

SECURITIES AND EXCHANGE COMMISSION

FORM 10-K405

Annual report pursuant to section 13 and 15(d), Regulation S-K Item 405

Filing Date: **1999-03-26** | Period of Report: **1998-12-31**
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FILER

ASSET BACKED SECURITIES CORP

CIK: **797510** | IRS No.: **133354848** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **10-K405** | Act: **34** | File No.: **000-14811** | Film No.: **99573923**
SIC: **6189** Asset-backed securities

Mailing Address
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PARK AVENUE PLAZA
NEW YORK NY 10010*

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SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS
PURSUANT TO SECTIONS 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF
1934

For the fiscal year ended December 31, 1998

Commission File Number 333-00365

Asset Backed Securities Corporation

(Exact Name of Registrant as Specified in its Charter)

Delaware 13-3354848

(State or Other Jurisdiction of Incorporation or Organization) (I.R.S. Employer Identification No.)

11 Madison Avenue, New York, New York 10010

(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code (212) 325-1811

Securities registered pursuant to Section 12(b) of the Act: None.

Securities registered pursuant to Section 12(g) of the Act: None.

Indicate by check mark whether the registrant: (1) has filed all reports required to be files by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports, and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

DOCUMENTS INCORPORATED BY REFERENCE.

No documents have been incorporated by reference in this Form 10-K.

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In no-action letters issued to a variety of issuers of asset-backed or pass-through certificates representing ownership interests in, or of asset-backed notes issued by, trusts established by financial, whose principal assets are receivables generated under motor vehicle retail installment sales contracts owned by such institutions and transferred to such trusts, the Division of Corporation Finance has stated that it would not raise any objection if the servicer of the trust, on behalf of the trust, files its Annual Report on Form 10-K in accordance with a specified format. See e.g., Bay View Auto Trusts (January 15, 1998); Nissan Auto Receivables 1995-A Grantor Trust (June 28, 1996); CIT Group Securitization Corp. II (January 25, 1996); AFG Receivables Trust 1995-A (May 29, 1996); Old Kent Auto Receivables Trust 1995-A (April 11, 1996); Mercedes-Benz Credit Corp., (January 6, 1995); CIT Group Securitization Corp. (April 15, 1994); Western Financial Savings Bank, F.S.B. (January 7, 1994); Toyota Motor Credit Corp. (November 11, 1993); Hyundai Motor Finance Co. (August 20, 1993); World Omni Financial Corp. (March 24, 1993); American Honda Receivables Corp. (March 12, 1993); and Volvo Auto Receivables Grantor Trust

The Compass Auto Receivables Trust 1998-A (the "Trust") was formed pursuant to the Declaration of Trust as of June 24, 1998 (the "Agreement"), between Asset Backed Securities Corporation (the "Company"), Compass Auto Receivables Corporation ("Compass Auto") and The Bank of New York Trust Company of Florida, N.A., as Owner-Trustee. The assets of the Trust include, among other things, receivables consisting of simple interest motor vehicle installment sales contracts ("Receivables") secured by a motor vehicle, rights to receive certain principal and interest payments with respect to such Receivables, security interests in the motor vehicles financed thereby and the proceeds thereof. On June 30, 1998, the Trust issued \$127,235,000 5.659% Class A-1 Asset Backed Notes, \$81,700,000 5.709% Class A-2 Asset Backed Notes and \$170,445,000 5.900% Class A-3 Asset Backed Notes (collectively, the "Notes").

This Annual Report on Form 10-K has been filed in substantially the form that the Division of Corporate Finance, in the no-action letters referred to above, has stated that it would not object to.

PART I

Item 1. Business.

Omitted.

Item 2. Properties.

The assets of the Trust include, among other things, receivables consisting of simple interest motor vehicle installment sales contracts secured by a motor vehicle, rights to receive certain principal and interest payments with respect to such Receivables, security interests in the motor vehicles financed thereby, and the proceeds thereof.

Item 3. Legal Proceedings.

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None with respect to the Notes or the Trust.

Item 4. Submission of Matters to a Vote of Security Holders.

None with respect to the Notes or the Trust.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters.

To the best knowledge of Asset Backed Securities Corporation and the Trust, there is no established public trading market for the Notes.

One certificate representing a fractional undivided interest in the Trust (the "Certificate") was issued to Compass Auto Receivables Corporation in the principal amount of \$22,080,879. All of the Notes are registered in the name of Cede & Co., as the nominee of The Depository Trust Company ("DTC"). As of January 21, 1999, there were 22 participants listed by DTC, in the DTC system, as holding positions in all Classes of the Notes.

The Trust does not pay dividends on the Notes.

The Trust used the net proceeds from the sale of the Notes and the Certificate to purchase the Receivables from the Company. The Company used the net proceeds paid to the Company by the Trust to purchase the Receivables from Compass Auto, which in turn used such proceeds to make the initial deposit into a reserve account and to purchase the Receivables from Compass Bank, an Alabama state banking corporation, and Compass Bank, a Texas state bank.

Item 6. Selected Financial Data.

Omitted.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Omitted.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

Omitted.

Item 8. Financial Statements and Supplementary Data.

Omitted.

2

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

PART III

Item 10. Directors and Executive Officers of the Registrants.

Omitted.

Item 11. Executive Compensation.

Omitted.

Item 12. Security Ownership of Certain Beneficial Owners and Management.

Compass Auto Receivables Corporation holds 100% of the Certificate in the principal amount of \$22,080,879.

Item 13. Certain Relationships and Related Transactions.

None.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K.

(a) Listed below are the documents filed as part of this report:

Exhibit

No.	Document Description
-----	-----

20.1	Servicer's Report and Monthly Noteholder and Certificateholder Statement, dated as of January 15, 1999
------	--

(b) Reports on Form 8-K:

With respect to the last quarter of 1998, the following Form 8-K's were filed with the Commission:

Date	Items Listed
----	-----
October 1, 1998	Servicer's Report and Monthly Noteholder and Certificateholder Statement, dated as of September 15, 1998.
December 21, 1998	Servicer's Report and Monthly Noteholder and Certificateholder Statement, dated as of October 15, 1998.
January 4, 1999	Servicer's Report and Monthly Noteholder and Certificateholder Statement, dated as of November 16, 1998.
January 11, 1999	Servicer's Report and Monthly Noteholder and Certificateholder Statement, dated as of December 15, 1998.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ASSET BACKED SECURITIES CORPORATION
(Registrant)

Dated: March 24, 1999

By: /s/ Erik A. Falk

Name: Erik A. Falk
Title: Vice President

INDEX TO EXHIBITS

Exhibit	Document Description
No.	-----
-----	-----

28	Servicer's Report and Monthly Noteholder and Certificateholder
----	--

Statement, dated as of January 15, 1999.

I. ORIGINAL DEAL PARAMETER INPUTS

<S>	<C>
(A) Total Portfolio Balance	\$401,460,879.06
(B) Total Securities Balance	\$401,460,879.06
(C) Class A-1 Notes	
(i) Class A-1 Notes Balance	\$127,235,000.00
(ii) Class A-1 Notes Percentage (C(i)/IB)	31.69%
(iii) Class A-1 Notes Rate	5.659%
(iv) Class A-1 Notes Accrual Basis	Actual/360
(D) Class A-2 Notes	
(i) Class A-2 Notes Balance	\$ 81,700,000.00
(ii) Class A-2 Notes Percentage (D(i)/IB)	20.35%
(iii) Class A-2 Notes Rate	5.709%
(iv) Class A-2 Notes Accrual Basis	Actual/360
(E) Class A-3 Notes	
(i) Class A-3 Notes Balance	\$170,445,000.00
(ii) Class A-3 Notes Percentage (E(i)/B)	42.46%
(iii) Class A-3 Notes Rate	5.90%
(iv) Class A-3 Notes Accrual Basis	30/360
(F) Certificates	
(i) Certificates Balance	\$ 22,080,879.06
(ii) Certificates Percentage (G(i)/B)	5.50%
(iii) Certificates Rate	6.65%
(iv) Certificates Accrual Basis	30/360
(G) Servicing Fee Rate	1.00%
(H) Portfolio Summary	
(i) Weighted Average Coupon (WAC)	9.84%
(ii) Weighted Average Original Maturity (WAOM)	57.78 months
(iii) Weighted Average Remaining Maturity (WAM)	42.27 months
(iv) Number of Receivables	35,744
(I) Reserve Account	
(i) Reserve Account Initial Deposit Percentage	0.25%
(ii) Reserve Account Initial Deposit	\$ 1,003,652.20
(iii) Specified Reserve Account Balance (greater of J(iii) (a or b) if 1.5% loss and delinquency triggers not hit - otherwise J(iii) (c))	
(a) Percent of Original Securities Balance	1.00%
(b) Trigger Percent of Remaining Securities Balance	6.00%

II. INPUTS FROM PREVIOUS MONTHLY SERVICER REPORTS

(A) Total Portfolio Balance	\$303,800,763.53
(B) Total Securities Balance	\$303,800,763.53
(C) Cumulative Note and Certificate Pool Factor	0.7567382
(D) Class A-1 Notes	
(i) Class A-1 Notes Balance	\$ 29,574,884.47
(ii) Class A-1 Notes Pool Factor	0.2324430
(iii) Class A-1 Notes Interest Carryover Shortfall	\$ 0.00
(iv) Class A-1 Notes Principal Carryover Shortfall	\$ 0.00
(E) Class A-2 Notes	
(i) Class A-2 Notes Balance	\$ 81,700,000.00
(ii) Class A-2 Notes Pool Factor	1.0000000
(iii) Class A-2 Notes Interest Carryover Shortfall	\$ 0.00
(iv) Class A-2 Notes Principal Carryover Shortfall	\$ 0.00
(F) Class A-3 Notes	
(i) Class A-3 Notes Balance	\$170,445,000.00
(ii) Class A-3 Notes Pool Factor	1.0000000
(iii) Class A-3 Notes Interest Carryover Shortfall	\$ 0.00
(iv) Class A-3 Notes Principal Carryover Shortfall	\$ 0.00
(G) Certificates	
(i) Certificates Balance	\$ 22,080,879.06
(ii) Certificates Pool Factor	1.0000000
(iii) Certificates Interest Carryover Shortfall	\$ 0.00
(iv) Certificates Principal Carryover Shortfall	\$ 0.00
(H) Servicing Fee	
(i) Servicing Fee Shortfall	\$ 0.00
(I) End of Prior Month Account Balances	
(i) Reserve Account	\$ 3,623,580.67
(J) Net Losses as of End of Prior Month	
(i) Cumulative Net Losses for All Prior Periods	\$ 528,268.34
(ii) Net Losses for Second Preceding Period	0.62%
(iii) Net Losses for Preceding Period	1.10%
(K) Delinquencies as of End of Prior Month	
(i) Delinquency Ratio for Preceding Period	0.11%
(ii) Delinquency Ratio for Second Preceding Period	0.09%

IX. INTEREST DISTRIBUTIONS

(A) Class A-1 Notes		
(i) Class A-1 Notes Interest Due	\$	144,119.23
(ii) Class A-1 Notes Interest Paid		144,119.23
(iii) Class A-1 Notes Interest Shortfall	\$	0.00
(B) Class A-2 Notes		
(i) Class A-2 Notes Interest Due	\$	401,644.01
(ii) Class A-2 Notes Interest Paid		401,644.01
(iii) Class A-2 Notes Interest Shortfall	\$	0.00
(C) Class A-3 Notes		
(i) Class A-3 Notes Interest Due	\$	838,021.25
(ii) Class A-3 Notes Interest Paid		838,021.25
(iii) Class A-3 Notes Interest Shortfall	\$	0.00
(D) Total Note Interest		
(i) Total Note Interest Due	\$	1,383,784.49
(ii) Total Note Interest Paid		1,383,784.49
(iii) Total Note Interest Shortfall	\$	0.00
(E) Certificates		
(i) Certificates Interest Due	\$	122,364.87
(ii) Certificates Monthly Interest Paid		122,364.87
(iii) Certificates Monthly Interest Shortfall	\$	0.00
(F) Total Note and Certificate Interest		
(i) Total Note and Certificate Interest Due	\$	1,506,149.36
(ii) Total Note and Certificate Interest Paid		1,506,149.36
(iii) Total Note and Certificate Interest Shortfall	\$	0.00
(G) Excess Fund Available		15,850,916.30

X. PRINCIPAL DISTRIBUTIONS

(A) Noteholders' Principal Distribution Amounts		\$15,491,588.83
(B) Class A-1 Notes Principal		
(i) Class A-1 Notes Principal Due	\$15,491,588.83	
(ii) Class A-1 Notes Principal Paid		15,491,588.83
(iii) Class A-1 Notes Principal Shortfall	\$	0.00
(iv) Reserve Fund drawn	\$	0.00
(C) Class A-2 Notes Principal		
(i) Class A-2 Notes Principal Due	\$	0.00
(ii) Class A-2 Notes Principal Paid		0.00
(iii) Class A-2 Notes Principal Shortfall	\$	0.00
(iv) Reserve Fund drawn	\$	0.00
(D) Class A-3 Notes Principal		

</TABLE>

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CREDIT SUISSE FIRST BOSTON

Compass Bank Auto Owner Trust 1998-A
Compass Bank - Servicer
Compass Bank "Alabama" Compass Bank "Texas" - Sellers

EXHIBIT 20.1
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<S>		<C>
(i) Class A-3 Notes Principal Due	\$	0.00
(ii) Class A-3 Notes Principal Paid		0.00
(iii) Class A-3 Notes Principal Shortfall	\$	0.00
(iv) Reserve Fund drawn	\$	0.00
(E) Total Notes Principal		
(i) Total Notes Principal Due	\$	15,491,588.83
(ii) Total Notes Principal Paid		15,491,588.83
(iii) Total Notes Principal Shortfall	\$	0.00
(iv) Reserve Fund drawn	\$	0.00
(F) Certificates Principal		
(i) Certificates Principal Due	\$	0.00
(ii) Certificates Principal Paid		0.00
(iii) Certificates Principal Shortfall	\$	0.00
(iv) Release to Servicer	\$	0.00
(G) Total Notes and Certificates Principal		
(i) Total Notes and Certificates Principal Due	\$	15,491,588.83
(ii) Total Notes and Certificates Principal Paid		15,491,588.83
(iii) Total Notes and Certificates Principal Shortfall	\$	0.00

DISTRIBUTIONS SUMMARY

(A) Total Collections	\$ 17,610,232.97
(B) Amount of Draw from Reserve Account	0.00
(C) Total Distributions	17,250,905.50
(D) Amount of Deposit available into Reserve Account	359,327.47

 PORTFOLIO AND SECURITY SUMMARY

<CAPTION>

XI. POOL BALANCES AND PORTFOLIO INFORMATION	Beginning of Period	End of Period
----- <S>	----- <C>	----- <C>
(A) Balances and Principal Factors		
(i) Aggregate Balance of Notes	\$281,719,884.47	\$266,228,295.64
(ii) Note Pool Factor	0.7567382	0.7017457
(iii) Class A-1 Notes Balance	29,574,884.47	14,083,295.64
(iv) Class A-1 Notes Pool Factor	0.2324430	0.1106873
(v) Class A-2 Notes Balance	81,700,000.00	81,700,000.00
(vi) Class A-2 Notes Pool Factor	1.0000000	1.0000000
(vii) Class A-3 Notes Balance	170,445,000.00	170,445,000.00
(viii) Class A-3 Notes Pool Factor	1.0000000	1.0000000
(iv) Certificates Balance	22,080,879.06	22,080,879.06
(x) Certificates Pool Factor	1.0000000	1.0000000
(xi) Total Principal Balance of Notes and Certificates	303,800,763.53	288,309,174.70
(B) Portfolio Information		
(i) Weighted Average Coupon (WAC)	9.58%	9.85%
(ii) Weighted Average Remaining Maturity (WAM)	36.51 months	35.72 months
(iii) Remaining Number of Receivables	31,136	30,192
(iv) Portfolio Receivable Balance	\$303,800,763.53	\$288,309,174.70

 SUMMARY OF ACCOUNTS

<CAPTION>

XII. RECONCILIATION OF RESERVE ACCOUNT	----- <S>	----- <C>	----- <C>	----- <C>
(A) Beginning Reserve Account Balance				\$ 3,623,580.67
(B) Draws				
(i) Draw for Servicing Fee				0.00
(ii) Draw for Interest				0.00
(iii) Draw for Realized Losses				0.00
(C) Excess Interest Deposited into the Reserve Account				359,327.47
(D) Reserve Account Balance Prior to Release				3,982,908.14
(E) Reserve Account Required Amount				4,014,608.79
(F) Final Reserve Account Required Amount				4,014,608.79
(G) Excess Reserve Account Amount				0.00
(H) Ending Reserve Account Balance				3,982,908.14

<CAPTION>

XIII. NET LOSS AND DELINQUENCY ACCOUNT ACTIVITY	----- <S>	----- <C>	----- <C>	----- <C>
(A) Liquidated Contracts				
(i) Liquidation Proceeds Related to Principal				\$ 0.00
(ii) Net Liquidation Proceeds Received During the Collection Period				0.00
(iii) Recoveries on Previously Liquidated Contracts				12,620.44
(B) Aggregate Net Losses for Collection Period				352,934.48
(C) Net Loss Rate for Collection Period (annualized)				1.43%
(D) Cumulative Net Losses for all Periods				881,202.82
(E) Delinquent Receivables		Dollar Amount	# Units	
		-----	-----	
(i) 30-59 Days Delinquent		\$266,559.11	0.09%	415 1.37%
(ii) 60-89 Days Delinquent		\$ 93,074.65	0.03%	93 0.31%
(ii) 90 Days or More Delinquent		\$235,201.55	0.08%	139 0.46%

<CAPTION>

XIV. TESTS FOR INCREASE IN SPECIFIED RESERVE ACCOUNT BALANCE	----- <S>	----- <C>	----- <C>
(A) Cumulative Net Losses			
(i) Second Preceding Collection Period			0.62%
(ii) Preceding Collection Period			1.10%
(iii) Current Collection Period			1.43%
(B) Ratio of Balance of Contracts Delinquent 60 Days or More to the Outstanding Balance of Receivables.			
(i) Second Preceding Collection Period			0.09%
(ii) Preceding Collection Period			0.11%
(iii) Current Collection Period			0.11%
(iv) Three Month Average (Avg(i,ii,iii))			0.10%
(C) Loss and Delinquency Trigger Indicator			Trigger was not hit.

</TABLE>