

Structured Finance and Securitization

2013 Year in Review



Clients and Friends:

This past year has seen a renewal of structured finance and securitization activity, and 2014 holds the promise of continued expansion due to stabilizing mortgage finance and servicing markets, greater regulatory certainty, and recovering credit markets. Thanks to the confidence that our clients place in us, the Hunton & Williams LLP Structured Finance and Securitization practice group remains at the forefront of this practice area, as reflected in the following highlights of our work in 2013 and summary of expected material developments in 2014.

Highlights

- More than 40 **RMBS securitization** transactions involving nonperforming, reperforming and newly-originated mortgage loans with an aggregate securities balance of more than \$11 billion
- Master trust and other **servicing advance facilities** for some of the country's leading mortgage servicers
- Acquisition and financing of **mortgage servicing rights** relating to agency and private label securitized loans with an aggregate unpaid principal balance of more than \$100 billion
- Purchases and sales of more than \$3 billion of **performing and nonperforming mortgage loans**
- More than \$7 billion of **warehouse financing facilities** for residential mortgage loans, RMBS and CMBS
- Legal adviser to **Ginnie Mae** in its Multiclass Securities Program involving the issuance of more than \$57 billion of securities in 118 transactions
- **Derivatives, corporate governance and regulatory compliance advice** to more than 50 financial institutions, investment funds, and public and private industrial companies
- Counsel to Fannie Mae and underwriters in connection with **GSE risk sharing transactions**
- Advise Freddie Mac in connection with its strategic planning, including development of the **common securitization platform**
- **Single family for rental** portfolio financings and multi-bank facilities
- Numerous ABS transactions including **auto loan**-backed warehouse financings, **tax lien** financings, **oil and gas** and other **trade receivables** financings, and structured financings of **solar energy receivables**
- Counsel to a **monoline insurance company** in connection with the resolution of over \$830 million of **guaranteed swap and bond debt** through acquisition of obligor companies in precedent-setting, prepackaged **Chapter 11 bankruptcy cases** in the Southern District of New York
- Top five ranking in **Asset-Backed Alert** and other league tables and leadership recognition for several of our lawyers in **Chambers USA** and other industry publications



Forecast for 2014

The coming year promises continued growth and innovation of structured finance and securitization products and a number of key regulatory developments. As mortgage finance markets improve, we expect both increased private mortgage market finance activity and continued evolution of government-sponsored entities and their mortgage finance programs.

Several important regulations will become effective in 2014, including CFPB's Ability-to-Repay/Qualified Mortgage rules, and we continue to advise clients on a variety of regulatory compliance matters, including the import of the Volcker Rule. We anticipate a number of other regulatory developments in 2014, including final Dodd-Frank risk retention rules, the issuance of SEC's Regulation AB II final rules, and further Dodd-Frank Act rulemakings. In addition, no clear path for resolving or winding down Fannie Mae and Freddie Mac has developed, and the appointment of Mel Watt as director of FHFA also may result in some rethinking of the role of the GSEs, the common securitization platform, and the structure of the federal government's long-term role in mortgage finance.

We appreciate the trust that our clients place in us. We thank them for the opportunity to represent them in 2013, and look forward to continuing to serve our clients in 2014.



Thought Leadership

Hunton & Williams is recognized as a thought leader in the structured finance and securitization industry. Our lawyers are regularly quoted in key business and legal trade publications, including *The Wall Street Journal*, *The National Law Journal*, *Reuters*, *Asset Securitization Report*, *Securitization Intelligence*, *The Real Estate Finance Journal*, *International Financing Review* and *Virginia Business*, and speak on current developments and other topics at industry events.

We have authored a number of articles and have participated on drafting committees for industry comment letters on topics such as compliance matters for equity REITS, the Uniform Law Commission's draft residential mortgage foreclosure legislation, CFPB's Ability-to-Repay/Qualified Mortgage and mortgage servicing rules, and Dodd-Frank risk retention rules developments. We also participated in the Structured Finance Industry Group's Residential Mortgage Roundtable in the fall, and assisted in the drafting of "Residential Mortgage Finance: An Introductory Framework," which was presented to Congress.

For more information, visit

www.hunton.com/Structured-Finance-and-Securitization/