

Structured Finance and Securitization

Structured Finance Backed by Straight Talk

Securities backed by financial assets such as mortgage loans, auto loans, equipment leases and accounts receivable are a worldwide commercial funding source valued in the trillions of dollars. Asset securitization began in the 1980s and attorneys at Andrews Kurth played a leading role in its development and innovation. Today, we remain at the center of structured finance, adapting to market changes and guiding clients through transactions.

Recognized and ranked as a global leader by *The American Lawyer* and *Asset-Backed Alert*, Andrews Kurth has one of the largest securitization and structured finance practices operating beyond New York, Chicago and Washington, DC. Practice areas include:

- Mortgage-Backed Securities
- Asset-Backed Securitizations
- Commercial Paper Programs
- International Securitizations
- Covered Bonds

Groundbreaking Securitization Deals

We offer comprehensive and experienced counsel to clients who are deploying their financial assets. In the process of developing new approaches and discovering new opportunities for clients, we have been at the forefront of new trends in the market. As pioneers in securitization, we claim among our practice firsts:

- First public credit card securitization
- First senior/subordinated auto loan securitization
- First subprime auto loan securitization
- First re-securitization
- First securitization transactions conducted in Argentina and Chile
- First securitization to include currency inconvertibility insurance coverage for the senior class of bonds, representing Argentina's largest mortgage bank
- The first cross-border credit tenant lease commercial mortgage loan securitization to rely on Mexican credit

Our securitization lawyers, based in our Dallas and Houston offices, regularly collaborate with firm colleagues on tax, real estate, banking, corporate finance, project finance and bankruptcy-related issues. We regularly handle transactions in Latin America as well as North America.

Breadth and Depth

We have advised participants in all facets of securitization and structured finance transactions, including originators, purchasers, issuers, underwriters, loan servicers and trustees involved with a broad cross-section of transactions. In addition, our experience includes counseling nationally recognized rating agencies in connection with domestic and international structured financings.

Mortgage-Backed Securities (MBS)

We represent the full spectrum of participants in the mortgage-backed securities market, including mortgage originators, sellers and issuers, in implementing their securitization programs. Since the early 1980s, we have counseled our clients on securitizing single- and multi-family mortgage loans, home equity loans and property improvement loans through a variety of structures, including:

Structured Finance and Securitization

- Collateralized mortgage obligations
- Mortgage pass-throughs
- Mortgage interest and principal strips
- Loan participation sales
- Conforming and nonconforming whole loans
- Real estate mortgage investment conduits (REMICs)
- Mortgage-backed preferred stock

In these and other structures, we counsel our clients in originating mortgage loans, purchasing and selling them for pools to be securitized, and coordinating the investment disclosure and transaction documentation. We also have provided specialty tax and bankruptcy opinions in connection with these transactions.

Asset-Backed Securitizations (ABS)

Our lawyers work with numerous sponsors and issuers of securitization transactions, warehouse lines and structured sales involving a wide range of financial assets, including:

- Residential first mortgages
- Home equity loans
- Auto loans and leases
- Aircraft and equipment leases
- Credit card and other receivables
- Cross-border remittances
- Franchise loan and royalties
- Consumer receivables
- Collateralized bond obligations
- Music royalties
- Energy assets
- Structured settlements
- Life settlements

Commercial Paper Programs

We have represented issuers and borrowers establishing commercial paper programs with a number of asset classes including:

- Residential and commercial mortgages
- Construction products receivables
- Oil and pipeline receivables
- Credit card receivables

International Securitizations

We helped pioneer the international securitization market. Our lawyers handled the first mortgage securitizations in Argentina, Chile and Peru, and represented a multinational Argentine oil company in securitizing \$900 million in oil export receivables. We assisted one of the largest banks in Brazil in the establishment of its securitization program.

Structured Finance and Securitization

We have represented clients in their U.S.-Mexico cross-border securitizations including the first Mexico-based credit tenant lease commercial mortgage transaction, and the first repackaging and cross-border sale of the residual tranche of a mortgage-backed securitization. In Brazil, we have represented originators of various future flow financial assets in the cross-border placement of securities using the FIDC (Fundo de Investimento em Direitos Creditórios) structure.

We regularly represent multilateral organizations such as the Inter-American Development Bank (IDB) in a variety of structured finance and other capital facilities, and products such as partial guarantees.

In European matters, our counsel includes representing the International Finance Corporation (IFC) in developing legislation to create a mortgage-backed securities market in Russia and the Ukraine.