AND PROSPECTS OF STUDENT LOAN SECURITIZATION

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This article deals with specific educational loans and mechanisms of their refinancing; the most perspective among them is bank assets securitization. The basic concepts are considered, the Russian experience of securitization is analyzed and the main provisions of the mechanism of securitization of education loans are formed.

The main obstacle of the development of educational loans mechanism for both commercial enterprises and government is the disinterest of financial institutions in this form of consumer lending. This is due to the long-term type of lending and the lack of "long money" in financial markets. By international standards the banking system of Russia is still quite low capitalized and has a limited access to long-term financial resources in the context of significant needs of the economy in credit resources. The structure of Russian banking liabilities of about 77% are funds of up to 1 year, most of them - three-month resources. Economic instability and low income do not encourage people to keep their savings in commercial banks for long periods.

From the sources of bank refinancing we have to mention the deposit facility (estimated at 50%), borrowing from other financial institutions (about 10%), debt securities (about 20%), contractual savings (approximately 10%) and the use of securitization (10% market share). Long-term resources - funds and pension funds budget, as well as social insurance funds - to date are out of bank circulation.

Thus, for the development of student loans there are several promising ways of refinancing. First - credit resources are borrowed on the open capital market, and can be tailored by attracting savings, future borrowers on the basis of deposit accumulation. Banks participating in the mechanism, first, form a stereotype of the economic behavior of people, transforming part of their income into savings for their children's education and, secondly, receive the deposit base for lending operations with comparable maturities. This area is constrained by lack of development of financial instruments targeted savings - such as educational securities, educational insurance, which helps to distribute the time costs associated with educational attainment, and lower, so the burden on family budgets. The second mechanism is fairly new to the Russian financial market - the mechanism of securitization of bank assets, which allows not only to refinance the loans granted, but also to actively manage credit

risk. In many countries, the mechanism of securitization of financial assets is quite popular. The development of this market in the U.S. began in the area of mortgages, later affecting consumer loans and claims on credit cards, and in 1990-ies spread to almost all types of assets that generate future cash flows. In Western Europe, key types of securitization of assets are mortgage and consumer loans. Recently, securitization is increasingly being used by several European governments as a tool for financing public programs.

In modern economic literature, there are several approaches to determining the securitization. In the first approach, securitization is characterized as a global trend of changing traditional forms and methods of financing real sector enterprises, due to availability of resources of the stock market. The second approach defines securitization as a funding mechanism through the separation of assets and risks involved for their subsequent transformation into securities. The most common definition of securitization is the next-Financial Technologies, is the transformation of low-liquid assets into securities backed by cash inflows from the source of assets, which resulted in the redistribution of risk between the primary owner of the assets, the guarantor and investors.

Securitization is a cheaper source of financing compared to other financial alternatives (getting the interbank credit, issuance of shares, bonds or certificates of deposit). Securities issued in the securitization may qualify for a high investment grade rating and, consequently, to attract investors to more favorable terms for the borrower than a available commercial bank, who owns the original assets.

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