Green Street

Asset-Backed Alert

THE WEEKLY UPDATE ON WORLDWIDE SECURITIZATION

MARCH 26, 2021

Fannie Sets Stage for Investor-Loan Surge

With **Fannie Mae** poised to buy fewer mortgages on investment properties and second homes, large banks are stepping in.

Barclays, Credit Suisse, J.P. Morgan and **Morgan Stanley** are among the institutions taking action, purchasing the loans themselves and in some cases offering additional warehouse facilities to originators and aggregators of the accounts. For the banks and their clients, securitization would serve as a funding source.

While the underlying loans in large part would continue to conform to agency standards, the issuers would sell the resulting securities on the private-label market. Industry participants expect the shift to produce up to $7 billion of fresh bond deals this year, with $10 billion to $15 billion of transactions to follow each year thereafter.

That's on top of securitizations of conforming mortgages, including investment-property loans, that non-agency issuers already have been conducting.

The banks' preparations follow a March 10 letter in which Fannie notified

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Openings Delayed for Showbiz Transactions

It's taking longer than expected for several securitizations of non-traditional assets to make it to market.

Word had emerged late last year that bankers were working on a series of splashy offerings backed by receivables including royalties from **Bob Dylan's** music catalog, cashflows from **Legendary Pictures'** "Batman" films and the earnings of professional soccer players in Europe. Indications at the time were that the transactions were on pace to price in the first quarter.

Now, industry participants are expressing uncertainty about when the issues might move forward.

While it's likely that different factors are at play in prolonging each of the deals' development processes, sources said rating-agency reviews were a hangup for at least one of the offerings.

The marks likely would have come from **DBRS Morningstar** and **Kroll.** While both

See SHOWBIZ on Page 7

Banks Gearing Up for SOFR 'Manufacturing'

With market professionals resigned to the fact they'll have to stop benchmarking new fixed-income products to Libor before a comparable form of the Secured Overnight Funding Rate develops, the effects of the changeover are coming into focus.

The **Federal Reserve's** Alternative Reference Rates Committee already had been signaling that it was uncomfortable recommending a forward-looking term version of SOFR as a benchmark for cash products. It made that stance official on March 23, pushing back to yearend the earliest date at which it might suggest such a rate.

But that's at least six months after banks are supposed to start weaning borrowers off of Libor in favor of other benchmarks, mainly SOFR.

Unlike Libor, which expresses interest charged on a forward-looking basis over a range

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Because of the Good Friday holiday, the April 2 issue of **Asset-Backed Alert** will be distributed next Thursday morning.

THE GRAPEVINE

Veteran banker **Charles Atkins** has joined **Credit Suisse** as a senior advisor. He guides clients on asset-backed bond transactions, including the structuring of utility-fee securitizations, an asset class he worked on extensively during a 23-year run at **Morgan Stanley.** Atkins, who continues to operate his own New York advisory shop, most recently worked in a similar role in **Guggenheim's** securitization group from 2017 until last August. He also has logged time at **Maroon Capital** and **Lehman Brothers.**

Neil Aggarwal, a senior portfolio manager and deputy chief investment officer at structured-product investor **Semper Capital** until late last year, joined hedge fund manager **Verition Fund Management** this month. Aggarwal traded mortgage-backed securities, asset-backed bonds and collateralized loan obligations at Semper, which he joined in 2017 after three years at **BlueCrest Capital.** He

See GRAPEVINE on Back Page

Kroll Maps Auto-Emission Scores

Kroll has begun tracking the greenhouse-gas emissions of vehicles supporting auto-loan securitizations.

The effort started with a study of nearly 12 million loans backing 184 bond deals from 22 issuers. Using greenhouse-gas scores that the **Environmental Protection Agency** assigns to almost all new vehicles sold in the U.S., the agency was able to calculate an average for each of the transactions, structured-product rating head **Eric Thompson** said.

Expectations are that the data could help inform investors' decisions about whether specific auto-loan bonds meet their internal environmental, social and governance standards. But Kroll has no immediate plans to incorporate the scores into its credit ratings or ESG evaluations for new deals.

It also remains to be seen how the agency might update the scores as current securitizations unwind and new ones come to market.

Each year, the EPA measures nearly every vehicle model's tailpipe emissions of carbon dioxide, the most prevalent greenhouse gas, and assigns a score ranging from 1 for those with the highest outputs to 10 for the lowest. Applying that data to specific vehicles and then broader asset pools, Kroll was able to map 95% of the collateral for securitizations from **Honda, Nissan, Volkswagen** and **World Omni.**

For other issuers, including **CarMax, Ford, General Motors** and **Santander Consumer USA,** Kroll's mapping spanned 70% of the deals' underlying accounts. At only 20%, Kroll left out **Mercedes-Benz.**

Also among Kroll's findings, which are set for inclusion in an upcoming report: Scores were better for subprime borrowers than for their prime-quality peers. That's in part because subprime borrowers, while paying higher interest rates, buy smaller and cheaper cars that often produce lower emissions while prime borrowers tend to favor pricier trucks and sport-utility vehicles.

Consider that deals offered through GM's subprime AmeriCredit trust had an average score of 5.8, versus 4.4 for the automaker's prime transactions.

Across the lenders, offerings from Asia-based automakers including Honda, **Hyundai,** Nissan and **Toyota** had an average score topping 6 versus less than 5 for their U.S. peers, whose securitizations contains more trucks and SUVs.

Beyond individual models, Kroll can calculate scores based on vehicle trims, fuel types, drivetrains, transmissions and horsepower. The presence of electric vehicles brought up pool scores, for example. And for gas-powered vehicles, those with front-wheel drive consistently scored 1 to 2 points higher than those with all-wheel drive. The EPA standards for vehicles manufactured in 2013 and later grow more stringent with each model year. ❖

NY Life to Boost Custom Bond Buys

New York Life, a prolific buyer of asset-backed bonds, is expanding an initiative under which it works with issuers to structure deals to its specifications.

The insurer's originate-to-own program has been in place for several years, but its pace slowed last year as a result of unfavorable economic conditions and uncertainty related to the coronavirus pandemic.

Now, with the economy improving and with ready-to-securitize assets becoming more available, sources say the company is aiming to jumpstart the initiative and expand its reach into less conventional sectors, which tend to generate higher yields than bonds backed by auto loans and credit card receivables.

As part of the effort, New York Life set out this week to hire a senior director who would help assemble transactions backed by assets such as by music-royalty payments, cellular-tower leases and whole-business cashflows. It's seeking candidates who have at least 10 years of experience originating and executing private asset-backed bond offerings.

The plan is for the recruit to generate business by contacting commercial and investment banks, finance companies and asset managers to structure deals that can be routinely issued via private placements or under Rule-144A. He or she also would supervise and build a team dedicated to the operation.

Under originate-to-own programs, sophisticated investors work with issuers to design securitizations that meet their risk/return goals, often with the aim of boosting the performance of their portfolios. New York Life's efforts apparently involve its in-house book, as opposed to investments the company manages for other clients.

New York Life holds about $65 billion of asset-backed bonds, commercial-mortgage paper and agency and private-label residential mortgage securities. ❖

Auto Activity Shifts to Secondary

With auto-loan securitization volume decelerating, investors are moving into the secondary market to get their fills.

Traders anticipate that at least $6 billion of bonds backed by prime-quality loans, subprime loans, leases and dealer-floor-plan receivables will change hands between buy-siders this week. That would continue a gradual buildup that has emerged in recent weeks.

Indeed, $5.8 billion of such securities traded on the secondary market during the week ended March 19, according to **Bank of America.** The week before that, the total was $5.1 billion. By comparison, the first week of February brought $4.7 billion of sales.

The increased activity corresponds with a decrease in new issuance that has occurred as auto lenders fulfilled their funding needs for the first quarter. Five deals totaling $2.9 billion priced last week, from **Carvana, First Help Financial, J.P. Morgan, Santander Consumer USA** and **Unify Financial Credit Union.** This week brought just one offering, a $1.1 billion lease securitization that **Tesla** priced on March 25 via bookrunners **Barclays, Citigroup, Credit Suisse, Deutsche Bank** and **Wells Fargo** (see Initial Pricings on Page 9).

So far this year, 34 securitizations of auto-related cashflows totaling $31.1 billion have priced, according to **Asset-Backed Alert's** ABS Database. At this point last year, the count was 33 deals for $28.1 billion. ❖

Encina Prepping Issuance Program

Encina Equipment Finance is preparing its first rated securitization.

The $250 million deal is expected to hit the market in May or June. Sources point to **Bank of America** and **Goldman Sachs** as bookrunners and **Huntington National Bank** as a manager.

The offering marks the start of what's expected to be a routine issuance program for Encina, a Westport, Conn., operation that writes equipment loans and leases of up to $50 million to companies in a variety of industries, including construction, mining, energy and healthcare.

Encina completed an unrated securitization of $150 million in October. It now expects to float one to two rated offerings per year, with the possibility of heavier issuance down the line. The company has a $600 million senior credit facility from several lenders.

Overseeing the new transaction is chief financial officer **Tom Davidson,** who's among at least five Encina executives who previously worked at **GE Capital.** Davidson spent 16 years at GE, heading an enormous securitization operation that included deals backed by credit card receivables, equipment leases, floorplan loans and trade receivables.

Following his departure in 2016, he served as chief financial officer at subprime lender **Sierra Auto Finance** and later held the same post at small-business lender **CAN Capital.** He arrived at Encina in 2019.

Other GE Capital alumni include risk-management head **John Ryan** and chief operating officer **Robert McMahon.** Encina brought on two more former GE executives in the second half last year. Managing director **David Johnson** focuses on originating new loans and leases, while senior vice president **Carlos Nascimento** is tasked with expanding Encina's credit facilities.

Chief executive **Andrew Salter** founded Encina in 2014 following a 12-year run as a senior vice president at **Oaktree Capital.**

So far this year, issuers have completed nine equipment-loan or -lease deals totaling $6.5 billion, according to **Asset-Backed Alert's** ABS Database. ❖

Asset Upgrades, Sales Aid CLOs

Asset-quality indicators for collateralized loan obligations improved in January for a fourth consecutive month, helped by sales of distressed receivables and upgrades of some widely held assets.

According to an index maintained by **Moody's,** the weighted average rating factor improved 11 points for the month to 3163 across post-credit-crisis CLOs tracked by the agency. The largest improvements took place among deals issued in 2013 (32 points to 3154) and 2018 (15 points to 3163). Other vintages saw gains of 1 to 14 points.

Among corporate-loan borrowers, upgrades took place for **Airxcel,** a manufacturer of climate-control equipment whose debt is in 80 Moody's-rated transactions with a median exposure of 0.2%, and biopharmaceutical-research company **Parexel** (371 CLOs, median exposure 0.38%).

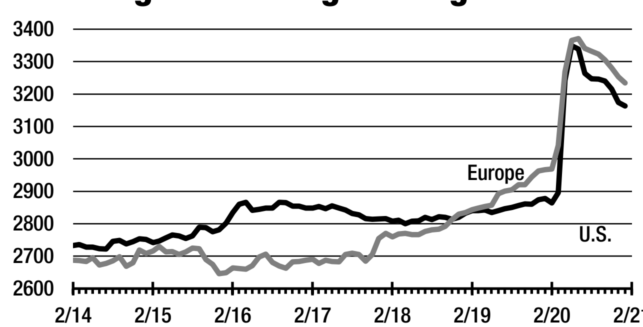
At the same time, exposures to defaulted assets continued to decline across all vintages of deals, shrinking by a median 56 bp to 1.17% for CLOs in their amortization stages and by 18 bp to 0.40% for transactions in their reinvestment phases. Industrywide, Moody's recorded a median decrease of 23 bp to 0.44%.

In some cases, that was due to sales of bad loans. CLO issuers also stopped treating some borrowers as defaulted, including minerals company **Covia,** (172 CLOs, median exposure 0.26%); pizza-restaurant operator **CEC Entertainment** (67 CLOs, median 0.10%); and healthcare-service company **CDRH Parent** (50 CLOs, median 0.61%).

Median holdings of loans with Caa ratings shrank by 75 bp to 9.65% for amortizing CLOs and by 10 bp to 7.10% for reinvesting CLOs. Overall, there was a 4 bp decrease to 7.36%. That marked the second consecutive month below 7.5%, the threshold at which managers must assign discounted values to excess triple-C-rated assets for purposes of calculating over-collateralization levels.

With fewer defaults and low-rated assets, median senior over-collateralization levels increased 14 bp to 130.51% overall during the month, with gains for all vintages except 2019. ❖

CLO Weighted Average Rating Factor



Source: Moody's

Flood Continues for CLO Refis

Collateralized loan obligation repricing activity remains strong, even after moderating this week amid widening spreads.

Issuers including **AGL Credit, BlackRock, Neuberger Berman** and **Octagon Credit** refinanced or reset 12 CLOs from March 22 to March 25, placing $4.6 billion of bonds back into circulation. That was down from 18 deals totaling $8.2 billion the previous week, according to **Asset-Backed Alert's** ABS Database.

Repricing volume has been running high for months as issuers have sought to clear out a backlog that developed in 2020, when concerns that asset performance might suffer amid the coronavirus crisis rendered such maneuvers uneconomical in most cases. Expectations of rising interest rates also have supported the trend, as investors have gravitated toward floating-rate instruments.

"Every hour you see another CLO reprice," one issuer said. "I can't see how, in terms of the sheer numbers of deals, this is not the biggest year ever."

Another driver of repricing volume: The first crop of new deals to price in the pandemic era had such short tenors that they already are exiting their non-call periods, which in normal times would last up to two years. Among the first was the AGL issue that was back in the market this week, having originally totaled $389.9 million when it priced April 14, 2020.

Among this week's repricings, spreads for triple-A-rated securities were as wide as 115 bp over three-month Libor. That's out from a little less than 100 bp for some deals in February, helping to explain the recent letup in volume.

However, Neuberger refinanced a triple-A-rated portion of a 2019 transaction at 104 bp, with **Barclays** arranging the exchange. And BlackRock reset the senior tranche of a 2017 offering at 105 bp via **Bank of America.**

Spreads for mezzanine notes have widened further, in part reflecting lingering concerns about credit quality among the deals' borrowers. That could explain why some issuers, including Neuberger and Octagon, chose to refinance only the senior tranches of their deals.

The repricing pipeline, meanwhile, remains full to the point where issuers are finding it difficult to engage banks, law firms and, in particular, rating agencies. In fact, sources estimate that the rating agencies are dealing with a backlog that extends to September.

Among new CLOs, just two issues totaling $1 billion priced this week. That was down from seven offerings for $3.4 billion last week. ❖

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New Issuance Slowing to a Crawl

With Easter and Passover approaching and the first quarter coming to a close, issuers of asset- and mortgage-backed bonds are moving to the sidelines.

So far, the only offerings on the schedule for the week ending April 2 are an insurance-premium transaction from **Imperial PFS** and a deal backed by small-business loans from **Credibly.** The PFS deal is expected to weigh in at about $500 million. The Credibly offering — its first since 2018 — is likely to price at $100 million or less.

Issuance already started tapering off this week. Nine deals totaling $4.4 billion were expected to have priced by March 26. That compares with 14 deals totaling $6.9 billion the week prior and 22 transactions for $10.2 billion the week before that, according to **Asset-Backed Alert's** ABS Database.

Among this week's deals, **Pretium Partners** priced a $911.2 million offering backed by rental-home cashflows on March 23, with **Bank of America, Deutsche Bank, Goldman Sachs, Morgan Stanley** and **RBC** sharing bookrunning duties.

Starwood Capital also tapped the market on March 23, pricing a $366.1 million securitization of home loans that don't meet the **Consumer Financial Protection Bureau's** qualified-mortgage guidelines. **Credit Suisse** served as the lone bookrunner on the offering.

While issuance typically winds down as holidays approach and as issuers line up financing for a new quarter, the slowdown also could reflect caution at a time when interest rates have been rising, making deals potentially more expensive.

That said, investor demand for new paper remains high, with many piling into the secondary market to fill their coffers (see article on Page 2).

The pause also coincides with a brightening outlook for the overall economy, which is gradually recovering from last year's pandemic-related lockdowns. First-time unemployment claims, while still higher than pre-pandemic levels, fell to 684,000 last week, the **U.S. Labor Department** reported. That was the first time the number dipped below 700,000 since lockdowns took hold in March 2020.

Year-to-date issuance of asset- and mortgage-backed bonds stands at $86.9 billion, about on par with the same period last year. ❖

Showbiz ... From Page 1

agencies are known for rating out-of-the-mainstream securitizations, they have expressed general caution about complex structures and cashflows while raising questions about various issues' resistance to coronavirus-related pressures.

"Issuance has been flat this year for esoteric assets," one source said. "One of the biggest issues is questions over how to apply and remove Covid stresses. The rating could be materially different based on the structure and asset."

The Dylan deal is estimated at $200 million to $300 million, which would align with the amount that would-be issuer **Universal Music** agreed to pay for the artist's catalog of more than 600 songs on Dec. 7. **Credit Suisse** and **Guggenheim** have been working on that offering.

Credit Suisse also has been linked to the soccer deal, which would be backed by guaranteed contract payments to star players. Among them: members of **Premier League** teams including England's **Manchester City.**

Guggenheim, a go-to underwriter of non-traditional securitizations, is arranging the Legendary Pictures transaction. That issue would be backed at least in part by royalty payments and licensing revenues from Batman movies that starred **Christian Bale** in the title role.

Another source said Guggenheim presented the deal to two rating agencies and secured investment-grade ratings. However, it's unclear how high those marks are. Also unclear is specifically when the offering might hit the market.

For issuers that might be struggling to achieve their targeted grades, the thought is that it still would be possible to reach those levels by adding credit enhancement to the deals. But that brings added costs. And coming to market with lower ratings would mean paying higher yields to investors.

While apples-to-apples comparisons of funding costs in less-liquid asset classes are difficult, the pricing of a royalty-backed deal from **Village Roadshow Entertainment** in October offers some sense of the savings that can come with higher ratings. That issue's top class, with a 4.5-year life and a single-A rating, carried a 4.3% yield. Its mezzanine piece, with a 3.6-year life and a triple-B grade, priced to yield 4.8%. And its bottom tranche, with a 3.6-year life and a double-B mark, priced to yield 8.1%. ❖

SOFR ... From Page 1

of maturities, SOFR exists solely as a backward-looking overnight rate quoted after the period it references. The hope among industry participants had been that they might tap a combination of SOFR futures and overnight index swaps to calculate a forward version amid Libor's phaseout.

However, the Fed committee is concerned that trading of those instruments is not yet robust enough to support such a calculation. It also suggested that it might never recommend a term version of SOFR for use as a benchmark in certain areas, including asset-backed bonds and commercial loans and leases.

At the same time, borrowers want to know their costs. To that end, banks and other lenders already were preparing to temporarily manufacture a one-month version of SOFR.

Those efforts could see the institutions calculate compounded versions of SOFR both "in advance" and "in arrears." The advance figure would represent the compounded daily rate for the month preceding the pricing period for the instruments referencing it. The arrears figure would represent the compounded daily figure for the same month as the instruments referencing it, subject to a lag during the month.

The two formats have certain advantages over each other. Both approaches already appear broadly in contracts that govern how fixed-income products should switch benchmarks when Libor reporting stops. They also have shown up in some new instruments referencing SOFR, primarily bilateral corporate loans and mortgage products.

But no clear preference has emerged among market participants, likely reflecting a hope that they never would have to use either approach. Now, they're facing the prospect that both versions could be in use for an extended period, adding to operational headaches for banks that already have to deal with a multitude of approaches for changing reference rates.

The Fed's preferred timeline for the phaseout of Libor as a lending benchmark would have banks cease almost all such activity by yearend. Existing loans and securities could continue to track Libor until June 2023, when reporting of several U.S.-dollar versions of the benchmark is set to end.

Even then, some outstanding products would be unable to switch to any unofficial term versions of SOFR that take hold. That's because their contracts specify that they only can fall back to term SOFR if that rate carries an endorsement from the Fed committee.

Meanwhile, the Fed has found itself in the unusual position of telling banks not to worry about a particular risk. Speaking at a March 22 ARRC symposium, Fed Board of Governors economist **David Bowman** minimized the potential for mismatches between instruments pegged to SOFR compounded in advance and those referencing SOFR compounded in arrears.

Bowman also downplayed the importance of a forward rate, saying "a term rate won't hedge what actually happens to rates. ... People's expectations are not always right."

That's an uncharacteristic attitude for a regulator known for being more hawkish on risk, reflecting a desire by the Fed to prevent market participants from using the lack of term SOFR as an excuse to delay their transitions from Libor. It also matches the views of many market participants, at least as far as interest-rate risk is concerned.

"A term rate is more important from an operational perspective than it is from a hedging perspective," said **Rob Mangrelli,** a director who specializes in hedging of real estate and capital-markets products at risk-management firm **Chatham Financial.** "If you're a mortgage originator, for example, and you want to hedge the duration risk on your expected profit from the financing or sale of a loan, you can do it with SOFR [overnight index swaps] today. It's just a question of how liquid the SOFR-derivatives market is. And right now, it's not that liquid, especially relative to using other hedging instruments like

See SOFR on Page 9

Fannie ... From Page 1

originators that it intends to limit its purchases of mortgages on investment properties and second homes to a combined 7% of its overall acquisitions, measured as a 52-week moving average. Fannie also said it will buy fewer of the accounts from high-volume lenders and would tighten underwriting standards.

The move essentially will halve the volume of those accounts that Fannie takes in. It isn't a total surprise, considering that it would fulfill conditions of a January amendment to the **U.S. Treasury Department's** 2008 preferred-stock purchase agreement with the agency. But the effective date of April 1 is earlier than anticipated.

At Credit Suisse and J.P. Morgan, the result has been increased activity for whole-loan trading desks that already were players in conforming investment-property loans. Barclays and Morgan Stanley, by contrast, had been relatively quiet in the sector until now.

Among the banks, J.P. Morgan has been the only active issuer of bonds backed by the accounts so far, having completed $2 billion of such deals since 2019, according to **Asset-Backed Alert's** ABS Database. But Barclays, Credit Suisse and J.P. Morgan have been involved in the market as underwriters.

"Fannie's decision is waking up a lot of dormant whole-loan trading desks on Wall Street to start bidding on investor and second-home loans again. The market for private-label bonds is going to explode as a result," one bond issuer said.

It's difficult to pin down the extent to which lenders have bundled conforming loans into private-label securitizations — that is, bond deals without agency guarantees. What's known is that among deals backed by investment-property mortgages, conforming loans are by far the biggest asset type. Transactions underpinned by mortgages on primary or second residences, meanwhile, are far more likely to contain nonconforming collateral.

Invictus Capital was the first non-agency lender to issue bonds backed by conforming investment-property loans, pricing a $243.6 million transaction in April 2018. Including that offering, $10.1 billion of such deals have priced.

The heaviest volume came in 2019, with 14 issues totaling $5.3 billion. The next year brought 10 offerings for $3.4 billion, a total that industry participants still characterized as solid considering that the market locked up from March to June amid the coronavirus outbreak. This year so far has brought one deal for $197.9 million, from **MFA Financial** in January.

Conforming investment-property loans often do not meet the **Consumer Financial Protection Bureau's** qualified-mortgage standards. Because delinquencies among investment-home loans tend to rise faster than those for traditional mortgages during times of economic stress, Fannie assigns heightened risk weightings and guarantee fees to them.

Those fees, for investment-property loans and other types of mortgages, help explain why some lenders already were funding their conforming receivables in the non-agency market. With the charges factoring into agency funding costs and yields on private-label securitizations relatively low, issuers have found cheaper financing through private-label deals in many cases. ❖

SOFR ... From Page 7

Libor-indexed swaps or Treasury-based futures."

Mangrelli added that there is basis risk between SOFR compounded in advance and SOFR compounded in arrears — that is, the potential for mismatches between the rates — but that those exposures actually could be higher for Libor due to its term nature. "If, for example, your source of funds is a facility linked to one-month Libor and you're originating loans linked to three-month Libor that resets quarterly, clearly there's going to be a mismatch at every single reset," he said. "Whereas if your funding is linked to one-month SOFR in arrears and your lending is tied to a SOFR rate that resets in advance, there will be a lot of overlap, though some mismatch will still exist."

At the same time, many market participants are working under the assumption that a forward-looking term SOFR might not be available when Libor sunsets. "The big discussion we have today is whether to [fall back to] compound in advance or compound in arrears," one collateralized loan obligation investor said. "One is more accurate, the other operationally easier." ❖

INITIAL PRICINGS

Tesla Auto Lease Trust, 2021-A

Priced: March 25
Amount: $1.1 billion
Collateral: Auto leases
Seller: Tesla
Bookrunners: Credit Suisse, Barclays, Citigroup, Deutsche Bank, Wells Fargo

Class	Moodys	Amount	Yield	WAL	Spread	Benchmark
A-1	P-1	113.000	0.156	0.21	-1	Int. Libor
A-2	Aaa	380.000	0.361	1.41	+15	EDSF
A-3	Aaa	248.000	0.562	2.41	+23	Int. Swaps
A-4	Aaa	95.840	0.661	2.63	+29	Int. Swaps
B	Aa2	82.790	1.024	2.65	+65	Int. Swaps
C	A2	65.060	1.192	2.75	+80	Int. Swaps
D	Baa2	48.490	1.352	2.81	+95	Int. Swaps
E	Ba2	43.180	2.657	2.84	+225	Int. Swaps

Textainer Marine Containers VII Ltd., 2021-2

Priced: March 24
Amount: $651.2 million
Collateral: Shipping container leases
Seller: Textainer Ltd.
Bookrunners: Bank of America, RBC, Wells Fargo, Truist Securities

Class	S&P	Amount	Yield	WAL	Spread	Benchmark
A	A	605.200	2.244	5.37	+125	Int. Swaps
B	BBB	46.000	2.844	5.37	+185	Int. Swaps

Bellemeade Re Ltd., 2021-1

Priced: March 24
Amount: $579.7 million
Collateral: Risk transfer
Seller: Arch Capital
Bookrunners: Bank of America, J.P. Morgan

Class	M/D	Amount	Yield	WAL	Spread	Benchmark
M-1A	A1/BBB(H)	188.782		1.87	+175	SOFR
M-1B	A3/AAA	118.203		3.57	+220	SOFR
M-1C	Baa3/NR	139.387		5.00	+295	SOFR
M-2	Ba3/NR	112.021		5.98	+485	SOFR
B-1	B3/NR	21.324		6.32	+675	SOFR

Starwood Mortgage Residential Trust, 2021-1

Priced: March 23
Amount: $366.1 million
Collateral: Non-qualified mortgages
Seller: Starwood Capital
Bookrunner: Credit Suisse

Class	Fitch	Amount	Yield	WAL	Spread	Benchmark
A-1	AAA	293.798	1.184	2.13	+90	Int. Swaps
A-2	AA	14.575	1.334	2.13	+105	Int. Swaps
A-3	A	28.957	1.484	2.13	+120	Int. Swaps
M-1	BBB-	20.520	2.333	4.00	+165	Int. Swaps
B-1	BB-	8.247	3.483	4.00	+280	Int. Swaps

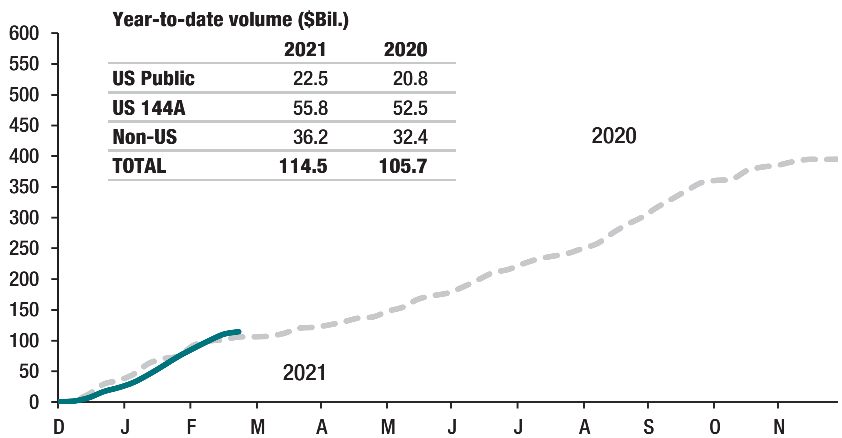
PMT Issuer Trust - FMSR, 2021-FT1

Priced: March 24
Amount: $350 million
Collateral: Mortgage servicing rights
Seller: PennyMac
Bookrunners: Citigroup, Credit Suisse

Class	Kroll	Amount	Yield	WAL	Spread	Benchmark
A	BBB-	350.000		4.99	+300	1 mo. Libor

MARKET MONITOR

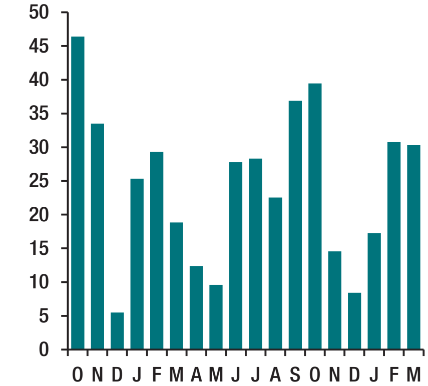
WORLDWIDE ABS ISSUANCE



	2021	2020
US Public	22.5	20.8
US 144A	55.8	52.5
Non-US	36.2	32.4
TOTAL	**114.5**	**105.7**

US ABS ISSUANCE

Volume in past 18 months ($Bil.)



US NON-AGENCY MBS ISSUANCE

Volume in past 18 months ($Bil.)

US CLO ISSUANCE

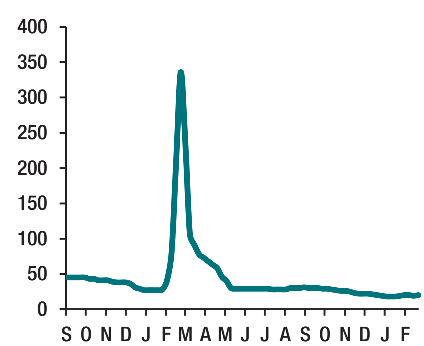
Volume in past 18 months ($Bil.)

NON-US ABS ISSUANCE

Volume in past 18 months ($Bil.)

5-YR FIXED CARD SPREADS

Last 18 months (bps)



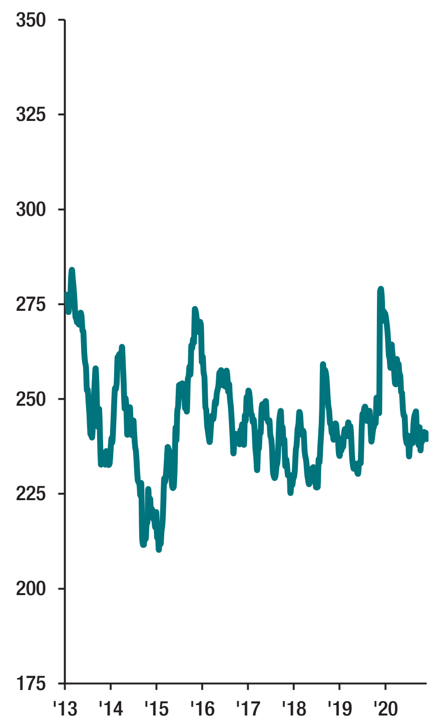
SPREADS ON TRIPLE-A ABS

		Spreads (bps)		
	Avg. Life	3/18	Week Earlier	52-wk Avg.
Credit Card	2.0	S-1	S-2	S+14
(Fixed)	5.0	S+20	S+19	S+37
Credit Card	2.0	L+0	L-1	L+17
(Floating)	5.0	L+30	L+29	L+46
Auto Loan	2.0	S+7	S+6	S+26
(Tranched)	3.0	S+12	S+11	S+34
Swap Spread	2.0	10.9	11.0	9.8
(Midpoint)	5.0	9.8	9.0	7.1
	10.0	2.3	1.9	1.4

Source: Deutsche Bank

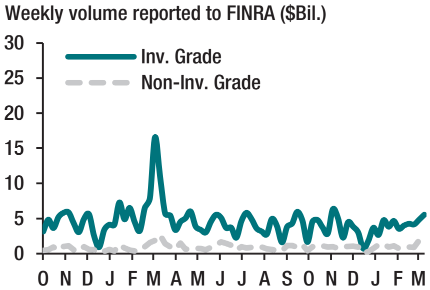
ASSET-BACKED COMMERCIAL PAPER OUTSTANDING

Since 5/1/13 ($Bil.)



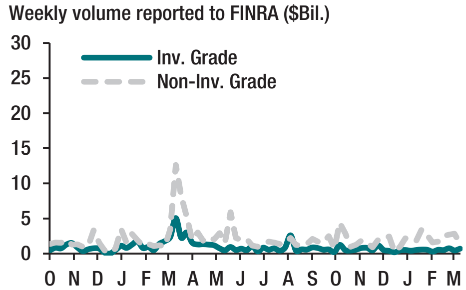
ABS SECONDARY TRADING

Weekly volume reported to FINRA ($Bil.)



MBS SECONDARY TRADING

Weekly volume reported to FINRA ($Bil.)



THE GRAPEVINE

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earlier worked at **Jefferies, Barclays, Citigroup** and **KPMG.** Verition manages $3.5 billion, up from $1 billion last March, as its multi-strategy fund gained 35% during that stretch.

Guy Clark has signed on at **Pretium Partners** as head of client relations. Clark joined the New York operation this month from **York Capital,** where he oversaw marketing strategy since January 2019. He earlier filled marketing posts at **Angelo, Gordon & Co., Oaktree Capital** and **Jefferies** by way of its 2005 purchase of placement agent **Helix Associates.** Clark began his career at **McKinsey & Co.** Pretium, led by **Don Mullen,** frequently securitizes cashflows tied to its portfolio of more than 50,000 rental homes. It also invests in and issues collateralized loan obligations. The firm manages $20 billion.

Candace Jackson, a senior associate at **Mayer Brown** since 2018, departed last month for **Aerion Supersonic.** She's an associate general counsel helping to oversee the legal aspects of financing and corporate governance at the Reno, Nev., company, which is developing a supersonic passenger jet that wouldn't produce the sonic boom typical of such planes. Jackson had two stops at Mayer, having also worked there as an associate from 2015 to 2016. Before rejoining the firm, she was on the legal team at **US Foods.** She earlier worked at **Husch Blackwell** and **Primerica.**

Morgan Lewis has added an associate to its securitization practice. **Alison Krueger,** who started this month in Chicago, deals in a variety of asset classes, including auto and equipment loans and leases, credit card receivables, personal loans, structured settlements and lottery receivables. She previously had been an associate at **Sidley Austin** since 2018, with an earlier stop at **Mayer Brown.**

Alex Nelson left his post as a consultant at **Deloitte** this month to join **Sound Point Capital.** He's an associate on an operations team for the asset manager's collateralized loan obligations. Nelson had been at Deloitte since 2019, developing cashflow models for asset- and mortgage-backed securities. New York-based Sound Point this year has completed five refinancings of its CLOs, totaling $2.4 billion. The firm, which also operates credit-focused hedge funds, managed $22.8 billion at yearend.

Silicon Valley Bank has an opening in its warehouse-lending business in San Francisco. The position involves preparing credit approval memos, performing deal analytics, assisting in deal execution and conducting facility surveillance. Candidates should have at least five years of experience.

Mayer Brown is seeking two attorneys for its structured-finance practice. The associate and counsel-level posts require at least two years of experience and involve advising on asset-backed bond transactions, among other duties. The recruits have the option to work in Charlotte, Chicago, Los Angeles, New York, San Francisco or Washington. Mayer also will consider remote candidates. To apply, email recruitment manager **Ashley Hamilton** at ahamilton@mayerbrown.com.

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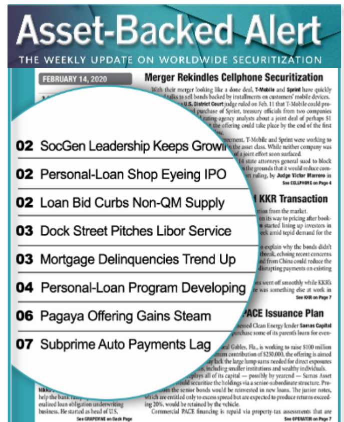

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