

## **The Quiet Change That Rocked the World**

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### **Abstract:**

The accounting for income recognition on asset securitization was quietly changed in late 1980's. With his first-hand experience at Citibank in the early day of asset securitization, Terence will explain how this accounting change turned a corporate treasury function into a major profit center, which in turn provided the impetus for the abuses in the early 2000's and eventually the current economic crisis. Lesson learned: To rebuild investor confidence in structured finance, core businesses and investors must return to the front and center and financial engineering must retreat back to a support function.