

Structured Finance and Securitization

Overview

Katten has a preeminent structured finance practice known for both deal execution and industry leadership. Our group brings together a broad diversity of training, background and transaction experience to help clients across a wide range of needs. The team is cohesive and consolidates in one place the tax, bankruptcy, banking, derivatives and ERISA knowledge necessary to move transactions along smoothly and efficiently.

Many of our client relationships go back years, if not decades, and much of our business takes place on a program basis, allowing us to structure staffing and fee arrangements with an eye toward consistency and value.

Market-leading structures for benchmark issuers

We are known for our representation of benchmark issuers in several asset classes, including auto finance and residential and commercial mortgage. Our issuer clients are constantly developing new financing techniques to keep pace with evolving investor requirements and new structuring methods, and they rely on us to help them structure their offerings to respond to — and take advantage of — changes in regulation, buy-side preferences, economic climate and other market factors.

First-time issuers

While our experience with benchmark issues in the largest asset classes speaks for itself, we are equally proficient in establishing programs for new entrants, often in new asset classes. In these cases, we frequently provide strategies as well as legal advice for assessing risks and guiding the management team through the entire process of launching a new program or product.

"Katten . . . attorneys have deep securitization knowledge and experience; they think outside of the box, take the time to understand our business and motivations and are very responsive."

*- U.S. News – Best Lawyers® 2019 "Best Law Firms"
(Securitization and Structured Finance Law)
survey response*

Non-finance work

Beyond term securitizations, warehouses and other forms of financing arrangements, we have broad experience within the specialty finance industry, including mergers and acquisitions, tax, bankruptcy, licensing, and general corporate matters.

Bridging US and European regulations

In addition to our national presence in the United States, our practice extends to Europe by way of our London office, allowing us to be current on European market and regulatory developments. We work to ensure that the transactions we undertake will satisfy multiple regulatory systems.

Industry leadership

Our attorneys are active in bar associations and in industry trade associations such as SFA, ELFA and CREFC. Our partners chair several association committees, and consequently we are in a position both to solicit and to shape industry legal views on topics such as risk retention, EU securitization regulations, and termination of LIBOR and "true lender," among others. These industry leadership positions have developed consensus-building skills among our group's leaders, which then become part of our broader group's approach. Our observation is that clients — as well as the industry in general — appreciate having an "industry consensus" on unsettled issues.

Our attorneys work with clients to structure, negotiate and draft all types of structured finance transactions, including:

- Off-the-run asset classes such as municipal, renewables, single-family rental, commodities, transportation, nonperforming loans and risk retention facilities
- Specialized financing products such as reverse mortgages, non-US mortgages, future flow credits, covered bonds and securities guaranteed by the Overseas Private Investment Corporation
- Project finance deals such as ship and maritime finance; energy, port, road and airport finance; hedging instruments for crude, refiners, metals and minerals; and trade finance, including receivables purchase facilities and loans secured by receivables
- Portfolio acquisitions of consumer loans, commercial loans, and merchant cash advances in the marketplace lending sector, and credit facilities to marketplace platforms and lenders

Our Experience

- Represent private equity funds and hedge funds in asset-based financings, acquisition financings, and whole loan sales and acquisitions in both the consumer finance industry and the commercial finance industry.
- Represent a captive auto finance company on all of its US securitization and structured finance transactions, including:
 - publicly registered and Rule 144A issuances of asset-backed securities backed by retail auto loans, retail auto leases and dealer floorplan finance loans, totaling more than \$45 billion;
 - warehouse or committed finance facilities with financial institutions for retail auto loans, retail auto leases, dealer floorplan finance loans and dealer mortgage loans;
 - cross-border Rule 144A offerings of asset-backed securities issued by the company's Canadian and German affiliates;
 - a first-of-its-kind program involving the issuance of revolving asset-backed securities that were mandatorily exchangeable into unsecured corporate debt of the company when it achieved an investment grade rating; and
 - a committed purchase facility for dealer floorplan finance loans in the People's Republic of China for the company's Chinese affiliate.
- Counsel to the financial services arm of a multinational automotive corporation in the establishment of its automobile lease origination platform and its associated lease securitization platform.
- Represent several specialty finance companies on their securitization and structured finance programs involving sub-prime auto loans, including publicly registered and Rule 144A issuances and warehouse and committed finance facilities with financial institutions.
- Counsel to a specialty finance company in establishing a new, small-ticket leasing company, the acquisition by the company of an existing lease portfolio and related assets from a bank exiting the business, and establishing an associated lease securitization platform.
- Represent investment banks, corporates and funds on various commodity transactions, including highly structured long-term hedging arrangements, commodity monetization structures and commodity repurchase agreements.

- Represent initial purchasers, collateral managers and investors on broadly syndicated and middle-market CLO transactions, both domestically and in the European market.
- Represent a REIT in performing/non-performing residential mortgage loan securitizations.
- Represent an investment bank in establishing a new repo platform to finance FHA and VA loans with various originators in connection with GNMA securitizations.
- Represent a GSE on all of its securitization and structured finance transactions including:
 - its REMIC program and related mortgage-backed securities issuance;
 - establishing its credit risk transfer program;
 - reverse mortgage securities issuances; and
 - sales of non-performing loans.
- Represent an investment fund in creating and operating an opportunity fund to invest in distressed RMBS.
- Represent a Canadian financial institution on multiple cross-border Rule 144A offerings of asset-backed securities backed by credit card receivables.
- Represent initial purchasers, corporates and investor groups on various Latin American securitization/monetization transactions, including project bonds, structured sovereign bond offerings and mortgage-backed securities.
- Counsel to an investment bank with respect to its single-seller and multi-seller CMBS securitization transactions.
- Counsel to a private equity fund on its aircraft joint venture and securitization financing transactions.
- Counsel to a publicly traded manufacturing company on its supply-chain finance program.

Key Contacts



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Recognitions

Recognized or listed in the following:

- *Asset-Backed Alert*
 - Top Ten ABS/MBS Issuer Counsel, 2013–2021
 - Top 20 CLO Underwriter Counsel, 2017–2020
- *Chambers Global*
 - Capital Markets: Securitization
 - USA, 2013–2021
 - Capital Markets: Securitization:
 - ABS, 2022
 - Capital Markets: Securitisation:
 - RMBS, 2022
- *Chambers USA*
 - Capital Markets: Securitization

- Nationwide, 2012–2020
 - Capital Markets: Securitization: ABS
 - Nationwide, 2021-2022
 - Capital Markets: Securitization: RMBS
 - Nationwide, 2021-2022
- *IFLR1000*
 - Capital markets : Structured finance and securitisation
 - United States, 2021
- *The Legal 500 United States*
 - Structured Finance - Securitization
 - 2011–2022
- *U.S. News Best Lawyers – "Best Law Firms"*
 - Securitization and Structured Finance Law
 - National, 2012–2023
 - New York, 2014–2023