
ICE Launches Climate Transition Risk Solution for Municipal Bond, MBS, Real Estate Segments.

Financial technology and data services provider and exchange operator Intercontinental Exchange (ICE), announced the launch of a new climate transition risk solution targeted at underserved segments of fixed income including municipals, securitized mortgage-backed securities (MBS) and real estate.

According to ICE, the new solution will provide emissions estimates and portfolio analytics across various fixed income asset classes, covering Scope 1, Scope 2 and Scope 3 emissions for municipal bonds, MBS, and real estate, expanding ICE's existing coverage of sovereign, corporate equity, and private companies to help enable clients to assess and benchmark financed emissions across a comprehensive range of fixed income asset classes in one integrated offering.

Larry Lawrence, Head of ICE Climate, said:

> "Our clients increasingly need quality transition risk data for underserved segments, particularly mortgage-backed securities, where we have applied physics-based simulations with building energy models and ICE's data to provide emissions insights for RMBS and CMBS. Mortgages and mortgage securities can represent more than 20 percent of bank balance sheets, leading to a growing need for data to help meet regulatory disclosure and support stress testing to inform decision-making."

ICE said that the new solution will "address gaps in emissions data by covering underserved sub-asset classes, such as residential mortgage-backed security, commercial mortgage-backed security, and private corporates," as well as municipal bonds.

ICE's multi-asset class transition risk solution provides financed emissions data based on criteria of the Partnership for Carbon Accounting Financials, which provides financial institutions with data on compliance with aspects of the Paris Climate Agreement, encompassing over 110 million US properties and more than 4.2 million fixed income securities globally. ICE's methodologies, customized for each asset class, provide comprehensive emissions tracking, including Scope 1, 2, and 3 estimates, as well as carbon intensity metrics, which organizations need to meet climate regulatory reporting requirements, the company said.

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