Reflections and Projections

Structured Finance and Securitization Year in Review and a Look Ahead to 2025

HUNTON

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Introduction

Greetings and Happy 2025 to our clients, colleagues and friends. The past year seemed to be a bit of a break-out year from the prior couple of post-Covid years that faced the brunt of higher interest rates and high inflation. Transactional volume was up in 2024 and we continued to see new products and innovation in the structured finance and securitization industry. While the dream many had for 2024 of significantly lower interest rates and a refinancing boom did not materialize, we saw a remarkable upswing in MBS and mortgage warehouse activity, and similar upticks in other consumer assets. 2024 saw continued growth and development of a market for home equity products, ranging from HELOCs to closed-end seconds to home price appreciation products, further growth in "land banking", and the MSR investment and trading boom has continued.

For 2025, projections by the Fed reflect a cautious approach on interest rates. We have also learned that mortgage rates do not necessarily follow the Fed rate, at least in the short term. As the Trump 2.0 administration gets launched, there is uncertainty around the economic impact that new policies will have, but also optimism that the pro-business emphasis will be a positive for transactional activity generally. We shall see. One thing we know for sure is that things will continue to evolve in the world and in our industry. At Hunton, we take pride in our ability to adapt to change and to collaborate with our clients to pursue new opportunities and to overcome any obstacles in the way.

We hope you enjoy reading our annual summary of developments and projections for the various transaction specialties that make up our firm's Structured Finance and Securitization (SFS) practice. Our SFS practice involves a wide range of legal specialties and practice groups that come together to provide comprehensive and responsive service to our clients. One of our goals this year is to deepen our relationships with our clients, and to that end, we have included the core members of our SFS practice at the end of this publication. Also please see information regarding the New Hires and Promotions in this publication for additional information regarding Ian Sterling, a veteran structured finance lawyer (and our newest colleague) who joined us at the end of 2024, and Jendy Daglio, who was promoted to partner in April 2024. We look forward to further building our relationships with our clients in what we believe will be an interesting and busy 2025.

Forecast for 2025

Residential Mortgage-Backed Securities (RMBS)

The private label securities RMBS market saw a surge of issuance in 2024, seemingly shaking off the market volatility that was driven in prior years by fluctuating interest rates and relatively high inflation, to happily beat not only our own expectations, but those of many other forecasters. An already strong performance in the traditional non-QM sector in 2024 was aided with an uptick in deals backed by closed-end second lien mortgages (CES), home equity lines of credits (HELOCs) and even investment properties. A bit more surprising was that some long-time issuers in the prime jumbo market also restarted their engines and began issuing at a more regular programmatic pace. We also saw more issuances of securitizations backed by non-traditional products, such as home shared appreciation contracts, as well as issuers complying with the EU risk retention rules in order to attract more European money into the game.

Unlike prior years where strong headwinds gave us trepidation regarding market performance, we believe (hopefully without jinxing it) that 2025 should at least be as good a year—or dare we say even better year—than 2024. Declining and/or at least steady interest rates should add fuel to not only the number of first-time home buyers entering the market, but also result in a flurry of refinance activity for those homeowners who recently bought at the height of the market. There are still, however, a large percentage of so-called mortgage hostages who will continue to remain locked in their homes because of their low interest rates that are just too good to be true, making it economically unfeasible for them to move.

While we are bullish as we head into 2025, we do admit there are some potential impacts on the RMBS market that are unpredictable. For instance, will the new administration move again to privatize the GSEs and what impact will that have on the private label markets? Will the Federal Reserve keep interest rates higher than investors expect in 2025 as it continues its uphill battle against inflation? Will home prices continue to grow or will any particular geographic area (such as those that are hard hit by natural disasters and climate change) see any meaningful depreciation? Will we see any impact from Basel III or other rules relating to risk-based capital and leverage requirements for banks that adversely affect the treatment of RMBS for regulatory capital purposes? These issues—among others—may impact the RMBS market in unpredictable ways; but for now, we will ride the wave of enthusiasm in the market to what we hope will be another good year for its participants.

The Hunton RMBS team is proud of our record of representing either the issuer or underwriter (as well as other market participants) in a vast majority of RMBS programs and would like to thank our many clients for their trust and partnership over the years. To that end, we are particularly proud that our hard work is shown in the results of the Asset-Backed Alert's 2024 year-end league tables, in which the firm was once again highly ranked among the top legal advisors in the industry.

Reverse Mortgage Securitization

Reverse mortgage securitization bounced back in 2024, with new issues of FHA-insured early buyout and proprietary reverse mortgage-backed securities throughout the year. Though the cost of financing and the burden of buyout obligations on Ginnie Mae issuers since the spike in interest rates in 2022 continued to strain smaller shops, an uptick in MSR consolidation, an ease in financing and securitization pricing and the promise of the HMBS 2.0 program has led to more issuance, as well as more visibility about the product generally. With the proposal of the HMBS 2.0 program, Ginnie Mae has provided an opportunity for issuers to resecuritize buyouts in new MBS within certain limits, which is expected to reduce the liquidity strain of issuers' obligations to take out HECMs that have met certain maturity events. While the HMBS 2.0 program may impact the availability of collateral for private-label securitizations, it will not be the optimal securitization strategy for all EBOs, and will benefit the market generally by keeping Ginnie Mae issuers more liquid. In addition, with the surge of home equity products since the explosion of home values in the spring of 2020 and the large proportion of the wealth of the retiring Boomer population represented by the equity in their homes, reverse mortgages are primed to become a bustling asset class again. 2025 looks to be a busy year in reverse, especially if home values continue to hold.

Hunton has represented reverse mortgage securitization issuers and initial purchasers, as well as reverse MSR buyers and sellers, and EBO financing parties as well as borrowers. This broad breadth of experience makes Hunton well equipped to handle reverse mortgage deal structuring.

Credit Risk Transfer

Bank credit risk transfer became a hot topic during 2024, as the looming Basel III rule-making became a major focus in the banking industry. The Fed FAQs in September 2023 gave the industry clarity that the structures that are issued by a SPE with a funded structure would be eligible for capital relief for purposes of Reg Q, and that direct-issued CLNs could be granted the same treatment under the more restrictive and time-consuming Reservation of Authority process. With that feedback, there was an increase in the use of synthetic structures set up by third parties with club buyers or single investors, despite the need for compliance with Commodities Exchange Act regulations. The SFA submitted a request to the CFTC for exemptive relief from certain commodity pool regulations in November 2024, similar to the letters issued to the GSEs and issuers of ILS in 2014, which provided a good deal of clarity in the structuring of SPV issuance by those entities. It is likely to be taken up by the incoming administration, and there is hope that they will be receptive to the request. The Vice Chair of Supervision's speech in September 2024 indicated that the banking regulators planned to repropose the Basel III rule to offer more relief for regional banks, including that banks with assets between $100 billion to $200 billion would be relieved from the Basel III requirements other than recognizing unrealized gains and losses, as well as that the GSIBs (globally systematically important banks) would receive a reduction in the aggregate common tier equity they are required to hold. Trump's appointees to lead the banking agencies will need some time to come up with the details of a new Basel III proposal. With those welcome developments, there is some reason to expect Basel III compliance to be less of a driver behind these trades. However, smaller regional banks may be motivated to enter these deals when they accomplish more than just capital relief with respect to risk-weighted assets as they could be driven by risk management or set offs to losses on other portfolios. And certain larger banks have incorporated these types of transactions as a part of their toolboxes for capital relief management.

The issuance for mortgage insurance-linked notes (MILN) was slower in 2024 than it had been in 2023, which was not surprising given that mortgage origination and refinancing activity continued to remain at a lower pace than had been hoped with the anticipated Fed rate cut. However, two mortgage insurers issued notes covering 2023 policies, and have indicated that they would continue to utilize the capital markets when origination volume permits.

The GSEs issued risk-linked note transactions at steady pace (11 transactions in total), though similar to mortgage insurers, they have utilized their reinsurance program more to match origination volume. In addition, there was a renewal of activity in the full recourse capital markets financing of GSE seller-servicer specific risk transfer bonds. Freddie Mac's STACR issuance calendars indicate a predicted total for 2025 of four to eight deals. Tender offers continue to be a tool that both GSEs use to manage the costs of previously issued debt, trust and REMIC securities, and Freddie Mac's calendar indicates they will undertake two to three tender offers in 2025. These structures are a market-accepted way for the GSEs to manage their risk and capital requirements, with an enthusiastic investor base, though the Trump administration's plans for the future of the GSEs remain a wild card.

Hunton represents issuers, initial purchasers and investors of credit risk transfer issuances in the US, the UK and Europe, and has the talent and experience to assist with structuring transactions to address novel tax, derivative and other regulatory and capital treatment concerns.

Warehouse Financing

The residential mortgage loan warehouse financing industry had a sluggish start in 2024, as lower origination volumes continued to weigh on the market. However, momentum picked up significantly in the second half of the year, signaling a rebound. With the refinancing boom of the past two decades behind us, purchase money mortgage loans remained the cornerstone of the market as the focus for new opportunities shifted to new origination types—primarily closed-end second lien mortgage loans and home equity lines of credit (HELOCs). A pivotal moment came in September, when the Federal Reserve surprised many by cutting interest rates by 50 basis points—more than anticipated. This unexpected move sparked a wave of optimism in the origination space, leading to a steady increase in warehouse financing facilities from September through December 2024. With a new administration coming in place in January, many experts expect additional interest rate cuts, further fueling positive sentiment in the market. At the Mortgage Bankers Association's Annual Meeting in October 2024, economists forecasted that refinance activity would remain flat through 2026, while purchase money loan volume would surge by 28 percent in 2025, reaching $2.3 trillion, and continue rising another 6 percent to $2.4 trillion in 2026. We anticipate these trends will drive continued growth in warehouse financing in 2025.

The demand for warehouse financing of non-traditional assets remained strong in 2024. Non-US banks continued to make their mark in the industry, providing much-needed capital to warehouse borrowers. Homeowners who took advantage of historically low interest rates between 2020 and 2022 sought to tap into their home's equity for liquidity. This shift has fueled a rise in warehouse facilities that finance home equity appreciation contracts, home equity loans, HELOCs and second-lien mortgage loans. Digital HELOCs also continued their upward trajectory in 2024. Companies like Figure Lending LLC are leading the charge in originating and trading these digital HELOCs, which are increasingly financed through warehouse facilities and contributed to securitizations. With the interest rate environment remaining stable, and the potential for additional cuts on the horizon, warehouse lending is poised to become an even more attractive financing option for a diverse array of products. This includes non-performing and re-performing mortgage loans, REO properties, non-QM loans, fix-and-flip loans, construction loans, and loans on investor rental properties.

Our deep industry experience allowed us to provide timely guidance and critical services to both buyers and sellers in this ever-evolving landscape. As the market continues to shift, our client base continues to grow, and we look forward to helping our clients seize new opportunities in the year ahead.

Single-Family Rental

The single-family rental market continued at a healthy pace in 2024. We remained busy advising clients in the sales, acquisitions, financings and securitizations of SFR property portfolios of various sizes. We have advised several REIT clients on equity raises, as well as other REITS as they have expanded into this asset class. SFR investors remain particularly focused on the build-to-rent sector, including partnerships with home builders.

Mortgage Servicing Rights Financing and Investments

Despite some moderation of interest rates in 2024, investor appetite for MSRs remains strong. While new investors looking to fund MSR acquisitions may have missed opportunities to do so at the 2020 and 2021, prices which now look significantly depressed after interest rates rose dramatically in 2022, "higher-for-longer" interest rates and the resulting reduced prepayment speeds compared to pre-2022 levels now provide some additional comfort to investors looking to enter into or expand within the space with a different risk appetite.

Bilateral MSR trades continued as a popular means to source liquidity and cash for smaller to mid-sized servicers throughout 2024, and larger servicers were eager to upsize their portfolios. Bilateral and "club" loans were a popular source of liquidity in 2024 for servicers seeking leverage on their MSR portfolios, including purchase financing. Also, several investors who sought exposure to MSR assets without setting up a servicing portfolio company of their own acquired interests in excess servicing spreads from servicers looking for long-term leverage on their MSRs without mark-to-market risk inherent in MSR secured loans. Servicers have continued to borrow under pre-existing master trust structures by issuing new variable funding notes and privately placed term loans. This year also saw the addition of the revolving term loan as an additional vehicle through which servicers were able to monetize the MSR asset through the master trust structure, and term notes issued by the master trust to the capital markets also experienced an uptick.

The use of excess servicing strips and similar structured investments in servicing economics further accelerated in 2024. Such structures allow servicers to access capital investments from a broader spectrum of investors than traditional asset-based or high-yield debt, without taking on mark-to-market risk. Investor interest in excess servicing strips has continued the expansion we have seen since 2020 as private equity funds and REITs seek ways to participate in an asset that many feel can produce an attractive yield, and that can be advantageous for tax and other purposes and as a hedge against portfolios of whole mortgage loans and MBS.

If, as many expect, rates stabilize at their new levels or even fall slightly, prepayments will remain at significantly lower rates than were seen in the decade plus following the global financial crisis, thereby extending the life of mortgage servicing rights and maintaining or increasing their values at levels above MSR values that were generally obtained during the post-global financial crisis years, to the extent not undercut by other factors (for example, should delinquencies increase due to inflation or other economic factors that affect homeowners). It is more difficult to predict prepayment activity with respect to any mortgage loans originated in the latter half of 2022 through 2024 at higher interest rates. As rates stabilize, the newer production may be more vulnerable to prepayment than the production from previous years through 2024. Prepayment rates may also tick up from their historic lows as home sales eventually begin to revive, driven by pent up housing demand. Servicers and investors have found price points that have worked for both sides, and we expect excess servicing spread investment activity to continue in 2025. Servicers participating in these types of transactions continue to consider the impact of their structures

in connection with the GSE requirements relating to tangible net worth and liquidity that took effect earlier this year, evolving FHFA requirements and new Ginnie Mae Risk Based Capital requirements scheduled for implementation at the end of 2024.

We have represented and advised numerous fund investors, insurance asset fueled investors and REITs on excess spread investments through private equity and lending structures, and several servicers in connection with joint ventures to facilitate investments in servicing cash flows. We have represented lenders and borrowers on numerous loans secured by agency servicing rights and agency and private-label pools of excess servicing spreads associated with MSR portfolios. We have also represented lenders, underwriters and issuers in several securitizations secured by Ginnie Mae, Fannie Mae, Freddie Mac and private-label MSR portfolios.

Highlights:

- We represented underwriters and issuers in connection with structuring, amending and financing structured financing facilities backed by excess servicing spreads and MSR collateral, including both revolving bank-funded notes, term loans, revolving term loans, non-recourse term notes and term securities, including representing investment banks in the securitization financing of Agency, GNMA and private-label servicing collateral.
- 2024 also saw the introduction of a unique, non-recourse MSR financing structure. In contrast to traditional capital market MSR term notes, which have all been supported by either direct or indirect recourse of the servicer and other credit parties, the non-recourse MSR term notes were issued without the benefit of any recourse to the corporate credit of the servicer or its affiliates. The non-recourse MSR term notes were not rated; however the non-recourse structure is more closely aligned to traditional MBS/ABS transactions.
- We closed multi-lender and bilateral secured term loans with and without delayed draw capacity, in some instances coupled with financing for private equity and REIT debt investors to produce a desirable return, each with different features tailored to the respective lender groups.
- We advised on transfers of servicing cash flows through joint venture structures to enable private equity investment in servicing cash flows while leaving the servicing performance and the related compensation with the operating servicing company without mark-to-market exposure. We have represented both servicers and investors in these structures, including structures designed to meet insurance investor requirements for debt investments.
- We advised on the financing of investment interests in excess servicing spread investment vehicles.

Our multidisciplinary team is dedicated to remaining at the forefront of these market developments and we expect to facilitate more innovative solutions for our bank, investor and servicer clients in the coming year. Hunton has given multiple presentations over the course of 2024 to both active and potential investors in mortgage servicing rights. Please reach out to our team if we could be helpful in providing any general or more bespoke educational opportunities for your group.

MSR Sales and Servicing

Going into 2024, there was some sugarplum optimism that 2024 would be the start of juicy interest rate cuts by the Federal Reserve and resulting reductions in mortgage interest rates, which would help spur increased refinancing activity. The Fed finally came through with three consecutive cuts to the Fed rate at the end of the year. Mortgage interest rates initially followed course with somewhat lower rates, but it did not last, and mortgage rates actually ticked up fairly significantly towards the end of the year, even as the Fed rate was being lowered. Lesson learned: mortgage interest rates are fickle and impacted by a number of economic variables—not just the Fed interest rate. In December, the Fed indicated they would be putting the brakes on additional rate cuts, projecting just two cuts for 2025. So

where does that leave the MSR market? Of course, relatively higher rates are good for existing MSR portfolios by reducing prepayment risk, but they also put a big damper on refinancings and new home mortgages, thus reducing mortgage volume and MSR supply.

Even with more muted refinancing activity than hoped for, there continues to be significant demand for MSRs, driven more than ever by private capital looking to invest in MSRs and earn an attractive yield. On the supply side, banks and private mortgage companies and private MSR investors will be looking for opportunities to sell MSRs to raise capital or take advantage of favorable market valuations. We continue to see all shapes and sizes of bulk and flow Agency (Fannie, Freddie and Ginnie) MSR transactions and have seen an uptick in private label (non-Agency) MSR transactions. With the increased involvement of non-servicer private MSR investors, transactions may often involve two stages: the purchase and sale of the MSRs, and an excess servicing transaction involving the MSR purchaser and the excess servicing investor. Overall, given the demand and the possibility of somewhat lower mortgage interest rates, we expect 2025 to be fairly active, particularly given the increased demand from private capital, but perhaps not as active as some had hoped given limitations on supply. We will see.

On mortgage servicing generally, we continue to represent clients that invest in mortgage loans or MSRs on servicing and subservicing arrangements. Sometimes this is in connection with replacing an existing servicer, but often clients are looking to have more than one servicer to service different product types, or perhaps to service nonperforming loans, or in other cases to minimize the risk of relying on just one servicer. There are several regulatory, business and market considerations in connection with servicing arrangements, and mortgage loan and MSR investors should be mindful of their need to have internal policies and procedures and appropriate provisions in their servicing agreements to ensure proper oversight of the servicer and the servicing of the mortgage loans.

Residential Whole Loan Transactions

As noted above in the MSR section, refinance activity in the mortgage market in 2024 did not explode as some had hoped. The Fed interest rate cuts came late in the year, and even with the cuts, mortgage interest rates went the opposite direction in some cases. Despite this, whole loan and mortgage securitization transactions definitely saw an uptick in 2024. Part of this was driven by different mortgage products such as HELOCs, closed-end second loans, and business

purpose loans as well as increased non-QM loan activity generally. Many of these loan products are not eligible for delivery to the Agencies, resulting in more activity in the private markets. There continues to be significant demand for investment in mortgage loan products and we understand that there are mandates for significant investments in mortgage loans for 2025 by banks, insurance companies and private investment funds. Given supply issues, that demand should result in a competitive market and attractive pricing. We also continue to work with buyers and sellers on non-performing, scratch and dent and reperforming mortgage loan transactions, which often have some interesting nuances to address. We expect 2025 to be an active year for mortgage loan transactions, with several clients telling us to expect an increased volume of transactions, which of course is music to our ears!

Business Purpose Loans

The market for residential transition/fix-and-flip loans, bridge loans, investor/DSCR loans and construction loans on small multi-family properties saw a robust level of activity in 2024. Much of this activity was driven by a confluence of factors such as interest rate cuts, elevated demand for residential housing and increased investor demand for the related securities. On the latter point, 2024 saw the emergence of several issuers entering the securitization market with rated RMBS transactions in lieu of unrated deals. As expected, the emergence of ratings criteria for residential transition/fix-and-flip loans last year greatly broadened the investor base for these assets and permitted parties like insurance companies, money managers and banks to participate. Heightened investor demand for these securities have materially decreased funding costs for those issuers that have been able to tap the issuance market.

As with many other asset types in the structured finance market, the outlook for 2025 in the general business purpose loan segment is cautiously optimistic. Housing availability and affordability issues still persist in many housing markets. Originators and lenders with proven platforms should still be able to avail themselves of the funding resources provided by the market even in the face of potential economic and political turbulence in the new year.

Servicer Advance Financing

Servicers continued to utilize servicer advance financing in 2024 at levels consistent with 2023. Non-bank servicers, both big and small, remain focused on shoring up liquidity sources to make sure they have funds available, if needed, to make necessary advances in private label securitizations, Ginnie Mae MBS and GSE transactions. Several new servicer advance facilities were established in 2024, and existing facilities underwent routine maintenance including pricing adjustments, pledging of additional collateral and a mix of capacity upsizes and downsizes in connection with annual renewals. The inflationary market increased merger and acquisition activity among non-bank servicers in 2024. Many acquiring servicers sought to finance the servicing advance receivables of the target servicer leading to an increase in receivables transfers (including additions and removals) and amendments of the change of control provisions in existing servicer advance facilities. In 2025, there will continued consolidation in the servicing industry with servicer advance financing serving as a key component of acquisition financing of purchases of mortgage servicers. With interest rates remaining “higher-for-longer” in the first three quarters of 2024, increased prices for goods and services, and other effects of inflation, the

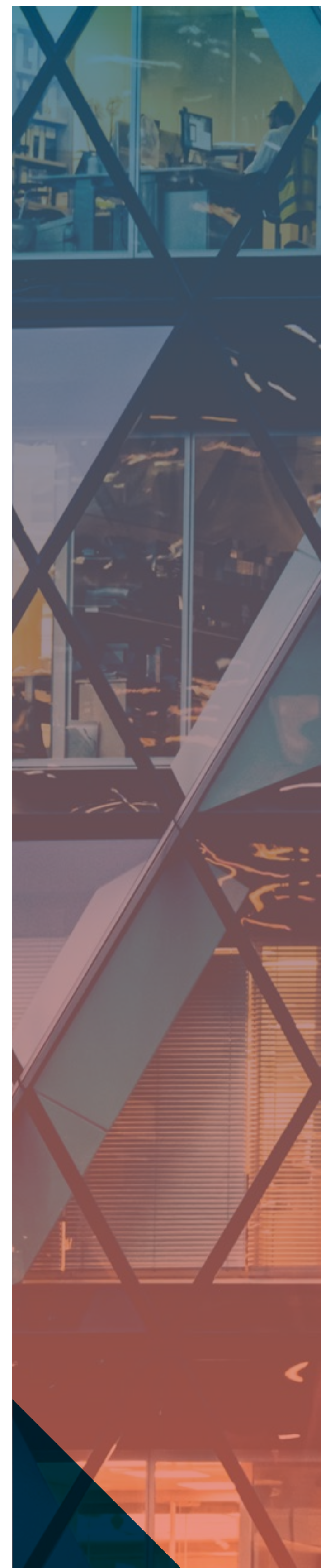
potential for increased borrower delinquencies sustained steady servicer demand for servicer advance financing (unrelated to Ginnie Mae MSR financing) in 2024 and may lead to an uptick in the coming year. While those pressures have eased slightly (with interest rates declining), monthly mortgage obligations as a share of household income for new mortgages remain historically high. If delinquencies spike, servicers will need to utilize the dry powder in their established (or recently created) advance financing facilities to cover their contractual obligations to advance and may be considering avenues to diversify their funding sources to ensure adequate liquidity. The Basel III Endgame rulemaking, introduced in July 2023, faced significant resistance this year from stakeholders. In September 2024, Federal Reserve Board Vice Chair of Supervision Michael Barr previewed that a re-proposal, anticipated to be issued jointly by the Federal Reserve Board of Governors, the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency, would have "broad and material" changes to the original proposal. The re-proposal has yet to be issued and its impacts on large US banks with assets over $100 billion remain uncertain. The original rulemaking proposed risk weights for certain assets, such as mortgage servicing rights, that would have required large US Banks to hold burdensome amounts of regulatory capital against these assets and likely led to dispositions of these assets. We continue to monitor if and when the re-proposal is issued, what impacts a re-proposal may have on the regulatory capital requirements relating to mortgage servicing rights as well as acquisition opportunities that may provide for non-bank servicers to acquire these assets using advance financing facilities. The availability of servicer advance financing remains critical to the mortgage industry as it continues to weather the economic impacts of persistent elevated interest rates and inflationary pressures.

Many market participants believe that the need for servicer advance financing in 2025 will continue to be particularly acute for Ginnie Mae servicing. Ginnie Mae's Guide and servicing contracts do not provide for reimbursement of a terminated servicer for its unreimbursed advances, either out of future pool cash flows or from a successor servicer. As a result, Ginnie Mae servicer advance financing is usually provided as part of an overall MSR financing, because the lender's recovery in the case of termination will come from liquidation of the MSR. As a result, the availability of financing to cover Ginnie Mae servicer advances has historically been limited, and an adjustment to provide for post-termination recovery of unreimbursed advances to creditors of a terminated servicer aside from a transfer of issuer responsibility to a new servicer will be necessary for servicer advance financing to be widely and efficiently available with respect to Ginnie Mae pools. Similar to recent years, there has been robust activity in Ginnie Mae MSR financing (encompassing funding for Ginnie Mae servicing advances) in 2024 and this trend will most certainly continue in the coming year, especially with the expansion of private equity and fund participants in the MSR market.

Regulatory/CFPB Developments and Projections

This year, we saw consistent regulatory activity with several key rulemakings. While a decrease in regulatory enforcement actions is likely the incoming Trump Administration, entities should continue to review their compliance with new rules and regulatory focus points.

During 2024, six federal agencies, including the Consumer Financial Protection Bureau (CFPB), and the Federal Housing Finance Agency (FHFA), implemented quality control standards for automated valuation models (AVMs) used by mortgage originators and, in some circumstances, secondary market issuers. Consistent with statements from the Department of Justice (DOJ), regulatory action focusing on algorithmic bias and discrimination in underwriting and appraisal discrimination is expected. An increased focus on the use of machine-based learning or artificial intelligence is likely to continue in 2025. The recent control requirements for AVMs supports that entities should consider the potential for regulatory oversight and UDAP-related risk when implementing new machine-based learning or AI-supported features.



Loss mitigation and the credit reporting relating to the status of loss mitigation efforts or agreements received considerably scrutiny this year. The CFPB's Supervisory Highlights examined multiple loss mitigation related topics with a particular focus on deceptive or unclear consumer-facing notices regarding early intervention or loss mitigation options. The focus continued as the CFPB issued proposed rules to amend Regulation X to "streamline" loss mitigation requirements. Servicers should continue to follow these regulatory developments.

Most recently, the CFPB issued a final rule—effective October 2025—which will require credit-related disclosures for overdraft credit and limit the maximum overdraft fee that may be charged by financial institutions. Under the rule, financial institutions can utilize a flat $5 maximum overdraft fee or implement a fee amount that only covers the costs and losses associated with the overdraft.

The change in administration may shift focus away from some of the more recent priority enforcement areas; however, federal and state regulators are likely to continue enforcement efforts regarding loss mitigation requirements and machine-learning or AI based mechanisms throughout the mortgage lifecycle (AVMs, inspections, etc.). In 2025, we expect a significant focus on consumer protection relating to fair lending and servicing, with an emphasis on use of AI or algorithmic or machine learning decision making.

Home Equity Investment Contracts

Interest in Home Equity Investment contracts remained strong in 2024. Unlike mortgage loans, these products are structured as an investment in the individual home. As a result, the homeowner agrees to forego a portion of either the home value or the increase in home value, but has no current payment obligations. We saw new entrants in the market in 2024, as well as continued activity from existing originators in both term securitizations and warehouse facilities. While these assets have seen some shift in regulatory focus (including from the CFPB and several state regulators), we expect activity to remain high throughout 2025.

Fintech

Hunton's 2024 activities in the fintech area included representing fund purchasers and online platforms in flow purchase programs, representing online lenders, loan sellers and placement agents in securitizations, representing banks providing origination services and warehouse programs to online lending platforms, advising community banks originating or investing in US fintech assets, advising offshore fund and non-fund investors in US federal income tax aspects of investing in US marketplace loans and other fintech assets, and advising online platforms on federal and state regulatory compliance and related matters (including investigations).

Mortgage Industry M&A and New Mortgage Market Entry

2024 was another fascinating year in the M&A market generally, and more particularly in the mortgage space. Geopolitical tensions and the US presidential election caused spotty turbulence in the M&A markets throughout the year with deal value for the month of October down 63 percent year-over-year. Despite a drop in deal size, deal makers were still able to get a significant number of deals across the line with deal volume remaining essentially flat through October on a year over year basis (EY Parthenon). Following the trends of the broader market, mortgage-related M&A refused to grind to a halt even with interest rates remaining elevated. A slight decrease in interest rates did not give way to a significant increase in mortgage originations in 2024, but M&A professionals, including the Hunton team, kept busy with a smattering of origination-focused deals, but the bulk of mortgage M&A activity this past year related to servicing activity.

Despite the multiple rate cuts in the second half of 2024, mortgage rates remained fairly steady throughout 2024. After a drop to a 52-week low in late September (6.08 percent for the 30-year fixed rate and 5.15 percent for the 15-year fixed rate), rates continued on a slight uptick as the holidays approached.

The most noteworthy trend that we saw in 2024 was an increased focus on MSR-driven M&A activity. Asset volatility and regulatory and capital requirements continued to drive many traditional banks away from large mortgage servicing rights (MSRs) portfolios. Conversely, many non-bank servicers spent 2024 looking for ways to acquire MSRs and build their servicing portfolios. Notable transactions of this nature that closed in 2024 were Mr. Cooper's acquisition of the mortgage servicing and third-party origination operations of Flagstar Bank, N.A. and Rithm Capital Corp.'s acquisition of Computershare Mortgage Services Inc.

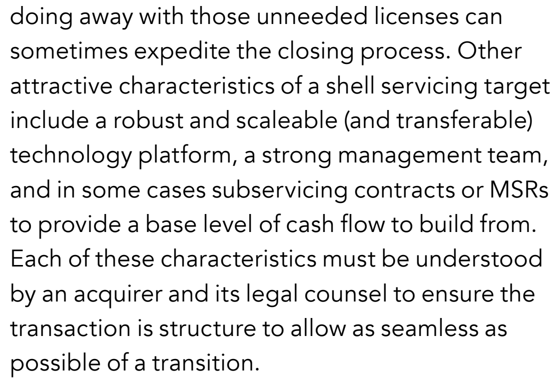
While the Flagstar and Rithm deals were some of the larger servicing driven transactions with announced closings this year, there were a number of other servicing and MSR-driven transactions throughout 2024. Given the rate cuts in the back-half of 2024 and the expectation of many commentators that further rate cuts will come in 2025, will a new year bring a return of origination-driven M&A or will servicing continue to be the primary focus of deal makers?

Our expectation is that declining rates may spur a renewed interest in M&A around mortgage origination and related services but servicing businesses will remain a popular asset. Anecdotally, we continue to field calls from investors looking for "shells" that are licensed to service mortgages. We will discuss some of the challenges involved in shell transactions below. These challenges along with the potential for a period of sustained rate declines, may lead some potential buyers to lose interest in MSR-based M&A activity or shift their focus to origination assets. However, we do not expect such a "pull-back" to be fully realized until at least 2026 barring an unforeseen change in the economic environment. Instead, we expect 2025 to provide a more robust M&A market for mortgage targets with sustained interest in servicing assets.

Servicing Acquisitions and "Shell" Entities

Given that potential buyers in the M&A market may be considering more assets than just the servicing business, an increased focus may be placed on the quality of "shells" in transactions where buyers look to acquire a turn-key shell entity that can immediately begin servicing upon closing of a transaction.

At the most basic level, it is important for the target entity to have all of the necessary or desired Agency approvals and state licenses. However, in certain cases, buyers may prefer that a shell not have—or surrender—licenses in states that have cumbersome and lengthy change of control processes. Depending on a buyer's strategy for post-closing operations, it may not need certain state licenses and



doing away with those unneeded licenses can sometimes expedite the closing process. Other attractive characteristics of a shell servicing target include a robust and scaleable (and transferable) technology platform, a strong management team, and in some cases subservicing contracts or MSRs to provide a base level of cash flow to build from. Each of these characteristics must be understood by an acquirer and its legal counsel to ensure the transaction is structure to allow as seamless as possible of a transition.

While buyers are rightfully focused on the business and operational features of a servicing target, legal teams have to balance attractive characteristics with risk presented by legacy operations of a servicing shell. Buyers' legal diligence on servicing targets is often focused on compliance history, such as consent orders, audit findings and repurchase history. Often, but not always, a shell entity will have recently shut down or at least significantly wound down its operations. Savvy buyers are aware that limited or no current operations do not make an entity "clean" from a legal perspective as past liabilities can outlive the operations of an entity. For this reason, even a "dormant" entity must be subject to a full diligence process to ensure buyers do not stumble into legacy risks.

Typically, we are not accustomed to seeing the value offered for a shell entity align perfectly with its risk profile. For instance, a typical shell entity valued at $1 million to 3 million may have legacy compliance and repurchase risk that is several multiples greater than that value depending on its historical volume or the type of origination and/or servicing that the entity participated in. In an equity acquisition (required to get the benefit of the change-of-control process for agency and state licenses) that legacy risk is a real concern for potential buyers. Depending on the status of the seller, indemnification may not be a viable or sufficient manner for allocating the risk. Escrows and holdbacks can help to bridge this gap, but buyers must get comfortable with the risks of operating in the servicing space if they want to purchase a shell and ramp up operations. The best protection against unexpected past liabilities coming up is a comprehensive operational and legal due diligence process, including loan level diligence, compliance process diligence and regulatory diligence. Extensive due diligence, coupled with a creditworthy seller to back indemnification or a significant escrow or holdback, can limit the downside risk to the greatest extent possible. However, there are no guarantees and acquiring a shell servicer brings along risk and potential successor liability. This risk is a key factor in evaluating the transaction and should be balanced against the future growth and value to be captured by owning a servicing operation, including any related recapture opportunity or ability to seek outside capital looking to participate in the servicing revenues.

European Securitization Market Update

While complete market data is not yet available for the full year to December 31, 2024 it is hoped that the securitization market (distributed issuance) in Europe will have grown compared to 2023. Securitization issuance has been predominantly in the CLO and RMBS markets (with the UK and French markets dominating). There has been continued activity in the synthetic risk transfer (SRT) markets although much of the activity has been unfunded and carried out purely synthetically. There remains considerable demand from investors in the SRT market with issuance at this stage not satisfying demand.

The securitization volume in Europe continues to be significantly below pre-financial crisis levels. A number of factors account for the market contraction including the regulatory response to that crisis. The European Commission recognizes the importance of a functioning European securitization markets to growth in European economies and has consulted recently on the functioning of the EU securitization regulatory framework currently in place. Pressure from financial institutions has encouraged regulators to look at improving the market framework. There are several factors behind this impetus including: (i) renewed political support; (ii) soon-to-be implemented higher capital requirements for banks; and (iii) the winding-down of central bank liquidity and refinancing schemes. At the same time as this activity at the EU level we have seen

the start of a divergence between the regulatory framework at the EU level and that in the UK as the so-called Edinburgh reforms begin to be implemented.

Restructuring and Distress

The decline in interest rates that began in September 2024 coincided with the first material quarterly increase in mortgage origination volumes since 2021. The relative decline in origination volumes and increase in interest rates since 2022, and through 2023, caused significant financial distress among mortgage originators. Originators are hopeful that additional interest rate cuts in 2025 will spur further increases in origination volumes, even if originations remain far below the elevated levels that persisted from mid-2020 through the end of 2021.

The firm has continued to work with a number of forward and reverse residential mortgage originators in 2024 as they deal with low origination volumes, liquidity challenges, and adverse macroeconomic trends. Many financing arrangements put in place in 2020 and 2021 have proven to be unsustainable in a higher interest rate, low origination environment. Distressed mortgage lenders have sought to stave off bankruptcy by renegotiating warehouse and repurchase facilities, raising cash through sales of equity or sales ancillary revenue streams (such as mortgage servicing rights), and reducing general and administrative costs. Liquidity remains king and critical to self-preservation. While mortgage rates have declined slightly, industry participants do not expect rates to approach the all-time lows that were available before the run-up in interest rates began in early 2022.

Mortgage originators are often unable to restructure in Chapter 11 without agreements from existing or replacement warehouse lenders that enable the originator to fund mortgage commitments after the filing of a Chapter 11 case. Because the purchase and sale of mortgage loans under warehouse facilities are structured as true sales and fall within the automatic stay safe harbors available for qualifying repurchase agreements under the Bankruptcy Code, they are subject to immediate termination on a

bankruptcy filing notwithstanding the automatic stay. On any such termination, the warehouse lender can immediately liquidate all mortgage loans then held by such warehouse lender to satisfy outstanding claims under the terminated warehouse facility, leaving the mortgage originator with no assets to repurchase from its former warehouse lender and no ongoing source of liquidity to fund committed mortgages.

In the commercial space, public announcements of mezzanine loan foreclosures on real estate holding companies have continued to be a preferred method of addressing defaulted capital structures. Unlike traditional commercial mortgage loans, mezzanine loans typically are secured by the equity in a real estate holding company. Mezzanine lenders may foreclose on that equity by conducting a sale under the Uniform Commercial Code (UCC), often with conditions imposed by the mortgage lender at origination. Hunton has been at the forefront of this new wave of mezzanine loan foreclosures, including by representing lenders in litigation stemming from challenges to the UCC foreclosure process.

Derivatives Update

Ginnie Mae Published an All Participant Memorandum (APM) Offering Risk Based Capital Ratio Relief for Hedging Mortgage Servicing Rights (MSRs)

On November 7, Ginnie Mae published APM 24-12 that offers issuers risk-based capital ratio relief by demonstrating the successful heding of the issuer's MSRs. APM 24-12 relates to Ginnie Mae's previous APMs (APMs 22-09 and 22-11), which require issuers, beginning December 31, 2024, to maintain a risk-based capital ratio of 6 percent in addition to issuer's obligations to comply with already established net worth, and liquidity capital requirements.

T+1 Securities Settlement

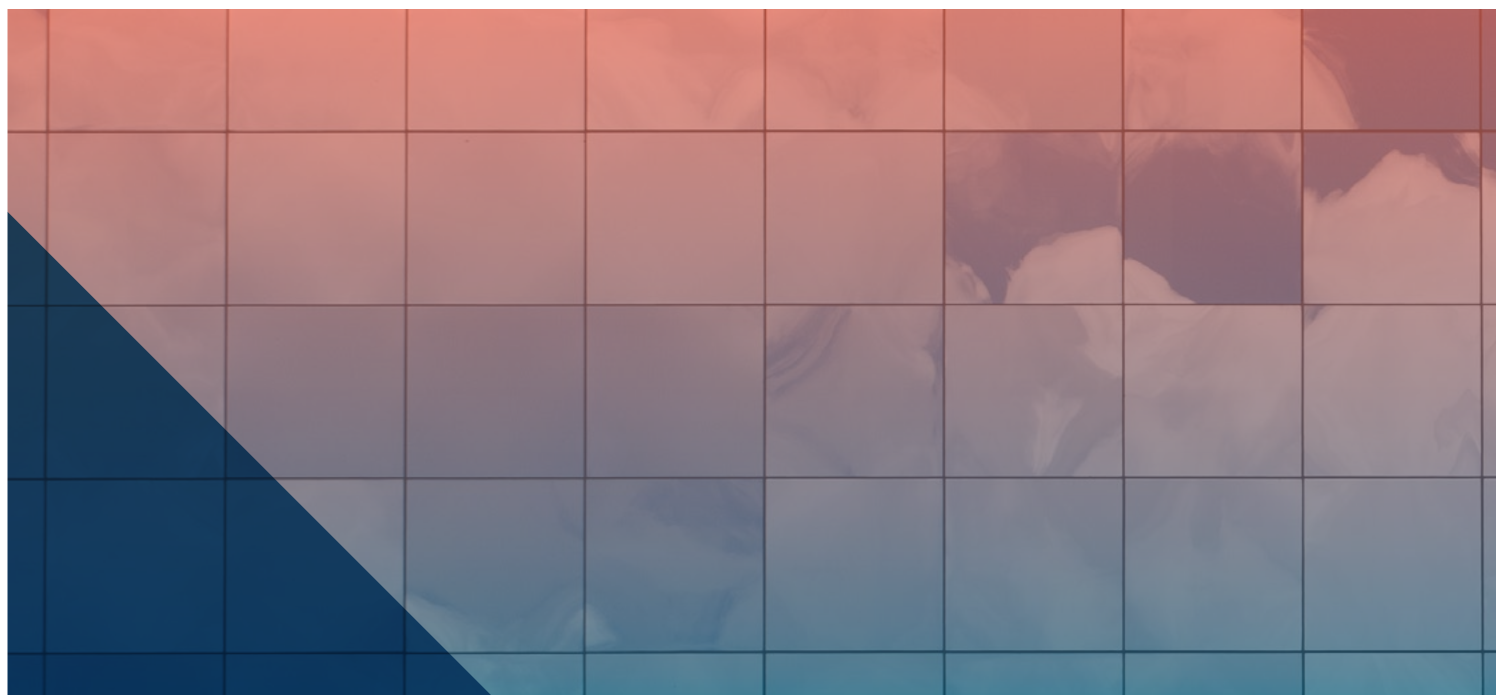
May 28, 2024 was the compliance date for the shortened securities settlement period adopted by the Securities and Exchange Commission (SEC). This change impacted the settlement periods for most equity-based derivatives, such as equity forwards and total rate of return swaps.

International Organization of Securities Commissions (IOSCO) Report for Streamlining VM Processes and IM Responsiveness

On January 17, 2024, IOSCO published its report for the streamlining of variation margin (VM) processes and initial margin (IM) responsiveness of margin models in non-centrally cleared markets. In that report, IOSCO focused on recent market events, such as the "COVID-19 Period," the subsequent "Dash for Cash," the "LDI Stress Period," and the "2022 Commodity Markets Turmoil". In their report, IOSCO made a number of recommendations for improving dealer banks and other market intermediaries VM collection processes in addition to several recommendations related to the SIMM margin model.

Tax Impacts on SFS

In IRS Private Letter Ruling 202446009 (the Variable Strip PLR), the IRS concluded that the ability to exchange fixed rate certificates for floating rate and inverse floating rate certificates, which is often referred to as variable stripping, in a manner similar to that permitted in a real estate mortgage investment conduit (a REMIC) did not

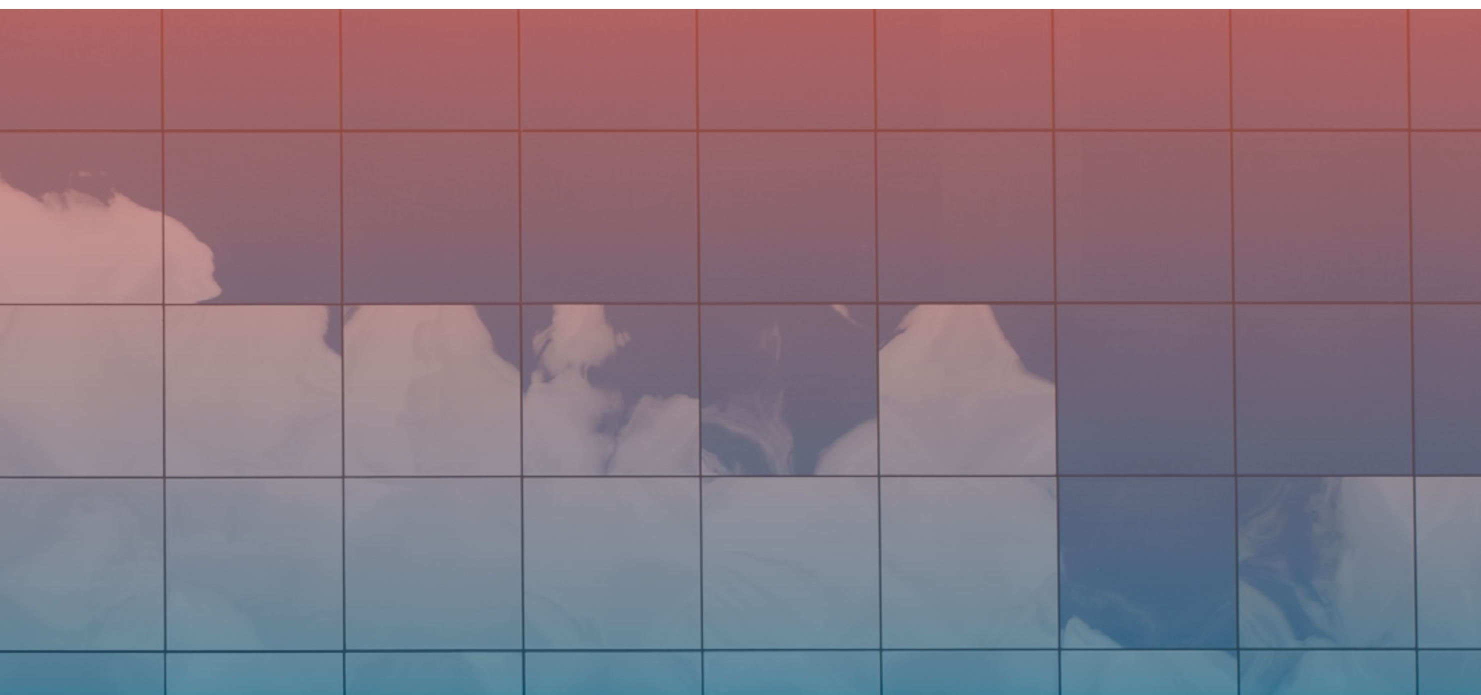


cause the grantor trust that issued the certificates to fail to be classified as a grantor trust. The Variable Strip PLR is consistent with three other similar IRS private letter rulings addressing this topic. While the Variable Strip PLR can only be relied on by the taxpayer who received it, the Variable Strip PLR represents a continuation in a pattern of similar guidance, which seems to be illustrative of a continuing IRS position with respect to variable stripping in a grantor trust.

In another PLR released in 2024, IRS PLR 202429003 (the C-PACE PLR), the IRS concluded that certain C-PACE assessments are obligations "secured by an interest in real property." As such, the C-PACE assessments discussed in the C-PACE PLR were permitted assets for a REMIC. C-PACE assessments are distinguishable from C-PACE bonds. Government entities may pool C-PACE assessments, which constitute liens on an entire property, and issue securities backed by such assessments, referred to as C-PACE bonds, which were not covered by the C-PACE PLR. As noted above, only the taxpayer who received the C-PACE PLR can rely on it. Nevertheless, the C-PACE PLR provides clarity on how the IRS may analyze C-PACE assessments for REMIC purposes. The C-PACE PLR does not address C-PACE treatment for REIT purposes; however, given REIT and REMIC guidance often overlap, it would be unusual for the IRS to come to a different conclusion when determining whether a C-PACE is an interest in real property for REIT purposes.

Also impacting our practice in 2024 were the effects of *YA Global Investments v. Commissioner*, where the US Tax Court held that a foreign investment entity (YA Global) was engaged in a US trade or business. In that case, YA Global was a registered Cayman Islands limited partnership whose sole general partner, Yorkville Advisors (Yorkville), was a Delaware LLC. Yorkville, pursuant to a management agreement entered into with YA Global, acted as an agent of YA Global to buy and sell securities. In part the court relied on Yorkville acting as an agent of YA Global in holding that YA Global itself was engaged in a US trade or business. We will continue to monitor the case's effect on such funds.

Finally, President-elect Trump has said he will act swiftly to extend the expiring provisions of the Tax Cuts and Jobs Act, many of which expire at the end of 2025. However, given disagreement in Congress, it is unclear whether or when we should expect such an extension to occur.



Thought Leadership

In 2024, our lawyers spoke on panels, were quoted in industry publications and authored client alerts covering a range of topics in the structured finance and securitization industry:

Brit Mohler Dufilho was a panelist for the MSR Financing & Securitization panel at IMN's 10th Annual Mortgage Servicing Rights conference in November 2024

Tom Hiner moderated the fireside chat with Stanley C. Middleman, President and CEO of Freedom Mortgage Corporation, at IMN's 10th Annual Mortgage Servicing Rights conference in November 2024

Mike Nedzbala spoke at the University of Virginia Darden School of Business on *Transactional Law Practice* in November 2024

Janet McCrae was the moderator for the *Insurance Risk Transfer* panel at the ABS East 2024 conference in October 2024

Brent Lewis was a panelist for the *Market Update: Residential and Commercial Mortgage-Backed Securities* panel at PLI's New Developments in Securitization conference in October 2024

Amy McDaniel Williams was the moderator and **Jendy Daglio**, **Carleton Goss**, **Tyler Grant** and **Nikki Skolnekovich** were presenters for the webinar *Regulatory Hot Topics in Banking & Finance* in September 2024

Janet McCrae was a panelist for the *Synthetic Securitization: The Genuine Regulatory Facts* panel at the ABA Banking Legislation and Regulation Subcommittee Meeting in September 2024

Shannon Daily was a panelist for the *Don't Forget Insolvency Issues: Insolvency Considerations All Legal Practitioners Should Keep in Mind* panel at the ABA Business Law Fall Meeting in September 2024

Cecelia Horner was a panelist for the *Tax 101: What Securitization Participants Should Know* panel at the SFVegas Conference in February 2024

Tyler Grant was a panelist for the *Policy Watch: Corporate Transparency Act* panel at the SFVegas Conference in February 2024

Mayme Donohue was a panelist for the *Tech Developments: Crypto Currencies & Digital Assets* panel at the SFVegas Conference in February 2024

In 2024, we continued our internal "Wisdom Wednesdays," an informal training session that offers insights on a variety of topics relevant to mortgage warehouse finance. Hunton lawyers participated in weekly presentations to share their perspectives on topics such as Swaps 101; Servicing Wisdom; Regulatory Hot Topics in Banking and Finance; Figuring out DART; Bankruptcy and the New Uniform Special Deposits Act: Insulating Depositor Funds from the Reach of Most Creditors; MERS Immersion; (Don't Fear) the Repo; SFS: A Bird's Eye View; and The Wonderful World of Home Equity Lines of Credit and Home Equity Investment Contracts. Speakers in 2024 included firm attorneys **Andrew Blanchard**, **Greg Bruno**, **Erick Carlson**, **Jendy Daglio**, **Shannon Daily**, **Mayme Donohue**, **Emma Gram**, **Madison Godsey**, **Carleton Goss**, **Tyler Grant**, **Laura Habib**, **Jason Harbour**, **Rudene Mercer Haynes**, **Janet McCrae**, **Serena Mentor**, **Taylor Anne Moffett**, **Mike Nedzbala**, **Whitney Nixdorf**, **Hillary Patterson**, **Christian Pugaczewski**, **Hailey Respess**, **Nikki Skolnekovich**, **Quince Thompson**, **William Van Thunen**, **Amy McDaniel Williams** and **Pete Yoon**.

Client Alerts and Publications

Corporate Transparency Act Reporting is Paused once Again
Kevin Gaunt, **Carleton Goss**, **Jeff Dodd**, **J.A. Glaccum**, **Tyler Grant**, **Robert Hahn**, **Jane Hinton**, **Amy McDaniel Williams** and **Conor Shary**

CTA Injunction Stayed; FINCEN Extends Reporting Deadlines
Kevin Gaunt, **Carleton Goss**, **Jeff Dodd**, **J.A. Glaccum**, **Tyler Grant**, **Robert Hahn**, **Jane Hinton**, **Amy McDaniel Williams** and **Conor Shary**

Ginnie Mae's APM 24-12—Hedging MSRs to Improve Risk-Based Capital Ratios
Amy McDaniel Williams, **Christian Pugaczewski** and **David Parr Jr.**

Court Issues a Nationwide Injunction Against the Corporate Transparency Act
Kevin Gaunt, **Carleton Goss**, **Jeff Dodd**, **J.A. Glaccum**, **Tyler Grant**, **Robert Hahn**, **Amy McDaniel Williams** and **Conor Shary**

REMIC CPACE Ruling May Be Instructive for REITs
Kendal Sibley, **Cecelia Horner**, **George Howell** and **Allison Stelter**

Jendy Daglio was featured in ALM's How I Made Partner series, November 2024

Corporate Transparency Act: Important Subsidiary Consideration for Community Banks
Carleton Goss, **Tyler Grant** and **Jay Kestenbaum**

Mortgage M&A Minute
Shannon Daily and **Mike Nedzbala**

Mortgage Originators and Secondary Market Issuers Must Maintain AVM Quality Control Policies for Covered Securitization Determinations
Amy McDaniel Williams, **Abigail Lyle**, **Nikki Skolnekovich** and **Erin Brown**

Corporate Transparency Act: FinCEN Updates FAQs on Beneficial Ownership Information
Jeff Dodd, **Kevin Gaunt**, **J.A. Glaccum**, **Carleton Goss**, **Tyler Grant**, **Robert Hahn**, **Jane Hinton**, **Conor Shary** and **Amy McDaniel Williams**

Rankings and Awards

Over the past year, our structured finance team and individual lawyers have received a number of awards or recognitions and are consistently ranked among the top legal advisors in industry rankings and league tables.

Ranked **second** among the most active issuer's counsel, with **106** deals and a total issuance value of **$40.5 billion**. *Asset-Backed Alert*'s 2024 Year-End League Tables

Ranked **third** among the most active underwriters' counsel, with **111** deals and a total issuance value of **$47.4 billion**. *Asset-Backed Alert*'s 2024 Year-End League Tables

These rankings represent the top-performing legal advisors based on the volume of asset-backed securities (ABS) and mortgage-backed securities (MBS) offerings completed during 2024.

Ranked as **Band One** for Capital Markets: Securitization, with **10 lawyers** receiving individual rankings. *Chambers USA*

Ranked as **Tier One** for Structured Finance, with **six lawyers** receiving individual rankings. *Legal 500*

Named as a **Leading Law Firm in US Securitization Industry**. *Asset-Backed Alert*.

Innovative Deal of the Year, GlobalCapital's 2024 US Securitization Awards. Served as the primary legal advisor (referred to as JPMMT 2023-HE1)

Rudene Mercer Haynes was appointed to the Inaugural Committee for the new Mayor of Richmond, Dr. Danny Avula. Following the swearing-in ceremony to be held in the coming weeks, Danny's Inaugural Committee and the City of Richmond will host service projects across the city in all nine Council Districts. These projects will help to restore and protect urban green spaces, support children and families, and address facility needs in several schools.

Diversity and Inclusion

We believe that the recruitment, retention and promotion of a diverse and inclusive workforce optimizes our ability to deliver excellent client service, including alignment with our clients' interests of staffing their legal teams with diverse talent. We are committed to being intentional in terms of implementing and promoting professional development opportunities and programming designed to appropriately recognize our women and minority lawyers and to provide career-enhancing pathways that will motivate them to grow and prosper at the firm.

The following are some highlights of our team's recent activities and initiatives to support the firm's commitment to diversity and inclusion:

Five of the last six most recent advancements to partner have been women or minority lawyers.

Four out of the six most recent attorneys named counsel were women.

Nearly **60 percent** of our core structured finance team self-identify as being diverse.

More than **40 percent** of our core structured finance team are female.

More than **50 percent** of our structured finance partners are female, diverse or both.

Janet Sadler McCrae serves as co-chair of the New York office Diversity Initiative and co-head of attorney hiring for the New York office. Through these roles, Janet is committed to expanding the pipeline of diverse prospective candidates for the New York office.

Brit Mohler Dufilho serves on the Women's Subcommittee of the firm's Diversity & Inclusion Committee.

Our team is proud to sponsor the **SFA's Women in Securitization** (WiS) initiative, which is focused on the development, advancement and retention of women in our industry.

We are proud to support **50/50 Women on Boards**, a global education and advocacy campaign driving the movement toward gender balance and diversity on corporate boards.

The firm sponsored the **SFA's 3rd Annual Allyship Symposium** in November 2024. **Rudene Mercer Haynes** moderated the fireside chat with Michael Bush, CEO of Great Places to Work.

Rudene Mercer Haynes currently serves as a firm-wide hiring partner. In this role, Rudene is committed to expanding the pipeline of diverse candidates and advocating for diversity and inclusion issues. Each summer, Rudene spearheads our summer associate program that provides opportunities for summer associates to work across offices and teams, assist with pro bono projects and participate in diversity and inclusion focused initiatives, such as the annual HAKathon.

Rudene Mercer Haynes was recognized by the MLK RVA committee as one of 12 recipients of the **MLK Drum Major Award** at the 22nd annual Dr. Martin Luther King Jr. Day Celebration in Richmond, Virgina. Drum Major Award winners are individuals and organizations nominated by their community and recognized for their servant leadership and the differences they make in the lives of others.

Outside of the law firm, Rudene is a recognized leader in the community and is frequently asked to speak to share her personal and professional journey. Some highlights from 2024 include:

- Featured as part of Structured Finance Association's **Black History Leadership** Series;
- Speaking at the **Planning for Your Future You** virtual session hosted by Leadership Council on Legal Diversity in May 2024;
- Serving as a panelist for the **Building HOPE Through Audacious Change** panel at the 2024 Outstanding Women's Awards (OWA) Women's Leadership Forum in March 2024; and
- Serving as a panelist for the **Best Practices and Encouraging a Culture of Improving Diversity in the Legal Profession** panel at the Virginia State Bar 2024 Diversity Conference in March 2024.

New Hires and Promotions

Jennifer (Jendy) Daglio
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Jendy Daglio was promoted to partner in April 2024. Jendy focuses her practice on structured finance, securitization, and other transactions involving mortgage servicing rights, mortgage loans, and non-mortgage loans, including crop loans and student loans. Jendy represents lenders and borrowers in warehouse and repurchase facilities, issuers and initial purchasers in servicing advance facilities, and investors in excess servicing spread transactions. She also counsels clients with respect to acquiring, creating, and maintaining correspondent lending platforms for forward and reverse residential mortgages.

Prior to joining the firm, Jendy served as in-house counsel to a mortgage origination company, where she advised on residential mortgage loan originations, regulatory matters including TRID and RESPA compliance, and compliance with Fannie Mae and Freddie Mac seller guides.

Ian Sterling
Special Counsel, New York
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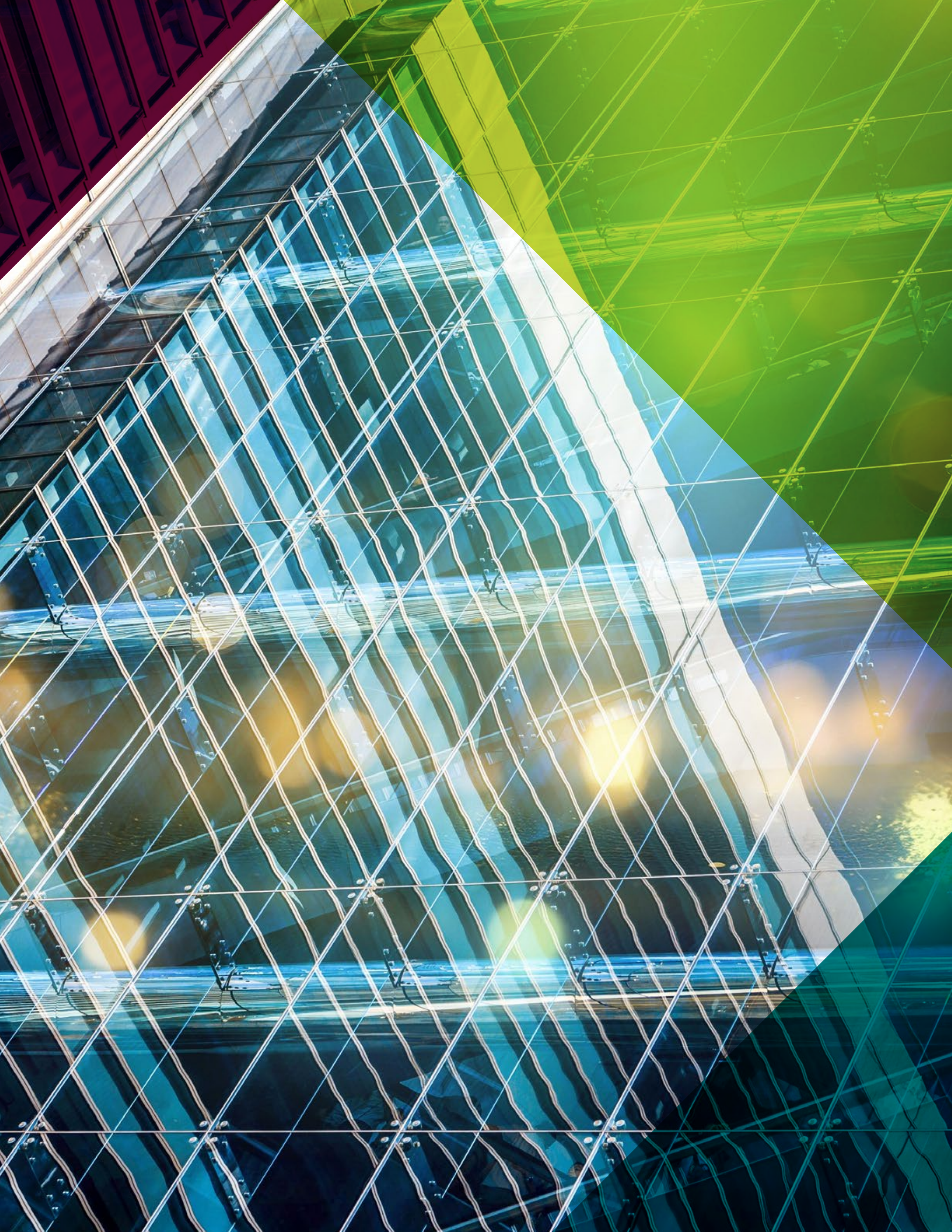
Ian Sterling joined Hunton in December 2024. With over two decades of experience in the structured finance industry, Ian adeptly manages all legal aspects of highly-structured transactions, including securitization, credit risk transfer, warehouse finance, whole loan trading, commercial/commercial real estate (CRE) lending and restructuring, and other structured finance and capital markets transactions.

He advises clients on compliance with securities law matters and the securitization regulatory framework, including the Dodd-Frank Act, risk retention, Rule 15Ga-2, Regulation AB, the ATR/QM Rule, and the Volcker Rule. Ian also focuses his practice on bank regulatory matters, such as Basel III, Regulation O, anti-tying, and other banking regulations.



Structured Finance & Securitization Multipractice Team

Core Team

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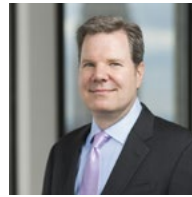

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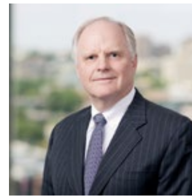

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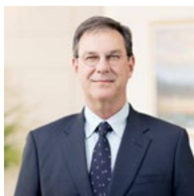

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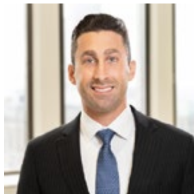

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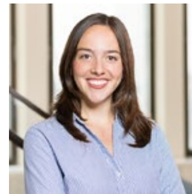

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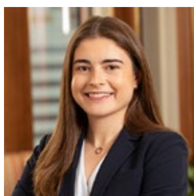

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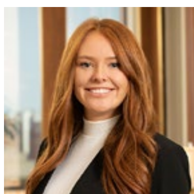

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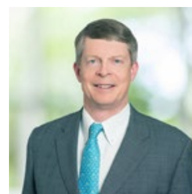

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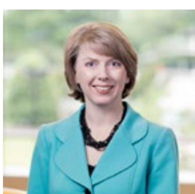

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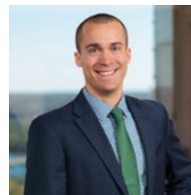

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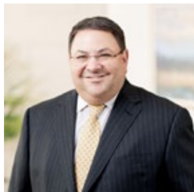

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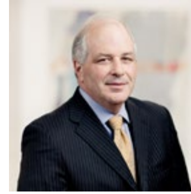

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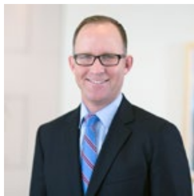

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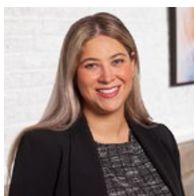

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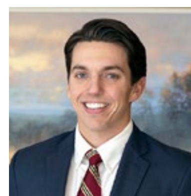

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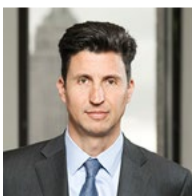

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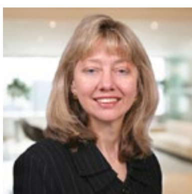

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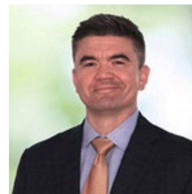

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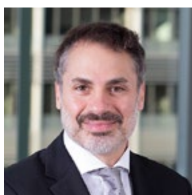

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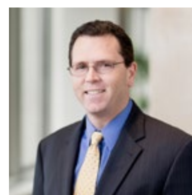

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