

Headline News

Andrews Kurth LLP Announces Formation of Covered Bonds Practice Group

Firm evolves to meet demands of changing Capital Markets

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Dallas, Texas

(DALLAS) - Andrews Kurth LLP has formed a new practice group to advise its clients and prospective clients on matters related to the issuance, underwriting, purchase and sale of covered bonds.

Covered bonds are general, non-deposit, full recourse obligations of an issuing bank that are secured by a pledge of prime quality mortgage loans that remain on the issuing bank's balance sheet. While a relatively new innovation in the U.S., the use of covered bonds as a means of financing by banks is well-established in Europe, where extensive statutory and regulatory regimes have been developed in order to protect the interests of investors.

Recent turmoil in the credit markets has severely limited the ability of banks to sell loans to investors through securitization. In order to encourage the use of covered bonds as an alternatives to securitization, the FDIC and the Treasury Department have recently issued a policy statement and "best practices" guidelines which provide clarification and guidance on numerous issues relating to the issuance of covered bonds.

"Andrews Kurth attorneys involved in the covered bonds practice group will closely monitor developments in the credit markets and the legislature in order to advise clients on the business, legal and regulatory aspects of covered bond transactions, said Mark Harris, Andrews Kurth Partner. "Our goal is to stay at the forefront of market needs."

Members of the covered bonds practice group will include Dallas-based securitization partners David Barbour, Pat Sargent, Peter McKee, Mark Harris, Paul Seve and Muriel McFarling.

About Andrews Kurth

For more than a century, Andrews Kurth has built its practice on the belief that "straight talk is good business." Real answers, clear vision and mutual respect define the firm's relationships with clients, colleagues, communities and employees. With more than 400 lawyers and offices in Austin, Beijing, Dallas, Houston, London, Los Angeles, New York, The Woodlands and Washington, DC, Andrews Kurth represents a wide array of clients in all areas of business law. For more information about Andrews Kurth, please visit andrewskurth.com.