Asset-Backed Alert
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Rating Firms Wrestle Over Emerging Sectors

The Big Three rating agencies are ramping up efforts to grade securitizations of nontraditional cashflows, in some cases at the expense of **KBRA.**

Moody's Ratings, for example, recently ended a generation-long layoff from rating deals backed by music royalties — an area where **S&P** is showing interest as well. And **Fitch,** which already has been making a name for itself in evaluating securitizations of solar-panel loans and leases, is angling to become the go-to player in that sector.

The agencies additionally are interested in entering or growing in asset classes including oil-and-gas, digital infrastructure and transportation receivables. In some cases, the assignments reflect outreach efforts in which the shops have been developing relationships with issuers in sectors experiencing material growth. In others, they are following up on inquiries from the issuers themselves.

Take music-royalty deals, where issuance suddenly sprang to life in 2021 after

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Corporate-Bond Investors Shift to ABS, MBS

Growing numbers of investors that traditionally buy investment-grade corporate bonds are shifting their allocations to asset- and mortgage-backed securities, helping drive issuance 36% higher this year.

The shift has taken place over the last couple of months, and includes corporate treasury departments, public pension systems, mutual fund operators and insurers. Among the institutions rotating into securitized products are **Abu Dhabi Fund for Development, Apple** investment arm **Braeburn Capital, California State Teachers, Google** parent **Alphabet, New York Life Insurance, MetLife, State Street** and **Vanguard.**

The investors are buying asset- and mortgage-backed bonds with capital they might otherwise have allocated to corporate bonds, and are actively shedding existing corporate positions. Most are purchasing triple-A-rated securities.

Take Apple. At the end of the first quarter, the company held $22 billion of asset- and mortgage-backed securities, up from $20.5 billion at the end of 2023. Sources

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Whole-Biz Bonds Draw New Market Makers

More banks are actively trading bonds backed by whole-business cashflows from top-tier issuers.

Sources identified **Bank of America** and **Mizuho** as institutions newly making markets in the whole-business sector this year. Sources also said **MUFG** is taking on a more active role as a market maker of such securities, bolstering a presence the bank already had established.

Those institutions join **Barclays** and **Guggenheim,** the most active names in the whole-business sector — in both the new-issue and secondary markets.

"As volume has come down and markets have turned more bullish, we've seen more brokers pick up activity in WBS," one buy-sider said. He also reports seeing an uptick in other "random folks" trading such securities.

The consensus among market participants is that Tier 1 issuers in the sector are **Domino's, Dunkin Brands, Taco Bell** and **Wendy's.** Some lump **Arby's** and **Wingstop**

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THE GRAPEVINE

Sara Bonesteel has retired from **Prudential,** where her roles included running the insurer's collateralized loan obligation management unit in the years following the financial crisis. Bonesteel had joined the Newark, N.J., company in 2008 as a managing director for alternative products and eventually rose to the level of chief investment officer for the international insurance division. Earlier, she spent time at **JPMorgan Chase** by way of the bank's credit-crisis takeover of **Bear Stearns.** Bonesteel continues in her role as an independent director at **S&P Financial Services,** a post she has held since 2020.

Former **Credit Suisse** structured-product trading chief **Daniel Ezra** has launched his own business. New York-based **Entegra** formed in March and went live

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Insurer Rating Move Raises Eyebrows

Some insurers are obtaining private credit ratings to achieve more favorable capital treatment for debt investments, including many structured-finance instruments.

At issue are so-called private-letter credit ratings, which are not published but are furnished directly to investors. On March 16, the **National Association of Insurance Commissioners'** capital-markets bureau published a report showing that insurers' holdings of privately rated securities rose 20% in 2023. Insurers ended the year with 8,152 of positions in such bonds, totaling $352.1 billion, up from 6,792 at the end of 2022.

All told, insurers' exposure to privately rated securities has more than doubled from $136.9 billion at the end of 2019, when the NAIC began tracking it.

The report attributed some of last year's growth in such holdings — 109 securities — to insurers that obtained private ratings on holdings whose designations had been set previously by the NAIC's securities-valuation office.

Insurers can use public or private credit ratings to determine an investment's NAIC designation, which is a key input in determining a security's risk weight — or the amount of capital an insurer must hold against it. The report states that roughly three-quarters of the 109 securities obtained a more favorable NAIC designation via a private rating than they had received previously from the commission's securities-valuation office.

Designations based on private ratings were 2.74 notches higher, on average, than the designations that had been assigned by the securities-valuation office. In addition, the report found that securities rated by smaller companies, such as **Morningstar DBRS, KBRA** or **Egan-Jones,** generally received a bigger uplift — of 3 notches on average — than similar securities rated by **Moody's Ratings, S&P** or **Fitch,** which resulted in average uplifts of 1.9 notches.

The report raised concerns that some insurers that rely on private-letter ratings will be undercapitalized, as they may end up holding less capital against many securities than they would have had the instruments' designations been set by the securities-valuation office.

It comes as the NAIC is **undertaking** efforts to reduce its reliance on credit ratings to determine designations, including bringing risk evaluations of collateralized loan obligations in-house.

The capital-markets bureau's report does not provide a breakdown of the types of privately rated securities in insurers' portfolios. However, a recent analysis by **Bridgeway Analytics** found that they consist of asset-backed securities, other types of structured products and bank loans.

Bridgeway said in a May 23 report that there are legitimate reasons for obtaining an alternative opinion of credit risk, given the range of considerations that may or may not be taken into account by the NAIC.

Nevertheless, the insurance consultancy thinks that the move toward obtaining private ratings "is worth keeping an eye on."

The insurance industry's exposure to privately rated securities is fairly concentrated, with the top 10 insurers accounting for $180.2 billion, or 51%, of such holdings at yearend 2023, and the top three accounting for 25%. However, that concentration has ebbed since 2022, when the top 10 insurers accounted for 55% of the total.

The report does not break down market share by individual rating firm. However, the three smaller companies together accounted for 85.7% of such ratings in 2023. Within that group, Egan-Jones was the leading rater, followed by KBRA and Morningstar. ❖

Vista Point Program Back on Repeat

Having broken an extended issuing hiatus, **Vista Point Mortgage** is planning another securitization of home-equity loans.

The offering is penciled in for the second half of this year. Expectations are that it will resemble a $325.6 million **deal** the Irvine, Calif., company priced on May 10 with **Atlas SP Partners** and **JPMorgan Chase** as bookrunners.

That transaction marked Vista Point's first appearance as an issuer of securities **backed** by home-equity loans. It also was the company's only securitization of any kind outside of 2020 — when it **launched** and then quickly paused a program that produced $732.8 million of bonds via three **offerings** underpinned by home loans that did not meet the **Consumer Financial Protection Bureau's** qualified-mortgage guidelines.

Should the upcoming securitization indeed resemble the most recent one, it would be backed by closed-end nonagency second mortgages that Vista Point aggregates from correspondent and wholesale lenders that originate the accounts to its specifications.

At issuance, this month's deal was backed by 1,721 loans with an average balance of $194,000, an average seasoning of 15 months and a cumulative loan-to-value ratio of 71%. The borrowers, many self-employed, had an average debt-to-income ratio of 36.5%, an average annual income of $537,000 and a weighted average credit score of 723.

The resulting bond deal encompasses six fixed-rate tranches rated AAA to B by **Morningstar DBRS.** The top class of the issue sold to 18 investors, with the 2.5-year notes pricing at a spread of 180 bp over the I-curve for a yield of 6.5%.

Sources said the offering attracted strong buy-side demand.

Vista Point's move to the sidelines as a bond issuer came in response to pandemic-related disruptions, with the company remaining out of the market in part because rising interest rates were driving up securitization costs for nonqualified mortgages. During that time, Vista Point developed what it touts as today's first large-scale operation dedicated to originating nonagency second-lien mortgages — including those backing this month's bond deal.

It currently holds more than $520 million of such accounts, which have **grown** in popularity among lenders and as a source of securitization collateral in recent years.

Vista Point was launched in 2018 by **William Ashmore,** who previously founded **Impac Mortgage Holdings. Jim Malloy,** also a former Impac executive, runs Vista Point's capital-markets group. ❖

Repo Man Hits Subprime Autos

Add rising repossession costs to the list of factors weighing on the performance of subprime auto loans.

The agents that carry out vehicle repos on behalf of lenders already have hiked their fees by as much as 35% over the past year and continue to ask for more, sources said. And that's buoying losses among securitized loan pools as the deals' issuing trusts absorb those charges.

That's in part because the higher fees are contributing to a downtrend in recoveries, or the loan principal that lenders can recover by selling repossessed vehicles. In fact, the charges have risen enough to make repossession a less appealing option for certain nonpaying accounts.

The pressures are especially acute for so-called deep subprime lenders, typically those catering to borrowers with credit scores of 580 or lower.

Older loans are proving the most problematic, especially those with terms of 72 to 84 months, because they leave lenders exposed to vehicle depreciation for longer periods than credits with a more traditional payment window of 60 months.

Amid supply-chain interruptions and market distortions caused by the pandemic, used-car values had soared to record levels in 2021. Correspondingly, recoveries among securitized pools of subprime auto loans hit a record 77.95% that May, according to **Fitch.**

By this April, that figure had fallen to a historically typical 43.03%, in large part because of cooling used-car prices. But higher repo fees also have taken a bite as agents have charged more to cover expenses such as fuel, equipment and maintenance.

Typically, an auto lender would take back a vehicle from a nonpaying borrower and sell it at auction. Between depreciation and repo charges, however, some now are holding off on that process. "A lender would typically repo if they thought the value they'd get at auction would be, let's say, $2,000," one source said. "But now they won't auction it unless they could get at least $3,500. That goes right to the net-loss line and could be the difference in their recovery rate and a substantial rise in their loss rate."

That said, a move toward tighter underwriting standards has aided recoveries and other loan-performance measures. Annualized net losses among subprime-loan pools were at 7.90% in April, according to Fitch — well up from a pandemic low of 1.84% in May 2021 but down from a recent high of 10.05% last November. ❖

Once-Troubled Lender Taps Market

Small-business lender **CAN Capital** is preparing its first securitization since 2014.

The offering is expected to price by the end of this month. There's no word on its size or the identities of the underwriters.

CAN's only previous asset-backed bond deal was a $191 million issue led by **Guggenheim.** That transaction ran into trouble in 2016, when a booking error erased its overcollateralization cushions. While Class-A noteholders recouped their investments, there was little left to repay the deal's $20 million Class-B piece, which eventually defaulted.

In 2020, with CAN having avoided collapse, the **SEC** filed a lawsuit with the **U.S. District Court** in New York alleging that the Marietta, Ga., lender committed securities fraud by misleading investors in the deal. But CAN quickly settled without admitting to wrongdoing.

While the volume of small-business loan securitizations has been growing in recent years, it has yet to bounce back fully from a pandemic-induced downturn in 2020. So far this year, five such deals totaling $888 million have priced in the U.S., versus five offerings for $651.7 million at this point in 2023, according to **Asset-Backed Alert's** ABS Database.

The sector's peak year came in 2019, when 16 deals totaling $2.6 billion crossed the finish line. ❖

Gruenberg Exit No Quick Basel Fix

Martin Gruenberg's resignation as chair of the **FDIC** is not expected to help the **Federal Reserve** in its push to change the final update to the **Bank for International Settlements'** Basel 3 standards.

Gruenberg on May 20 announced that he will resign his post amid allegations of a toxic culture at the agency, including sexual harassment and discrimination. However, he does not plan to leave until a successor is confirmed — a process that requires **U.S. Senate** confirmation and could take months.

Despite broad opposition by banks and others to the U.S. implementation plan for the final Basel update, Gruenberg is staunchly opposed to any changes. His opposition has been a thorn in the side of Fed chair **Jerome Powell,** who has said regulators will make "broad material changes" to the plan, including potentially reproposing it — setting up a potential battle between the regulators.

Gruenberg's departure could allow the Fed to completely sidestep such a confrontation. But the timeline for any changes to the proposal remains far from certain.

"It's going to take a long time to confirm a successor, so it's not at all clear what this could mean for Basel," said **Michael Bright,** chief executive of the **Structured Finance Association.**

The Wall Street Journal on May 19 reported that **JPMorgan Chase** chief executive **Jamie Dimon** has been personally lobbying Powell behind the scenes to lower the current proposal's requirement that banks with $100 billion or more of assets increase capital reserves by 19% for mortgage holdings. Those capital buffer requirements will grow under the current plan by 10% for midsize banks and by 5% for the smallest institutions.

The so-called Basel 3 endgame plan was released on July 27. ❖

Dealflow Steady Into Holiday Weekend

The flow of new asset- and mortgage-backed bonds remained healthy this week amid solid investor demand and a push by issuers to complete offerings before the start of the Memorial Day weekend.

U.S. issuers were on track to have priced 17 transactions totaling $8.2 billion from May 20 to 24, according to **Asset-Backed Alert's** ABS Database. That's down considerably from last week's 22 deals adding up to $16.9 billion, which was the heaviest deaflow in dollar terms for any week this year.

This week's docket featured a broad mix of transactions, including a railcar-lease securitization from **Trinity Industries,** a private student-loan offering from **College Ave Student Loans** and a deal backed by fiber-optic cashflows from **Hotwire Communications.** Meanwhile, **First Community Credit Union** made its debut, pricing a $251 million prime-auto loan securitization on May 22 via underwriters **Citigroup** and **JPMorgan Chase.** The Chesterfield, Mo., institution joins a growing list of credit unions that have begun to employ securitization as a funding strategy over the last year in response to the rising cost of deposits and higher capital-withholding requirements for loans.

As has been the case since the start of the year, investors easily absorbed this week's supply and, in some cases, requested more bonds than issuers initially offered. For instance, strong buy-side demand for a May 21 securitization of credit card receivables from **First National Bank of Omaha** prompted the institution to upsize the offering to $400 million from $300 million. JPMorgan and **RBC** handled bookrunning duties. Also upsized this week was a subprime auto-loan securitization from **AmeriCredit** that grew to $1.26 billion. Deal tranches that priced initially were marketed by underwriters **Barclays, BNP Paribas, Morgan Stanley, Societe Generale** and **Wells Fargo** at $993 million.

Some of the demand for new and upsized securities is coming from corporate-bond buyers who are reallocating capital to securitized products (see article on Page 1).

On the mortgage front, on May 21 **Annaly Capital Management** priced a $686.9 million offering of bonds backed by loans that don't meet the **Consumer Financial Protection Bureau's** qualified-mortgage guidelines. The transaction, which was led by **Bank of America** and **Nomura,** was the New York REIT's seventh this year. A day later, **Fannie Mae** completed a $707.6 million risk-transfer securitization via its Connecticut Avenue Securities program, and **Freddie Mac** priced $220 million of unrated bonds backed by reperforming mortgages. Unrated bonds are not included in the ABS Database.

The pace of new dealflow is expected to slow over the next week as market participants take a breather following the long holiday weekend. Issuers have priced 349 asset- and mortgage-backed deals totaling $192.73 billion since the start of 2024, up from 272 issues adding up to $145.3 billion at the same point last year, according to the ABS Database. ❖

Carlyle Tests Winds for Aircraft Deal

Carlyle Group is meeting with investors to gauge their interest in a bond offering backed by aircraft receivables.

Word of the lease-backed securitization has been floating around for months. But Carlyle's interest in completing the deal is growing as spreads are tightening across the asset-backed bond market.

There is certainly investor appetite for such paper, as buysiders turn to bonds backed by less traditional assets in a search for higher yields, sources said.

Five-year aircraft bonds were trading at average spreads of 220 bp over the I-curve last week, according to **Bank of America** research published on May 17. While that's 40 bp tighter than during the first week of the year, it is far wider than where bonds backed by other types of so-called esoteric assets are trading.

Carlyle has been one of the more active aircraft-bond issuers. The company has completed six transactions totaling $3.3 billion underpinned by aircraft receivables since 2019, according to **Asset-Backed Alert's** ABS Database.

But the Washington-based firm hasn't completed a Rule-144A offering since a $522.5 million transaction that priced in June 2022, with **BNP Paribas, Goldman Sachs, Natixis, RBC, Sumitomo Mitsui Banking Corp.** and **Societe Generale** running the books.

To be sure, the aircraft-lease securitization market has slowed considerably in recent years amid rising interest rates, high inflation and Russia's invasion of Ukraine. Only three widely distributed transactions adding up to $1.3 billion have crossed the finish line since Carlyle's last deal. There have been several private placements, in which an issuer sells bonds to one investor or a small group of buyers.

"No one wants to be the first to go," said one issuer, referring to other issuers in the sector. "I think there's good demand from the market. People are interested in looking at aircraft paper." ❖

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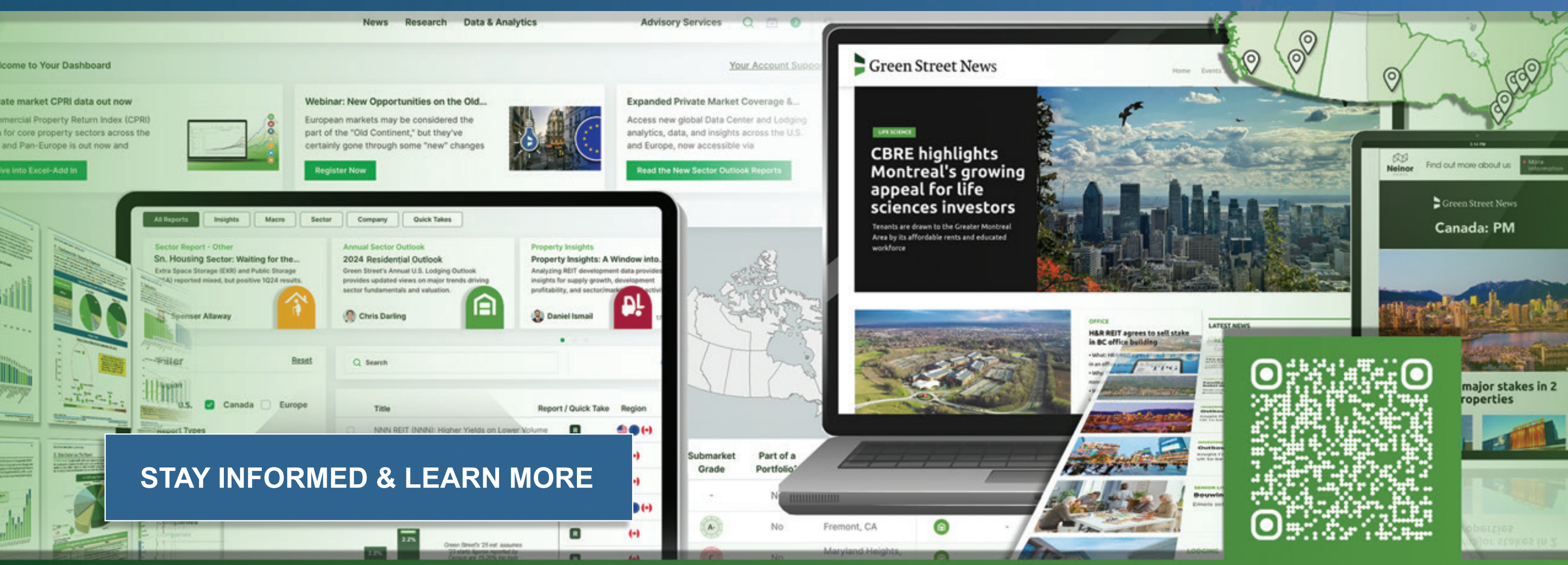

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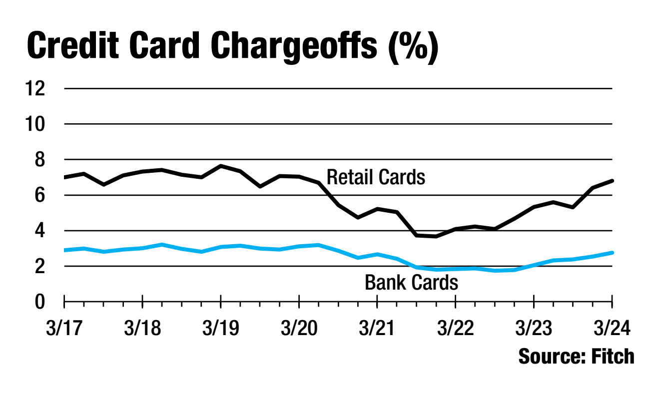

Slowing household income growth and stubbornly high inflation are tarnishing performance indicators for securitized credit card accounts.

According to an index maintained by **Fitch,** chargeoffs among securitized bankcard pools in the U.S. averaged 2.76% during the first quarter, up from 2.54% in the fourth quarter of 2023 and 2.37% in the third quarter.

At the same time, the proportion of borrowers at least 60 days past due rose for the third consecutive quarter, jumping 6 bp to 1.06%, and is gradually approaching the historical baseline near 1.5% that persisted from 2017 to 2019.

Fitch senior director **Herman Poon** attributed the weakening performance to "sticky" core inflation, a continuing decline in consumer savings and elevated borrowing costs amid the **Federal Reserve's** decision to maintain interest rates at recent highs. And conditions are continuing to deteriorate. "With the pace of household income growth slowing, a further weakening of credit card performance is anticipated," said Poon, who added that chargeoffs are likely to rise until they reach their pre-pandemic benchmark of around 3%.

Indeed, with disposable personal income on the downswing, average monthly bankruptcy filings climbed to 38,319 during the first quarter, a 5.4% increase from the fourth quarter. Filings surged by 16.2% on an annual basis, which is indicative of a gradual downturn in the U.S. economic climate, Fitch said. Through March, bankruptcy filings exceeded 45,000, a figure not seen since March 2020.

Meanwhile, the monthly credit card payment rate, as measured by the average outstanding balance retired, grew modestly in the first quarter to 40.13% from 39.84% in the fourth quarter. The figure remains elevated from pre-pandemic levels and is close to the 2021 peak of 42.30%. That's in large part due to a tight labor market and wage growth.

Chargeoffs also jumped among retail-branded accounts, rising during the first quarter to an average of 6.8% from 6.4% in the fourth quarter. Delinquencies of 60 days or more among such accounts also rose, to 2.8% from 2.7%.

Fitch's index was tracking bonds with an outstanding balance of $74.8 billion in March, up from $73.8 billion in December and $69.5 billion in September. The company's data goes back to 1991. ❖

Investors ... From Page 1

said a portion of that uptick can be attributed to a decision by the company to move some of its money out of corporate bonds. Indeed, Apple's holdings of corporate debt securities fell to $68 billion at the end of March from $71.5 billion on Dec. 30.

Investors often view corporate bonds from large investment-grade companies as appealing because they offer higher returns than government debt with only a modest increase in credit and market risk. But that strategy is floundering as corporate-bond values have stagnated amid persistently high inflation reports and uncertainty about the **Federal Reserve's** plans to cut interest rates this year.

For example, shares of **BlackRock's** iShares iBoxx Investment Grade Corporate Bond ETF were trading in a range of $107.01 to $107.55 this week, down from a December peak of $111.36. And the S&P 500 Investment Grade Corporate Bond Index is down 1.5% from its most recent peak of 457.84 in February to 451.35 this week. Meanwhile, values of most securitized products have risen this year.

Another reason investors are rotating out of corporates is that top-rated asset-backed securities have a reputation as being a haven when economic uncertainty is running high, which increasingly has been the case with the presidential election just a few months away.

Securitization bankers say the shifting allocations are a key catalyst for this year's issuance surge. It also helps explain why so many deals are growing in size during marketing. "It's a big reason deals are getting upsize requests every week," one banker said. "Shops that usually buy corporate bonds have developed an insatiable appetite for ABS and MBS."

Last week, issuers priced 22 U.S. asset- and mortgage-backed bond offerings totaling $16.9 billion, according to **Asset-Backed Alert's** ABS Database — the heaviest dealflow in dollar terms for any week this year. Investors easily absorbed the supply, prompting issuers to increase the sizes of 10 deals.

Among the asset-backed bonds that investors are buying instead of corporates are securities underpinned by prime-quality and subprime auto loans, private student loans, data-center leases and whole-business cashflows. On the mortgage front, deals backed by loans that don't meet the **Consumer Financial Protection Bureau's** qualified-mortgage guidelines are among the most popular with corporate-bond investors, as are home-equity loan securitizations.

"Investors are attracted to the bonds' resistance to downgrades and their strong collateral," another banker said. ❖

Rating ... From Page 1

years of dormancy. The asset class has produced five Rule-144A transactions totaling $3.2 billion since then, each with ratings from KBRA alone, according to **Asset-Backed Alert's** ABS Database.

The most recent Rule-144A deal in the sector was a $266.5 million issue that **Atlas SP Partners** and **Truist** led for **Kobalt Music** on Feb. 23.

But KBRA was absent from an issue that **Concord Music** sold privately in October 2023 — despite having graded Concord's $1.7 billion debut transaction in December 2022.

Instead, Concord tapped Moody's to rate the new deal, and added the agency to the previous transaction. A buy-side source said Moody's agreed to assign the new deal a grade one notch higher than KBRA would have. "It was the same master trust but a higher rating," the source said, referring to the issuing vehicle used for both deals.

That marked only the third appearance in the asset class for Moody's, which previously appeared alongside **Morningstar DBRS** on a $28.8 million issue by Motown songwriting team **Holland-Dozier-Holland** in 1998 and on **David Bowie's** landmark offering of $55 million in 1997.

Now, Moody's is attempting to capture more work on such issues.

S&P managing director **Deborah Newman** said, during an April 11 panel discussion at **Information Management Network's** Consumer & Esoteric Forum in New York, that the agency intends to start rating music-royalty securitizations. "They're trying to get into that sector," one source said. "[Newman] was speaking about how they look at it and their methodology."

The solar-equipment lending sector also offers a picture of increasing competition. S&P was the first rating agency to stake a claim in the asset class, grading a flurry of offerings from **Solar City** that began in 2013. But KBRA quickly became the dominant player in the sector, appearing on every transaction from 2015 to February 2023 — occasionally alongside S&P and, beginning in 2021, Fitch as well.

Then, in March 2023, **Mosaic** commissioned Fitch alone to rate a $347.2 million transaction. And while KBRA has continued to claim more market share in the asset class than Fitch since then, its grip clearly has weakened — with Mosaic, **GoodLeap** and **Sunnova Energy** each having left the agency off of offerings while hiring Fitch to grade them.

Sunnova began issuing in 2017 and engaged KBRA alone to rate its first 12 deals. It then commissioned Fitch to appear alongside KBRA on five of its next seven offerings, with KBRA grading the other two transactions on its own.

But Fitch was the only agency to rate a $227 million offering that Sunnova priced on Feb. 16. Sunnova then enlisted Fitch and KBRA for a $168.9 million issue that it completed on May 22 (see Initial Pricings on Page 11).

Mosaic followed a similar pattern, engaging KBRA to rate its 2017 debut securitization and the 10 that followed. It then hired Fitch and KBRA to grade its next five offerings, before

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Rating ... From Page 8

leaving KBRA off of the March 2023 deal.

Since then, Mosaic has tapped the market three times. And in each **instance**, it has awarded the rating assignment to Fitch alone.

For 2023 overall, Fitch rated 11 solar-power finance securitizations totaling $2.6 billion. That compares with six deals for $1.6 billion in 2022. KBRA still had the edge last year, however, appearing on 12 transactions totaling $3.2 billion. But that still represented a decline from its 2022 count of 15 issues for $4.3 billion, according to the ABS Database.

A major factor in rating-agency selections has been that many institutional investors, particularly pension systems and large asset managers, are accustomed to purchasing bonds with ratings from Moody's, S&P or Fitch. And as an asset class matures, as has occurred for deals backed by solar-power cashflows, those buyers start to move in and thus create incentives for the Big Three shops to start looking at the deals.

With those investors on board, in turn, issuers often can price their bonds at lower yields — further motivating them to hand their deals to the most active rating agencies.

Differing rating tactics also have come into play in some of the shifts. As the sole agency active throughout the development of the market for securitizations of solar-power cashflows, KBRA tapped historical asset-performance data to set cashflow assumptions for base-case and stress scenarios. As a later entrant, meanwhile, Fitch apparently worked with different data that led to assumptions of stronger performance and thus lower credit-enhancement requirements that helped attract issuers.

That said, KBRA continues to compare new cashflow data with existing records while maintaining talks with Mosaic and other issuers. "Mosaic saw differences in assumptions between Fitch and KBRA and had better execution with Fitch," one source said. "They're trying to bring KBRA back into the fold, and they will, but KBRA has a little work to do."

Eric Thompson, a senior managing director who heads KBRA's structured-finance practice, took a more critical view of his competitors' practices. "I take pride that Fitch, Moody's and S&P are following in KBRA's footsteps considering we are the established leader in esoteric ABS," he said. "I also take pride that we have the staffing expertise required to rate nascent and evolving industries such as solar and music royalties … . The question for the market is: What additional value is Fitch adding at this juncture? They have less sector expertise than KBRA does, particularly in those asset classes — we have rated over 10 different music deals and numerous additional draws, and in solar, we have rated over 117 loan and lease transactions and have reviewed performance data on billions of dollars of originations."

Naturally, Fitch takes a different view. "Fitch dedicated significant resources and expertise — from internal and external sources when the [global cross-sector] group was formed and for the sectors we have targeted," managing director **Daniel Chambers** said, referring to a unit that launched this year with a focus on rating complex transactions. "In each of these sectors, we have invested in robust rating methodology, back-tested performance assumptions and made use of, or developed, best-in-class models. Fitch being the dominant voice in these sectors is a result of the quality of our work, newer sectors, the lack of a major rating agency, or a combination of these things."

To be sure, each of the major agencies already has been active in certain out-of-the-mainstream asset classes. For example, Fitch has been the leader in evaluating securitizations of fiber-optic receivables since those deals began to emerge in 2021. And S&P is the biggest player in rating bonds backed by shipping-container and railcar leases.

Still, increasing interest in so-called esoteric corners of the market has had an outsize effect on the rating landscape as a whole. Consider that in 2023, Fitch **rated** a higher volume of U.S. asset- and mortgage-backed bond deals than any of its rivals. That marked the first time the agency topped the league table since Asset-Backed Alert began keeping records in 1997, and was only the third time a firm other than S&P took first place.

Going forward, aircraft-lease securitizations represent a potential battleground. Moody's, S&P, Fitch and KBRA all are active in rating such deals — with KBRA as the market leader but with Fitch last year showing up on its first issue since 2020. Morningstar is **angling** for assignments as well.

The agencies' leaders are wary of how regulators including the **SEC** perceive their competitive approaches, however. The main concern: that they could be seen as encouraging rating shopping by issuers.

Sensitivity over the subject, in which rating agencies allegedly attempt to win business by assigning overly optimistic grades to bond deals, is as old as the market itself. But it has been especially acute since the 2007-2008 market collapse, when each of the Big Three shops faced accusations that they contributed to the crash by too freely awarding triple-A grades to securitizations of subprime mortgages.

KBRA, then known as Kroll Bond Rating Agency, formed in 2010 in the wake of the crisis.

That same year, a Dodd-Frank Act amendment sponsored by former Sen. **Al Franken** (D-Minn.) called for the creation of a panel that would assign structured-product rating assignments on a rotating or random basis. The SEC **deemed** the provision unworkable, however, and instead **enacted** a policy in 2014 that required rating agencies to "establish, maintain, enforce, and document an effective internal control structure."

But that effort also proved unworkable.

So too did a push in 2021 by Sen. **Roger Wicker** (R-Miss.) to effectively **replicate** the so-called Franken Amendment, which he had co-authored in its original form. Amid what Wicker described as a resurgence of inflated ratings, he proposed that the SEC enforce a rotation for corporate ratings that likely would have roped in structured products as well.

That attempt also just "went away," said **Structured Finance Association** chief executive **Michael Bright,** who testified to a congressional committee on ratings in 2022. "Investors didn't want it."

The rating agencies' efforts to capture more work on out-of-the-mainstream securitizations mirrors a push by banks including **Jefferies, Morgan Stanley** and **Nomura** to **win** more business in those sectors as well. ❖

Bonds ... From Page 1

Restaurants in the top tier as well.

The new market makers may be part of the reason a flurry of such bonds changed hands over the past few weeks, including a concentration of issues underpinned by cashflows from Dunkin, Wendy's and Wingstop. And the securities' prices continue to climb.

Take a $925 million securitization that Wendy's priced in December 2017. A batch of bonds from the transaction's Class-A-2-1 tranche, consisting of notes with an average life of 9.6 years that are rated BBB by **S&P,** traded at 94.3 cents on the dollar on May 17, according to **Finra's** Trade Reporting and Compliance Engine.

The value of the bonds has been climbing slowly since hitting a low of 86.4 cents on the dollar in November 2022. Their price hasn't dipped below 92.8 cents on the dollar in 19 trades since the beginning of 2024.

On average, five-year bonds backed by whole-business cashflows have tightened about 45 bp this year, to 125 bp over the I-curve, according to BofA research.

"Investors are grabbing yield since WBS tend to be a bit wider on the ABS spectrum," the buy-side source said.

Over the past 10 days, five bonds from Dunkin issues in 2017, 2019 and 2021 have traded on the secondary market. There also have been trades from an October 2020 Wingstop issue and a June 2019 **Jack in the Box** transaction.

Meanwhile, spreads on the new-issue market continue to tighten amid an uptick in investor appetite for such paper.

The market's last deal, a $240 million offering from **Nothing Bundt Cakes,** priced on May 14 at 235 bp over the I-curve to yield 6.8%. Sole bookrunner Barclays initially shopped the transaction at a spread of 240 bp to 250 bp over the I-curve. ❖

INITIAL PRICINGS

AmeriCredit Automobile Receivables Trust, 2024-1

Priced: May 21
Amount: $1.264 billion
Collateral: Auto loans (subprime)
Seller: General Motors
Bookrunners: Wells Fargo, Barclays, BNP Paribas, Morgan Stanley, Societe Generale

Class	M/S	Amount	Yield	WAL	Spread	Bench
A-1	P-1/A-1+	290.000	5.620	0.14	+24	I-Curve
A-2A	AAA	270.960	5.825	0.80	+60	I-Curve
A-2B	AAA	225.000		0.80	+60	SOFR
A-3	AAA	368.860	5.497	1.98	+68	I-Curve
B	Aa2/AA	108.920	5.444	2.79	+80	I-Curve

Exeter Automobile Receivables Trust, 2024-3

Priced: May 21
Amount: $774.7 million
Collateral: Auto loans (subprime)
Seller: Exeter Finance
Bookrunners: Deutsche Bank, JPMorgan Chase, Mizuho

Class	M/S	Amount	Yield	WAL	Spread	Bench
A-1	P-1/A-1+	82.555	5.598	0.13	+22	I-Curve
A-2	AAA	194.750	5.893	0.58	+56	I-Curve
A-3	AAA	80.080	5.720	1.28	+68	I-Curve
B	Aaa/AA	95.854	5.644	1.83	+78	I-Curve
C	Aa1/A	114.858	5.778	2.55	+108	I-Curve
D	Baa1/BBB	123.122	6.061	3.49	+150	I-Curve
E	NR/BB-	83.459	7.973	4.49	+350	I-Curve

Connecticut Avenue Securities, 2024-R04

Priced: May 22
Amount: $707.6 million
Collateral: Risk transfer
Seller: Fannie Mae
Bookrunners: Nomura, Bank of America

Class	S/K	Amount	Yield	WAL	Spread	Bench
1A-1	A+	220.403		2.61	+100	SOFR
1M-1	BBB+/A-	220.403		1.43	+110	SOFR
1M-2	BBB	176.322		4.32	+165	SOFR
1B-1	BB/BB+	90.480		4.99	+220	SOFR

OBX Trust, 2024-NQM8

Priced: May 21
Amount: $686.9 million
Collateral: Subprime / non-qualified mortgages
Seller: Annaly Capital
Bookrunners: Bank of America, Nomura

Class	S/K	Amount	Yield	WAL	Spread	Bench
A-1	AAA	479.821	6.095	2.12	+130	I-Curve
A-2	AA/AA+	51.520	6.295	2.12	+150	I-Curve
A-3	A/A+	68.005	6.445	2.12	+165	I-Curve
M-1	BBB-/BBB+	38.468	6.671	3.99	+215	I-Curve
B-1A	NR/BBB-	19.235				
B-1B	NR/BB-	17.173				
B-2	NR/B-	7.556				
B-3	NR	5.152				

Tricon Residential, 2024-SFR2

Priced: May 22
Amount: $638.8 million
Collateral: Single-family rentals
Seller: Tricon Residential
Bookrunners: Nomura, Deutsche Bank, Mizuho, RBC

Class	F/D	Amount	Yield	WAL	Spread	Bench
A	AAA	419.666	5.699	4.03	+115	I-Curve
B	AA-/AA	76.513	6.049	4.03	+150	I-Curve
C	A-/A(L)	57.965	6.249	4.03	+170	I-Curve
D	BBB-/BBB(L)	84.629	6.549	4.03	+200	I-Curve

Hotwire Funding LLC, 2024-1

Priced: May 22
Amount: $628 million
Collateral: Miscellaneous
Seller: Hotwire Communications
Bookrunners: Barclays, Bank of America, Deutsche Bank, Morgan Stanley

Class	F/K	Amount	Yield	WAL	Spread	Bench
A-2	A	442.000	5.965	5.06	+150	I-Curve
B	BBB	62.000	6.765	5.06	+230	I-Curve
C	BB/BB-	124.000	9.365	5.06	+490	I-Curve

Alba SPV Srl, 14

Priced: May 23
Amount: €550.3 million
Collateral: Equipment leases
Seller: Alba Leasing
Bookrunners: Banca IMI, Banca Akros

Class	M/D	Amount(€)	Yield	WAL	Spread	Bench
A	Aa3/AAA	550.300		1.70	+82	3 mo. Euribor

INITIAL PRICINGS

Golub Capital Partners CLO Ltd., 74-B

Priced: May 20
Amount: $552 million
Collateral: CLO: corporate loans (arbitrage)
Seller: Golub Capital
Bookrunner: MUFG

Class	M/F	Amount	Yield	WAL	Spread	Bench
A	AAA	384.000		6.60	+150	SOFR
B	NR/AA	72.000		8.80	+185	SOFR
C	NR/A	36.000		9.60	+220	SOFR
D-1	NR/BBB-	36.000		10.10	+320	SOFR
D-2	NR/BBB-	4.500		10.40	+450	SOFR
E	NR/BB-	19.500		10.50	+610	SOFR
Sub	NR	59.850				

Diameter Capital CLO Ltd., 7

Priced: May 21
Amount: $504.6 million
Collateral: CLO: corporate loans (arbitrage)
Seller: Diameter Capital Partners
Bookrunner: Morgan Stanley

Class	S&P	Amount	Yield	WAL	Spread	Bench
A-1A	AAA	341.000		6.50	+148	SOFR
A-1B	AAA	11.000		8.10	+168	SOFR
A-2	AA	66.000		8.60	+185	SOFR
B	A	33.000		9.40	+220	SOFR
C	BBB-	33.000		9.90	+320	SOFR
D	BB-	20.625		10.40	+610	SOFR
Sub	NR	47.500				

Elmwood CLO Ltd., 30

Priced: May 23
Amount: $489.5 million
Collateral: CLO: corporate loans (arbitrage)
Seller: Elmwood Asset Management
Bookrunner: Goldman Sachs

Class	S&P	Amount	Yield	WAL	Spread	Bench
A	AAA	352.000		6.50	+143	SOFR
B	AA	66.000		8.60	+175	SOFR
C	A	33.000		9.30	+210	SOFR
D-1	BBB-	33.000		9.80	+310	SOFR
D-2	BBB-	5.500		10.20	+425	SOFR
E	BB-	16.500		10.40		
F	B-	5.500		10.50		
Sub	NR	43.500				

College Ave Student Loans LLC, 2024-A

Priced: May 22
Amount: $472.2 million
Collateral: Student loans, private accounts
Seller: College Ave
Bookrunner: Bank of America

Class	S/D	Amount	Yield	WAL	Spread	Bench
A-1A	AAA	342.000	5.765	5.07	+130	I-Curve
A-1B	AAA	38.000		5.07	+130	SOFR
B	NR/AA	85.500	6.165	5.11	+170	I-Curve
C	NR/A(H)	6.650	6.535	10.33	+210	I-Curve

Voya CLO Ltd., 2024-2

Priced: May 21
Amount: $460 million
Collateral: CLO: corporate loans (arbitrage)
Seller: Voya Financial
Bookrunner: Scotiabank

Class	M/F	Amount	Yield	WAL	Spread	Bench
A-1	Aaa/NR	320.000		6.60	+146	SOFR
A-2	NR/AAA	15.000		8.30	+170	SOFR
B	NR/AA	45.000		8.80	+180	SOFR
C	NR/A	30.000		9.50	+225	SOFR
D	NR/BBB-	30.000		10.00	+320	SOFR
E	NR/BB-	20.000		10.50	+605	SOFR
Sub	NR	46.400				

Apidos CLO, 48

Priced: May 20
Amount: $460 million
Collateral: CLO: corporate loans (arbitrage)
Seller: CVC Capital Partners
Bookrunner: Barclays

Class	M/F	Amount	Yield	WAL	Spread	Bench
A-1	Aaa/NR	320.000		6.60	+144	SOFR
A-2	NR/AAA	10.000		8.30	+164	SOFR
B	NR/AA	50.000		8.70	+170	SOFR
C	NR/A	30.000		9.40	+205	SOFR
D-1	NR/BBB-	30.000		10.00	+300	SOFR
D-2	NR/BBB-	5.000		10.30	+430	SOFR
E	NR/BB-	15.000		10.50	+575	SOFR
F	B3/NR	0.500				
Sub	NR	48.600				

INITIAL PRICINGS

Albion PLC, No. 6

Priced: May 22
Amount: £350 million
Collateral: Non-U.S. residential loans
Seller: Leeds Building Society
Bookrunners: Lloyds Banking, Santander

Class	M/F	Amount(£)	Yield	WAL	Spread	Bench
A	AAA	350.000		3.14	+48	Sonia

Trinity Rail Leasing 2022 LLC, 2024-1

Priced: May 22
Amount: $432.4 million
Collateral: Railcar leases
Seller: Trinity Industries
Bookrunners: Wells Fargo, Atlas SP Partners, Bank of America

Class	S&P	Amount	Yield	WAL	Spread	Bench
A	AA	432.430	5.854	6.05	+140	I-Curve

Hayfin Emerald CLO DAC, 13

Priced: May 20
Amount: €369.2 million
Collateral: CLO: corporate loans (arbitrage)
Seller: Hayfin Capital Management
Bookrunner: Goldman Sachs

Class	S/F	Amount(€)	Yield	WAL	Spread	Bench
A	AAA	244.000			+152	3 mo. Euribor
B-1	AA	29.000			+225	3 mo. Euribor
B-2	AA	15.000	5.650			
C	A	23.000			+290	3 mo. Euribor
D	BBB-	28.000			+435	3 mo. Euribor
E	BB-	18.200			+700	3 mo. Euribor
F	B-	12.000			+940	3 mo. Euribor
Sub	NR	36.500				

First National Master Note Trust, 2024-1

Priced: May 21
Amount: $400 million
Collateral: Credit cards
Seller: First National Bank of Omaha
Bookrunners: RBC, JPMorgan Chase

Class	M/F	Amount	Yield	WAL	Spread	Bench
A	AAA	400.000	5.406	2.97	+80	I-Curve

Texas Debt Capital Euro CLO DAC, 2024-1

Priced: May 20
Amount: €362 million
Collateral: CLO: corporate loans (arbitrage)
Seller: CIFC
Bookrunner: Barclays

Class	S/F	Amount(€)	Yield	WAL	Spread	Bench
A	AAA	248.000			+145	3 mo. Euribor
B	AA	46.000			+210	3 mo. Euribor
C	A	22.000			+355	3 mo. Euribor
D	BBB-	28.000			+360	3 mo. Euribor
E	BB-	18.000			+665	3 mo. Euribor
F	B-	12.000				
Sub	NR	32.200				

CMF PLC, 2024-1

Priced: May 23
Amount: £300 million
Collateral: Non-U.S. residential loans
Seller: Charter Court Financial
Bookrunners: Santander, Bank of America, Deutsche Bank

Class	M/F	Amount(£)	Yield	WAL	Spread	Bench
A	AAA	300.000		2.92	+60	SONIA

Hilton Grand Vacations Trust, 2024-2

Priced: May 20
Amount: $375 million
Collateral: Timeshare loans
Seller: Hilton
Bookrunners: Bank of America, Barclays, Deutsche Bank, Goldman Sachs, MUFG, Wells Fargo

Class	S/F	Amount	Yield	WAL	Spread	Bench
A	AAA	216.856	5.570	3.12	+95	I-Curve
B	A	80.493	5.720	3.12	+110	I-Curve
C	BBB	56.818	6.070	3.12	+145	I-Curve
D	BBB-/NR	20.833	7.020	3.12	+240	I-Curve

Symphony CLO Ltd., 44

Priced: May 20
Amount: $368 million
Collateral: CLO: corporate loans (arbitrage)
Seller: Nuveen
Bookrunner: BNP Paribas

Class	M/F	Amount	Yield	WAL	Spread	Bench
A	Aaa/NR	256.000		6.60	+148	SOFR
B	NR/AA	48.000		8.60	+180	SOFR
C-1	NR/A+	17.000		9.30	+220	SOFR
C-2	NR/A	7.000		9.60	+255	SOFR
D	NR/BBB-	24.000		9.90	+320	SOFR
E	NR/BB-	16.000		10.30	+615	SOFR
Sub	NR	36.200				

INITIAL PRICINGS

Audax Senior Debt CLO LLC, 10

Priced: May 20
Amount: $342 million
Collateral: CLO: small-business loans/SME loans
Seller: Audax Group
Bookrunner: Bank of America

Class	S&P	Amount	Yield	WAL	Spread	Bench
A	AAA	261.000		5.20	+182	SOFR
B	AA	45.000		6.80	+210	SOFR
C	A	36.000		7.50	+275	SOFR
Sub	NR	106.600				

Verdant Receivables LLC, 2024-1

Priced: May 21
Amount: $307.7 million
Collateral: Equipment loans
Seller: Verdant Commercial Capital
Bookrunners: Wells Fargo, Bank of America

Class	M/K	Amount	Yield	WAL	Spread	Bench
A-1	P-1/K1+	36.593	5.695	0.30	+30	I-Curve
A-2	AAA	236.871	5.749	2.27	+100	I-Curve
B	Aa2/AA	10.388	5.791	4.20	+130	I-Curve
C	A1/A	11.508	6.341	4.20	+185	I-Curve
D	Baa2/BBB	12.307	7.341	4.20	+285	I-Curve

Morgan Stanley Residential Mortgage Loan Trust, 2024-NQM2

Priced: May 22
Amount: $284.5 million
Collateral: Subprime/nonqualified mortgages
Seller: Morgan Stanley
Bookrunner: Morgan Stanley

Class	F/K	Amount	Yield	WAL	Spread	Bench
A-1	AAA	207.981	6.242	2.09	+140	I-Curve
A-2	AA-/AA+	12.803	6.592	2.09	+175	I-Curve
A-3	A-/A+	22.192	6.642	2.09	+180	I-Curve
M-1	BBB-/BBB+	11.807	6.755	3.99	+220	I-Curve
B-1A	NR/BBB-	13.229		3.99		
B-1B	NR/BB	7.966		3.99		
B-2	NR/B	4.978		3.99		
B-3	NR	3.561				

Service Experts LLC, 2024-1

Priced: May 22
Amount: $268.6 million
Collateral: Consumer loans, unsecured
Seller: Brookfield Infrastructure
Bookrunners: Citigroup, Credit Agricole

Class	KBRA	Amount	Yield	WAL	Spread	Bench
A	A-	251.239	6.478	3.14	+185	I-Curve
B	BBB-	17.338	8.447	6.05	+400	I-Curve

FCCU Auto Receivables Trust, 2024-1

Priced: May 22
Amount: $251 million
Collateral: Auto loans (prime)
Seller: First Community Credit Union
Bookrunners: Citigroup, JPMorgan Chase

Class	M/S	Amount	Yield	WAL	Spread	Bench
A-1	P-1/A-1+	26.300	5.596	0.22	+20	I-Curve
A-2	AAA	100.000	5.832	1.06	+70	I-Curve
A-3	AAA	66.000	5.610	2.41	+85	I-Curve
A-4	AAA	43.090	5.528	3.62	+95	I-Curve
B	Aa3/AA	5.710	5.781	4.13	+125	I-Curve
C	A3/A	4.820	6.081	4.13	+155	I-Curve
D	Baa3/BBB	5.110	6.881	4.13	+235	I-Curve

Veros Auto Receivables Trust, 2024-1

Priced: May 21
Amount: $219.4 million
Collateral: Auto loans (subprime)
Seller: Veros Credit
Bookrunners: Deutsche Bank, Capital One

Class	M/K	Amount	Yield	WAL	Spread	Bench
A	Aa2/AA-	140.860	6.367	0.76	+112	I-Curve
B	A1/A-	25.240	6.694	2.10	+190	I-Curve
C	Baa2/BBB	18.430	7.694	2.57	+300	I-Curve
D	NR/BB	34.830	10.080	2.87	+545	I-Curve

Sunnova Hestia II Issuer LLC, 2024-GRID1

Priced: May 22
Amount: $168.9 million
Collateral: Renewable-energy assets
Seller: Sunnova Energy
Bookrunners: Atlas SP Partners, Citigroup

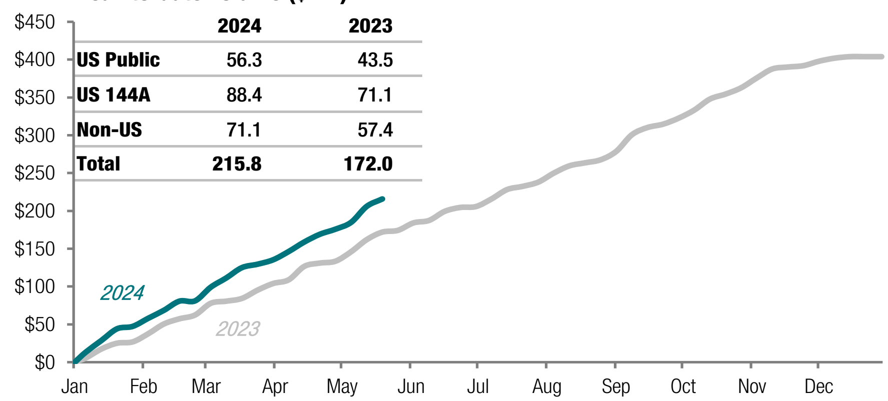
Class	F/K	Amount	Yield	WAL	Spread	Bench
1-A	AA+/AAA	152.010	5.697	6.43	+125	I-Curve
2-A	NR/BB	16.890	9.847	6.43	+540	I-Curve

MARKET MONITOR

SUMMARY

- Annualized existing-home sales decreased 1.9% month over month, to 4.14 million units in April.
- The median existing-home sale price increased 5.7% year over year, to $407,600 in April.
- Annualized single-family housing starts decreased 0.4% from March to April, to 1.03 million units.
- Annualized multifamily housing starts increased 31.4% from March to April, to 322,000 units.

WORLDWIDE ABS ISSUANCE



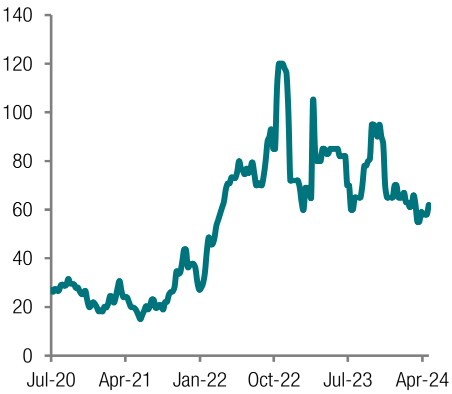
Year-to-date volume ($Bil.)

	2024	2023
US Public	56.3	43.5
US 144A	88.4	71.1
Non-US	71.1	57.4
Total	**215.8**	**172.0**

Source: Green Street

3-YR AUTO LOAN SPREADS

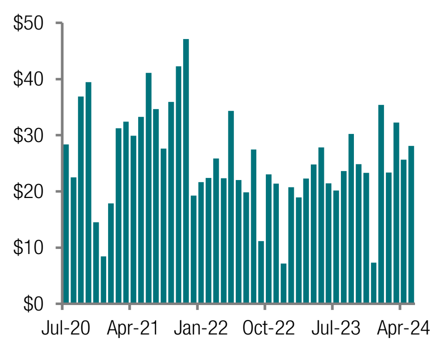
Spread (bp)



Source: Deutsche Bank

US ABS ISSUANCE

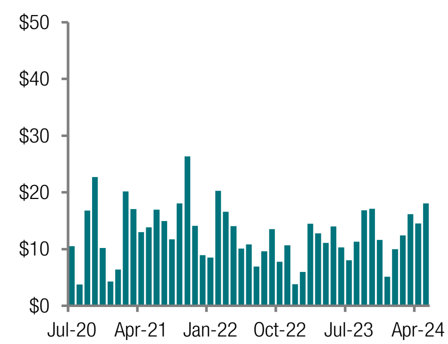
Volume ($Bil.)



Source: Green Street

NON-US ABS ISSUANCE

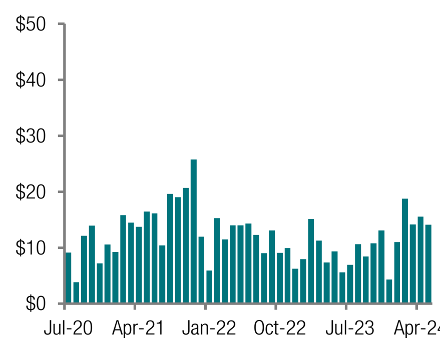
Volume ($Bil.)



Source: Green Street

US CLO ISSUANCE

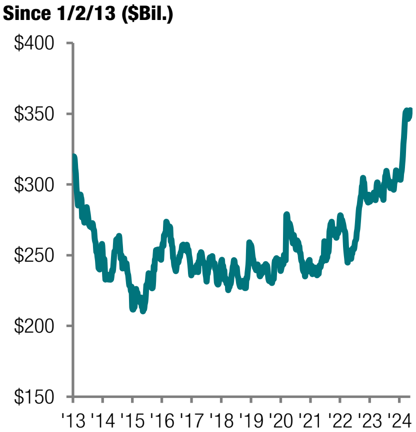
Volume ($Bil.)



Source: Green Street

ASSET-BACKED COMMERCIAL PAPER OUTSTANDING

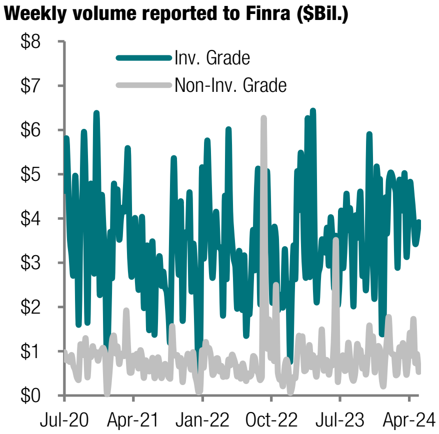
Since 1/2/13 ($Bil.)



Source: Federal Reserve

ABS SECONDARY TRADING

Weekly volume reported to Finra ($Bil.)



Source: Finra

SPREADS ON TRIPLE-A ABS

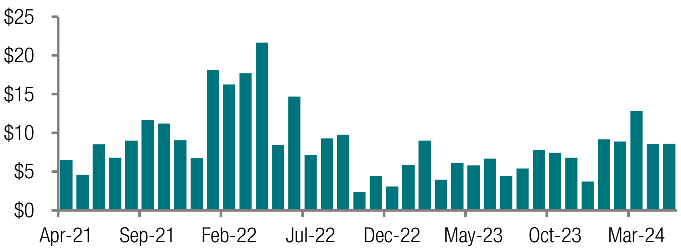
	Avg. Life	Spreads 5/17	Week Earlier	52-wk Avg.
Credit Card	2.0	I+40	I+43	I+48
(Fixed)	3.0	I+43	I+45	I+56
Auto Loan	2.0	I+52	I+50	I+61
(Tranched)	3.0	I+62	I+58	I+72
Non-QM MBS	2.0	I+140	I+140	I+162
(Fixed)				

Source: Deutsche Bank

MARKET MONITOR

US NONAGENCY MBS ISSUANCE

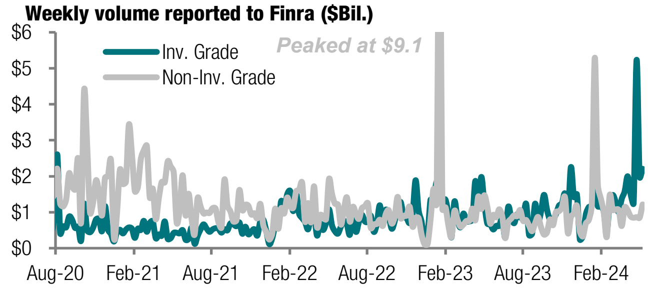
Volume ($Bil.)



Source: Green Street

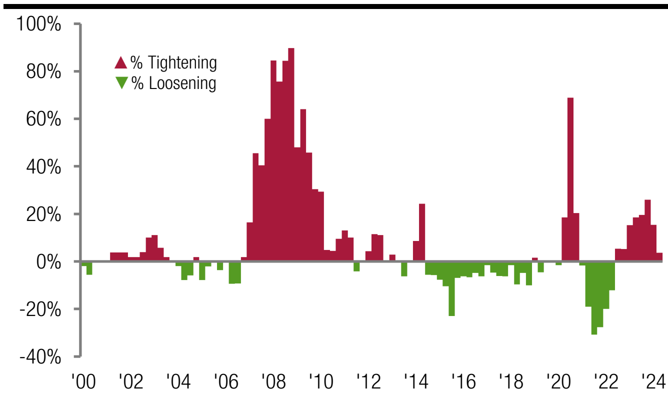
MBS SECONDARY TRADING

Weekly volume reported to Finra ($Bil.)



Source: Finra

LENDING STANDARDS



Source: Federal Reserve

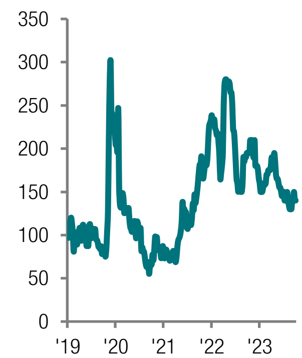
MORTGAGE RATES

30-yr Jumbo National Avg.

Sources: Bankrate.com, Bloomberg

MBS SPREADS

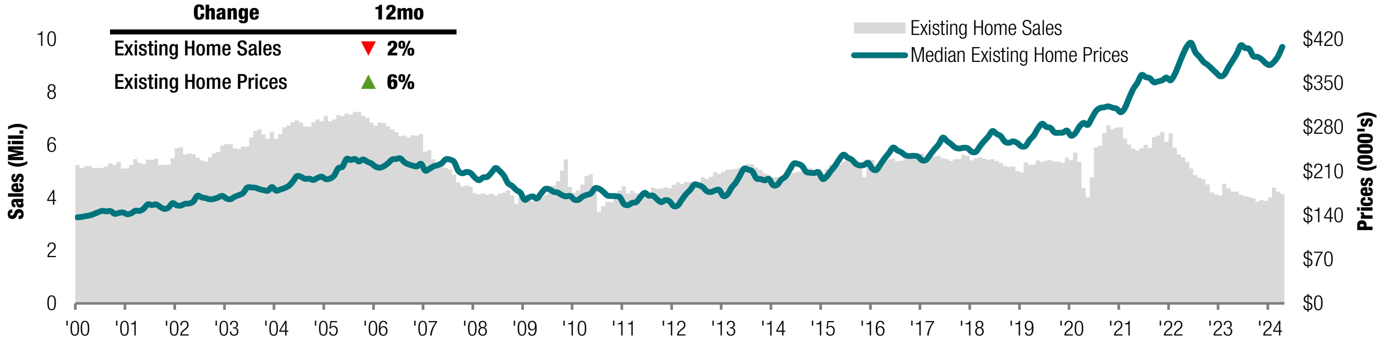
Fixed 2-yr Non-QM



Source: Deutsche Bank

HOME SALES AND PRICES

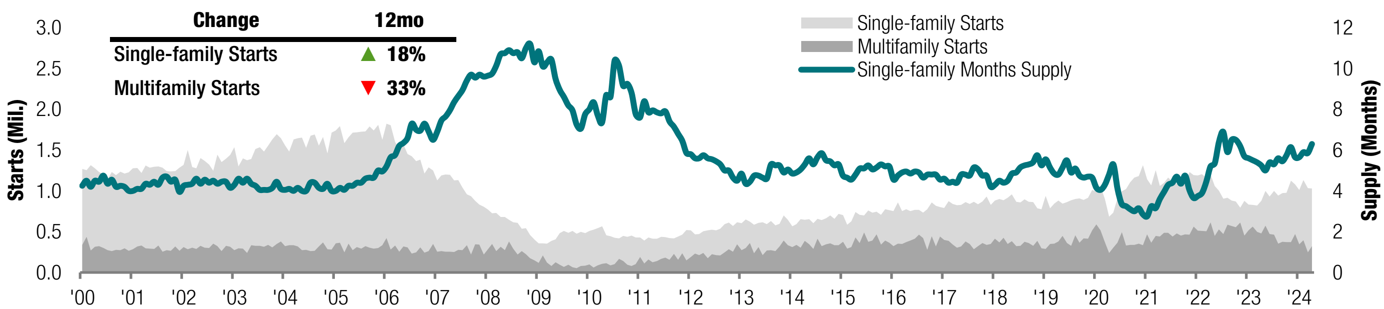
	Change	12mo
Existing Home Sales	▼	2%
Existing Home Prices	▲	6%



Source: National Association of Realtors

HOUSING STARTS AND MONTHS SUPPLY

	Change	12mo
Single-family Starts	▲	18%
Multifamily Starts	▼	33%



Visit the News Library to access the data in the Market Monitor charts.

Source: U.S. Census Bureau

THE GRAPEVINE

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in April, offering trading services for structured products and other securities worldwide. Ezra **exited** his post as a managing director in Credit Suisse's New York office in November, having been among a small number of securitization professionals who remained at the bank as the majority of their colleagues left last February to form **Atlas SP Partners.** He had been at the bank since 1998.

Waterfall Asset Management has hired a capital-markets specialist with a background in securitization. **Nate Huebscher** joined the New York investment shop last month as a director, moving over from **Pollen Street Capital.** Huebscher had been at Pollen Street since 2021 while also **working** as an advisor to his previous employer, credit card lender **Petal.** His resume also includes time on **Deutsche Bank's** structured-product trading desk.

Truist is seeking a senior asset-backed securities structuring specialist in New York. The recruit's responsibilities would include developing cashflow models for securitizations of a variety of consumer and commercial assets and recommending structural elements of transactions to clients and rating agencies. The managing director-level position has a base salary of $300,000 and is open to candidates with at least seven years of experience. To apply, click on "careers" at truist.com and search for job R0088611.

Point72 Asset Management brought on **Robert Agans** this month as a New York-based researcher specializing in macro credit analysis. Agans most recently spent about six months **running** his own credit-analytics shop, **Corptrader Analytics.** He was at **StoneX** before that, with previous stops at **Brownstone Investment, Royal Bank of Scotland, RBC, Chapdelaine Credit Partners** and **JPMorgan Chase.** Point72, led by **Steve Cohen,** runs $33.9 billion across a mix of investment programs.

KBRA this month hired **Michael Williams 2nd** as an analyst tasked with rating bonds backed by consumer assets. The New York-based Williams most recently spent nearly two years on the capital-markets team at solar-power equipment lender **Mosaic.** He was at vocational-education lender **Climb Credit** before that, and logged time at **Moody's** and the **Structured Finance Association.**

Pacific Life Insurance is on the hunt for a senior analyst for its structured credit product investment team in Newport Beach, Calif. The position, which is partially remote, is open to candidates with at least 10 years of experience. To apply, click on "careers" at pacificlife.com and search for job R12570.

Barclays has an opening for a collateralized loan obligation structuring professional. The position, which requires onsite work in New York four or five days per week, carries an advertised salary of $125,000 to $175,000. The recruit would be the CLO group's primary contact for rating agencies and involves interaction with issuers, senior structuring specialists, syndication and sales staff, and legal counsel. Barclays is focusing on candidates with at least two years of experience. To apply, click on "careers" at barclays.com and search for job 90389470.

ASSET-BACKED ALERT **Visit ABA Website**

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