

Asset Securitization

Practices and Industries

PRIMARY CONTACTS

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The attorneys in Haynes Boone's Asset Securitization Group are recognized leaders in the global asset-backed securitization industry. Clients include all market participants, including issuers, underwriters, placement agents, asset managers, servicers, sponsors and credit enhancers.

The members of Haynes Boone's Asset Securitization team regularly represent clients in a wide variety of both traditional and esoteric securitization transactions, including collateralized loan obligations (CLOs), collateralized debt obligations (CDOs), whole business securitizations, asset backed commercial paper (ABCP) conduit programs and underlying facilities, collateralized fund obligations (CFOs), rated note feeders (RNFs), telecom securitizations and securitizations backed by, among other assets, oil and gas-related related assets, consumer loans, leveraged loans, student loans, 12b-1 fees, portfolios of trade, equipment, invoice and supplier finance receivables, auto lease and loan receivables, credit card receivables, installment sales contracts, broadcast rights, life settlements and annuities.

We also have significant experience in incorporating environmental, social and governance (ESG) policies into securitization facilities to address the needs of the sponsors and investors in such facilities.

Asset securitization requires a multidisciplinary approach. Our team integrates attorneys from other Haynes Boone's practice areas, including bankruptcy, tax, ERISA, real estate, energy, capital markets and regulatory compliance to deliver efficient and comprehensive services to our clients.

Innovation

Our team has been widely recognized as a leader in transforming new ideas into workable financing vehicles and extending the application of asset securitization to new structuring techniques and emerging asset types. We work closely with our clients and the rating agencies, regulatory authorities and accounting firms to facilitate market acceptance of new and emerging financing structures and asset classes. A representative list of these innovations includes:

- **Risk Retention.** Developed a significant percentage of the risk retention solutions utilized in the market, including "Rated Risk Retention Loan Facilities," "Risk Retention Repo

Financings” and “Collateral Manager/Sub-Adviser Structures.” We established the first risk retention financing facility for CMBS transactions utilizing a repo facility.

- **Oil and Gas.** Haynes Boone has been a key player in developing the structure and documentation for securitization backed by portfolios of proved developed producing (PDP) oil and gas reserves since the emergence of this asset class in 2019.
- **Collateralized Loan Obligations (CLOs)**
 - Assisted in the structuring and establishment of one of the first balance sheet CLOs in the early 1990s.
 - Developed a highly innovative mechanic that was added to CLO documentation industry wide to provide CLOs with flexibility to more fully participate in the wave of post COVID-19 workouts and restructurings.
 - Assisted in the development of an alternative mechanic for refinancing CLOs utilizing a reverse Dutch auction mechanic known as “AMR.”
- **Insurance Company Structures.** Assisted in the development of numerous rated structures to provide insurance companies with regulatory capital relief for their investments in alternative asset classes, including investments in CLO securities, private fund limited partnership interests and consumer loans. Assisted in structuring insurance company products relating to underlying securitization products and Significant Risk Transfer transactions.
- **Significant Risk Transfer (SRT) and Credit Risk Transfer (CRT) Structures.** Assisted in the structuring of numerous SRT and CRT transactions, utilizing a broad range of funded, unfunded, cash and synthetic structures to enable our clients to address the regulatory challenges that confront them.
- **Leveraged Loan Warehouse Facilities.** Established the first offshore “Master Warehouse Facility,” which can be utilized to (i) season loan assets for offshore funds, and (ii) warehouse loan assets for multiple CLOs, including for both middle-market and broadly syndicated CLOs.
- **Forward Flow Facilities.** Structured certain early-stage, forward-flow transactions funded by rated debt securities.
- **12b-1 Fees.** Structured and developed the first rated mutual fund fee (12b 1) securitization facility.
- **Telecom.** Structured and developed the mechanic utilized by AT&T which enables them to securitize the full payment stream on their wireless phone installment sale contracts, notwithstanding the potential for upgrade terminations. This mechanic, which is incorporated in the underlying customer contracts, is now widely used by other telecom companies and companies in other industries which utilize similar installment sale contracts.

Representative transactions. The following represents a description of certain of the securitization transactions that our asset securitization team has played a key role in establishing:

- **Collateralized Loan Obligations (CLOs).** Represented collateral managers, issuers and arrangers in connection with the establishment of over 200 CLOs over the past several years.
- **Oil and Gas.**
 - Represented a trading affiliate of a financial institution as secured commodity hedge provider in connection with Diversified Energy Company PLC & Oaktree Capital Management, L.P.s \$460 million joint ESG-aligned, asset-backed securitization collateralized by certain co-owned producing assets located in Oklahoma in October 2022.
 - Represented a trading affiliate of a financial institution as secured commodity hedge provider in connection with Jonah Energy LLC’s \$750 million proved developed and producing working interest, asset-backed securitization collateralized by Wyoming producing assets.

- Represented a financial institution as secured commodity hedge provider in connection with Raisa Energy LLC's securitization of PDP non-operated assets for \$636 million of gross proceeds collateralized by assets located across multiple states (the firm had separate deal teams on this transaction).
- Represented a trading affiliate of a financial institution as secured commodity hedge provider in connection with PureWest Energy, LLC's re securitization and issuance of additional securities out of an existing PDP working interest, asset-backed securitization collateralized by producing assets located in Wyoming.
- Represented a trading affiliate of a financial institution as secured commodity hedge provider in connection with private issuer's refinance of an existing PDP working interest, asset backed securitization collateralized by producing assets located in the Anadarko Basin of Texas, Oklahoma and Kansas.
- **Risk Retention.** Established and closed over 80 risk retention financing facilities for Global Atlantic, Ares, Guggenheim and other finance providers.
- **Telecom.** Deal-drafting counsel in connection with multiple securitization transactions involving the securitization of over \$50 billion of receivables relating to AT&T installment sale contracts for wireless devices.
- **ABCP Conduits and Commercial Paper Programs.** Representation of all leading commercial paper note dealers and placement agents in connection with the majority of securitization transactions involving U.S. ABCP conduits, as well as representation of such dealers in connection with the establishment of the majority of the U.S. corporate commercial paper programs in the market. Represented numerous commercial banks and their sponsored conduits in structuring and restructuring their asset backed commercial paper programs. Representation of numerous commercial banks and their sponsored conduits in connection with underlying securitization transactions funded through the issuance of commercial paper with respect to numerous asset classes.