

NORTH AMERICAN LAW FIRM OF THE YEAR

WINNER: MAYER BROWN

That Mayer Brown is the most active firm in the North American CRT market today is no surprise. While the uptick in the volume of CRT transactions in North America may be relatively new, Mayer Brown's role in this market is historic and longstanding.

"We have been involved in the US CRT market from the earliest synthetic securitisation transactions and have helped pave the way for these products by assisting clients in navigating the complex interaction of multiple regulatory regimes involved in CRTs," states partner Julie Gillespie, co-head of the firm's structured finance practice. "Our firm is involved in most CRT transactions that come to the market in North America, with a practice evenly split between investor and bank representation." The firm has been involved in over 30 CRT transactions just in the past year and a half.

2024 could be said to have been the year of the complete divergence between the US and European CRT markets. This is due in no small part to the vastly different regulatory regimes governing these transactions.

Matt Bisanz, a bank regulatory and financial services partner, notes: "The US regulatory landscape is still evolving and different agencies have different views and processes for banks to weed through. For many years, we have been advising bank clients on regulatory strategy involved in choosing a structure that suits the particular reference portfolio and goals of the bank." A significant majority of the banks that have received a publicly available Reservation of Authority letter since US bank regulators began issuing such letters were represented by Bisanz and the Mayer Brown team.

While the regulatory attorneys have been busy, so have the deal lawyers. "We are regularly engaged by anchor investors for CRT transactions that come to market and are often approached



Matt Bisanz, Mayer Brown



Julie Gillespie, Mayer Brown

"THE US REGULATORY LANDSCAPE IS STILL EVOLVING"

by multiple investors for each transaction," says Sagi Tamir, a structured finance and derivatives partner in Mayer Brown's New York office.

It is due to its deep bench and product expertise that the firm has been able to staff multiple, walled-off teams representing different investors in many CRT transactions. "We know our clients' priorities and what each of them cares about," Tamir notes. "And, because we have unmatched visibility into the market for each type of reference assets, we are able to advise investors how to best position themselves to win allocations, and then counsel them through efficient execution, which is important both to our investor clients and to the banks."

When it comes to the banks' representation, Mayer Brown draws on its award-winning structured finance practice. "We have decades-long experience with various asset classes and advising on CRT structures is a natural extension of

that experience, since CRT is simply another option for capital and risk optimisation for banks and for exposure to various asset classes by investors looking for yield," states partner Angela Ulum, co-head of global banking and finance.

The firm is a true partner, advising across business centres and stakeholders within the banks, facilitating communications with regulators, legal documentation and investor communication. "Banks do not just call us at the documentation stage; we are often brainstorming on structure, which can change quarter-to-quarter depending on market forces as well as the type of assets," Ulum notes.

As for the future of the CRT market in North America, "we are seeing new asset classes being considered for CRT," Gillespie notes. Of course, with reference portfolios of new types of financial assets comes the need for product-specific expertise, and Mayer Brown has plenty of it.

"While the same CRT technology is used across different types of financial assets, there will still be asset-specific considerations such that a CRT referencing investment grade commercial loans will look different to a CRT referencing non-conforming residential mortgages," Tamir notes. "Our product specialists help us efficiently adapt the CRT technology to different and sometimes brand new asset classes."

Gillespie adds that the US market's bifurcation between capital-market style deals and bespoke ones will become even more pronounced. "Unlike in Europe, this product is not standardised, and corners of the market never will be," she notes. Evolving structural and regulatory complexity means that having a sophisticated advisor who has "seen it all" pays off. ▶



Sagi Tamir, Mayer Brown



Angela Ulum, Mayer Brown