Corporate Loan Securitization and the Standardization of Financial Covenants

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In compliance with the *JAR* Data Policy, we provide the following information regarding the empirical data used in the JAR publication entitled "Corporate Loan Securitization and the Standardization of Financial Covenants."

1. A description of which author(s) handed the data and conducted the analyses.

All three coauthors, Zahn Bozanic, Maria Loumioti, and Florin Vasvari, handled data and performed analyses.

2. A detailed description of how the raw data were obtained or generated, including data sources, the specific date(s) on which data were downloaded or obtained, and the instrument used to generate the data (e.g., for surveys or experiments). We recommend that more than one author is able to vouch for the stated source of the raw data.

We obtained data from a variety of sources, including Creditflux, Dealscan, LoanConnector, the SEC, and Compustat. In April 2013, we obtained data on securitized corporate loans from the CLO-i database provided by Creditflux. Creditflux retrieves data from monthly CLO reports, including loan-level data on CLOs' portfolio structure and trading activity (e.g., borrowers' name, loan types, ratings, face amounts, maturities, and defaults). To obtain contract terms and covenant definitions for the syndicated loans in CLO portfolios, we hand-matched the CLO-i data with DealScan and Compustat over the summer of 2013. We identify a sample of 1,075 unique securitized corporate loans issued by 605 unique public borrowers for the period 2000–2009. We searched borrowers' SEC filings following the procedure outlined by Nini, Smith, and Sufi [2009] to identify loan contracts. The filings were downloaded from EDGAR in October 2010. We are able to retrieve the complete contracts for 440 of the 1,075 securitized loans. We also retrieve the complete contracts for our control sample of 703 non-securitized institutional loans. From these contracts, we hand-collect financial covenant definitions and then compute the similarity score following Bozanic and Thevenot (2015). In July 2015, we also obtained data on whether a loan is rated or secured using LoanConnector. All authors vouch for the stated sources of the raw data and have access to the data.

3. If the data are obtained from an organization on a proprietary basis, the authors should privately provide the editors with contact information for a representative of the organization who can confirm data were obtained by the authors. The editors would not make this information publicly available. The authors should also provide information to the editors about the data sharing agreement with the organization (e.g., non-disclosure agreements, any restrictions imposed by the organization on the authors, such as restrictions to publish certain results).

All of the source data for this project came from publicly available sources and, aside from the SEC EDGAR data, were purchased from the vendors referenced above.

4. A complete description of the steps necessary to collect and process the data used in the final analyses reported in the paper. For experimental and survey papers, we require information about the instructions and instruments used to generate the data, subject eligibility and/or selection, as well as any exclusion criteria. The full set of instructions and instruments can be provided in the online appendix.

We used Stata to manipulate and merge our datasets. We detail this process in BLV_code.do.

5. The computer programs or code used to convert the raw data into the final dataset used in the analysis plus a brief description that enables other researchers to use this program. The purpose of this requirement is to facilitate replication and to help other researchers understand in detail how the raw data were processed, the final sample was formed, variables were defined, outliers were treated, etc. This code or programming is in most circumstances not proprietary. However, we recognize that some parts of the code or data generation process may be proprietary, including from the authors' perspective. Therefore, instead of the code or program, researchers can provide a detailed step-by-step description of the code or the relevant parts of the code such that it enables other researchers to arrive at the same final dataset used in the analysis. In such cases, the authors should inform the editors upon initial submission, so that the editors can consider an exemption from the code sharing requirement. Whenever feasible, authors should also provide the identifiers (e.g., CIK, CUSIP) for their final sample. Authors should consult our FAQ Sheet on the JAR website for further details.

The Stata code used to create the dataset is attached. For data collected or merged manually, we include notes in the Stata .do file describing how we obtained the data. The DealScan borrowerid's included in our final sample are reported in "ID_borrowerid.txt"

6. An assurance that the data and programs will be maintained by at least one author (usually the corresponding author) for at least six years, consistent with National Science Foundation guidelines.

The authors will retain all data and programs for the required six years.

REFERENCES

BOZANIC, Z., AND THEVENOT, M., 2015. Qualitative Disclosure and Changes in Sell-Side Financial Analysts' Information Environment. *Contemporary Accounting Research* 32: 1595–1616.

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