

NOVEMBER 16, 2012

## 6 MARKET MAKERS

3 Reverse-Mortgage Shop Seeks Funds

3 Trade Persists for Trups CDOs

4 CLO Newcomer Plans Follow-Up

4 Short Sales Teeter on Fiscal Cliff

4 European CLOs Continue to Slide

5 NPL Trading Grinds to a Halt

5 Buyers Speculate on Reset-Rate Paper

9 Toyota Leaning More on Corporates

10 Canadian Bank Adds CP Conduit

## 10 INITIAL PRICINGS

## 11 MARKET MONITOR

## THE GRAPEVINE

Former **Goldman Sachs** whole-loan trader **Matt Nichols** has started his own mortgage-lending company, with a focus on subprime borrowers. The Charlotte operation launched last month under the name **Deephaven Mortgage** with backing from an undisclosed investor. Nichols left his managing director post at Goldman in December, after 12 years at the bank.

Identities have emerged for two more professionals caught in **UBS'** latest layoffs. Structured credit product head **David Carlson** and senior structuring professional **Zhongwei "John" Wu** had been leading **UBS'** collateralized loan obligation underwriting effort in the U.S. — a business that had survived earlier cuts by the bank. They were among a number of securitization specialists let go as **UBS**

See **GRAPEVINE** on Back Page

## Flurry of Regulatory Progress in Forecast

Regulators are putting some finishing touches on three closely watched components of the Dodd-Frank Act.

By yearend, the **Consumer Financial Protection Bureau** plans to spell out once and for all what types of home loans would make the cut as "qualified mortgages." Meanwhile, the **Comptroller of the Currency, FDIC, Federal Reserve** and **SEC** are reconsidering how long they'll give banks to comply with a soon-to-be-released final draft of the Volcker Rule. And the **Commodity Futures Trading Commission** continues to refine a list of securitized products that would be exempt from regulation as commodity pools.

In the instances of the qualified-mortgage standards and the Volcker rule, in particular, securitization professionals have long wondered when regulators might be ready to enforce finished versions of the directives. The commodity-pool rule,

See **FLURRY** on Page 8

## Last Gasp for Reps-and-Warrants Lawsuits

Mortgage-bond investors are preparing a final wave of lawsuits claiming that they lost money because issuers violated the deals' so-called representations and warranties.

Following a sudden rise in such actions this year, attorneys say they expect another barrage of filings in 2013 — with new actions quickly dropping off after that. The reason: Investors who lost money in the market for home-loan securities are rushing to pursue their claims before statutes of limitations for the transactions expire.

Investors typically have six years to file "reps-and-warrants" claims, based on New York State law. That means the window will close next year for many deals completed in 2007, when issuance was at its heaviest and performance reached its nadir.

"I don't think the volume of claims is going to be on the same scale after next year. I think it will start to taper off. Most investors who are focused on these claims are working to get them on file as soon as possible," said **Robert Scheef**, an attorney

See **GASP** on Page 9

## KKR Issue Haunted by 2009 CLO Controversy

**Kohlberg Kravis Roberts** could face difficulty placing the senior notes from a forthcoming collateralized loan obligation

Word has it that some investors may balk at the offering because they feel they were burned when **KKR** acted during the financial crisis to prop up three of its CLOs by purchasing all of the deals' outstanding junior notes and retiring those obligations. That maneuver, designed to keep payments flowing to equity pieces held by the firm, effectively prevented the deals from failing over-collateralization tests that would have meant early repayment of principal to senior noteholders — something many of those investors were looking for at the time.

As New York-based **KKR** prepares to bring its planned \$400 million CLO to market

See **KKR** on Page 5

The next issue of **Asset-Backed Alert** will be published Nov. 30. Happy Thanksgiving!

Economic Forecasting  
**Default, Loss, and Prepayment Vectors**  
DealView Securities Analysis

Portfolio Analytics  
**Monthly Loan Level Surveillance**  
Sensitivity Analysis



MORNINGSTAR  
**RMBS**  
RATINGS &  
ANALYTICS

## Building a Strong Foundation for RMBS Investors

### RMBS Ratings & Analytics

Morningstar Credit Ratings, a trusted leader in CMBS ratings and analytical solutions, is excited to be working with RMBS investors, providing a comprehensive solution that combines collateral data with proprietary economic forecasting, state of the art analytics, and letter ratings and outlooks for RMBS securities.

### Timely and Comprehensive Analysis

RMBS Ratings & Analytics features an interactive web-based application that allows investors to access Morningstar's timely ratings analysis, collateral data, and monthly default and loss projections. Our solution also provides the ability to create user-defined economic scenarios that can be applied to our proprietary model to assess the expected impact on default and loss projections.

### Our Commitment to Investors

At Morningstar, we're focused on creating great analytical products that help investors. With RMBS Ratings & Analytics, we will continue to provide investors with the timely and independent information that they need to make informed decisions.

**Contact us at 800 299-1665 or visit  
[ratingagency.morningstar.com](http://ratingagency.morningstar.com)**

**MORNINGSTAR®**

[ratingagency.morningstar.com](http://ratingagency.morningstar.com) | 800 299-1665

Morningstar's NRSRO ratings, outlooks, and analysis are provided by Morningstar Credit Ratings, LLC. Morningstar Credit Ratings, LLC is a wholly owned subsidiary of Morningstar, Inc., and is registered with the U.S. Securities and Exchange Commission as a nationally recognized statistical rating organization (NRSRO).

## Reverse-Mortgage Shop Seeks Funds

A startup launched by **New York Life** alumni is working to line up the financing it needs to begin originating and securitizing reverse mortgages.

**Longbridge Financial**, which formed in August, is trying to raise about \$10 million of equity.

If it can clear that hurdle, the firm will begin its quest for two warehouse lines of credit:

- A \$10 million to \$20 million line would be used to fund originations of reverse mortgages, called home-equity conversion mortgages, that are insured by the **Federal Housing Administration**.
- A second credit line would be used to fund originations of private-label reverse mortgages, which wouldn't be government insured. Longbridge is hoping to find a financial institution willing to provide as much as \$500 million of such financing.

Longbridge executives hope to be in a position to securitize their private-label reverse mortgages by the end of 2013.

The New York firm is led by chief executive **Michael Gordon**, who previously developed New York Life unit Home Equity Income Solutions. The unit was intended to write and securitize reverse loans, but New York Life scrapped the program in response to changes in accounting rules.

Gordon left New York Life with Longbridge co-founder and chief operating officer **Manjiang Xu**, who also was chief operating officer for Home Equity Income Solutions. Other New York Life employees on board at the new firm include **John Curran**, who helped develop New York Life's retirement income business and previously worked as a structured-product trader at **Deutsche Bank**; and **Ben Woloshin**, who was head of the institutional markets group at New York Life. At Longbridge, Curran's title is portfolio manager and Woloshin's is institutional relationship manager.

Rounding out the Longbridge team is **Christopher Mayer**, an economics professor at **Columbia University**; **Melissa Macerato**, a former reverse-mortgage manager from **MetLife**; and **Tim Wilkinson**, who worked as a portfolio manager at **Aurora Bank** of Wilmington, Del., and before that was a trader of subprime mortgages at **Lehman Brothers**.

Reverse mortgages allow senior citizens to tap the equity in their homes for upfront cash, which is repaid when properties are sold or no longer used as the borrower's primary residences. The FHA provides lenders with insurance on approved reverse mortgages of up to \$625,000.

Longbridge plans to start by originating and servicing FHA loans before it begins offering private-label mortgages with balances that exceed the FHA limit. Longbridge sees a target market made up of about 11 million baby boomer-retiree households in upscale markets including San Francisco and New York.

However, reverse-mortgage securitization activity has been dormant since August 2010. This year, **Reverse Mortgage Solutions** and **Generation Mortgage** each put off plans to issue \$300 million of bonds backed by such credits. Over the past two years, **MetLife**, **Bank of America** and **Wells Fargo** have exited the business. ❖

## Trade Persists for Trups CDOs

Trading of collateralized debt obligations backed by trust-preferred shares has perked up, thanks to a shift in investor strategy.

The talk among industry players in the past few months had been that a midyear lull in the volume of "Trups CDOs" changing hands would be a sign of things to come, as holders of the products waited for their positions to unwind.

But some buyers, mainly hedge fund managers, have more recently sought to boost their returns by whipping in and out of the market on a more frequent basis. There also has been chatter of insurance companies picking up senior pieces of the deals as buy-and-hold investments. The result: The secondary market for Trups CDOs experienced more activity in October than it had for some time, setting the stage for a continued uptick in trading.

Among those adopting a more active approach are **Commerce Street Investment**, **Eton Park Capital** and **Och-Ziff Capital**. "Three years ago, you wanted to buy the securities and put them away," one investor said, referring to the strategies of hedge fund operators. "Now you have to be more nimble and trade to the extent you can, given the illiquidity that is sometimes there. You need to move in and out and see value."

**Wolf River Capital**, a \$200 million hedge fund firm in Southaven, Miss., has been feeding on the increase in trading by selling positions. But it too continues to look for buying opportunities.

Still, it's inevitable that the secondary market for Trups CDOs will taper off over time. That's because issuance of the instruments ceased during the credit crisis and never resumed, leaving an ever-shrinking universe of deals to be traded. That likely explains a move by Trups-CDO buyer **Hildene Capital** earlier this year to stop taking capital for its flagship hedge fund.

With issuers of Trups, primarily community banks, facing mounting performance woes, opportunistic buyers picked up senior pieces of Trups CDOs a few years ago for as little as 30 cents on the dollar while moving into junior classes for less than 10 cents. Now, the senior paper is fetching an average of 70 cents with subordinate positions trading around 30 cents — with prices varying based on the strength of the underlying issuers.

The junior classes will likely be the first to see liquidity dry up. "It's not a deep market," one source said. "The buyer has to have the expectation that the paper is going to increase further. Who thinks there is an upside from here? You might turn 10 cents into 40 cents, which sounds good. But your [internal rate of return] isn't very good if it takes 15 years to get it."

Nonetheless, buyers who are bullish on the sector insist that many Trups issuers that currently are deferring payments eventually will make good on their obligations. "If the banks un-defer and come back to life . . . these are absolutely money good," one investor said. "I would not be shocked to see 150 banks do that in 2013. We feel very strongly about 200 of the 350 deferring banks that are larger and giving no indication they will fail." ❖

## CLO Newcomer Plans Follow-Up

**Providence Equity Capital** is planning its second collateralized loan obligation.

The New York asset manager already is building up an inventory of loans that would back the deal, which is scheduled to hit the market early next year. After that, its intention is to become a routine issuer.

Providence completed its first CLO in September. The deal, called Benefit Street Partners CLO 1, weighed in at \$459 million — up from an originally planned \$360 million. It was topped by a \$286.7 million class of five-year senior securities with triple-A ratings that priced at 150 bp over three-month Libor.

Providence, an affiliate of buyout specialist Providence Equity Partners of Providence, R.I., manages \$4 billion through a number of hedge funds and private equity vehicles that invest in the corporate debt of media, entertainment, communications, education and information-service businesses.

For the shop's leader, **Thomas Gahan**, CLOs are a natural fit. Before signing on as president of the then-new Providence Equity Capital in 2008, he led **Deutsche Bank's** North American investment-banking division. He had arrived at the bank nine years earlier to lead a push into credit products, and played a key role in its emergence as one of the most active players in the leveraged-finance and structured-finance businesses. Prior to that, he led credit-product trading at **Merrill Lynch**.

Providence is among a number of investment shops that have entered the CLO market this year. Others include **Och-Ziff Capital, Neuberger Berman, Sound Point Capital** and **Kramer Van Kirk Credit** — a startup run by a team that earlier issued CLOs at **LightPoint Capital** prior to that firm's 2007 purchase by **Lehman Brothers**. ❖

## Short Sales Teeter on Fiscal Cliff

Traders are fretting that one of the most in-demand forms of mortgage bonds could fall out of favor if lawmakers fail to avert the so-called fiscal cliff.

The concerns are focused on securities backed by high concentrations of distressed loans that are suitable for short sales. Such paper has been trading at an increasing pace in recent months, and gaining value, amid evidence that short sales allow lenders to recover more than they would through liquidations of foreclosed homes.

But brokers now are sounding alarms that the market is at risk. The reason: The volume of short sales has been boosted by a Bush-era tax break for homeowners whose debt is forgiven — a benefit that would disappear in a fiscal-cliff scenario.

The potential impact of the fiscal cliff has been clear for some time, generally in the context of broad economic concerns. But the matter gained urgency this month, amid rising concern that **President Obama** and Congress won't reach a compromise that would stop the combination of tax increases and spending cuts set to take effect in January.

The hand-wringing as far as short sales are concerned

remains confined to dealers who have been collecting hefty commissions as bond buyers seek to benefit from a favorable environment for the arrangements. Short sales have boosted home sales in general, to the benefit of both property values and prices for all types of mortgage bonds.

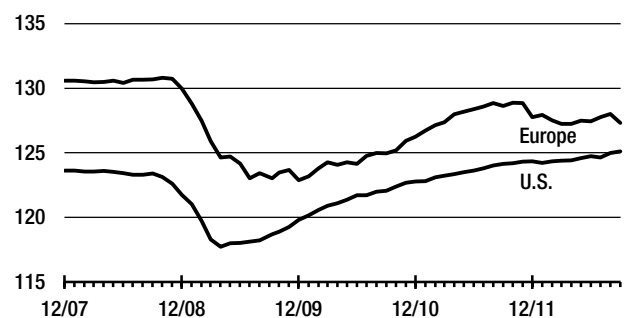
But most brokers are taking a wait-and-see approach. Investors, meanwhile, remain willing to pay ever-increasing prices for the securities.

The tax break for short sales exists under the Mortgage Debt Relief Act, which gives borrowers a pass on taxes they would have to pay on forgiven home-loan debt. In a short-sale scenario, that means they wouldn't have to pay taxes on the difference between the selling prices of their homes and the higher amounts owed on their mortgages. For many individuals, that gap normally would be taxed as income — creating a disincentive for them to sell. ❖

## European CLOs Continue to Slide

The credit quality among European collateralized loan obligation assets continued to weaken in September, as loan defaults rose and the percentage of low-rated companies represented in collateral pools reached historic highs. The median over-collateralization level among senior classes of European CLOs fell 69 bp to 127.32%, while dropping 27 bp to 104.3% for junior noteholders, according to an index maintained by **Moody's**. "This high level of credit risk reflects the challenging economic and loan refinancing conditions for speculative-grade borrowers," said Moody's analyst **Oktay Veliev**. With much of Europe in a recession, the concentration of loans from companies Moody's rates "Caa1" or lower jumped to nearly 14% — an all-time high — while the annualized default rate among the loan pools rose to 2.1%, from 1.95% the month before. U.S. collateralized loan obligations, meanwhile, showed signs of stabilizing after a couple of months of modest deterioration. The median over-collateralization level among senior notes rose 12 bp to 125.1%, while slipping 4 bp to 105.01% for subordinate paper.

### CLO Senior Over-Collateralization (%)



Source: Moody's

## NPL Trading Grinds to a Halt

The pipeline of nonperforming mortgages suddenly has shut down, and won't likely resume flowing until the new year.

Following a pause to sort out the implications of the so-called robo-signing settlement, large banks including **Ally Financial, Bank of America, Citigroup, J.P. Morgan** and **Wells Fargo** resumed efforts to sell nonperforming home loans around mid-year. Indeed, in the past several months hundreds of millions of dollars of so-called NPL portfolios have changed hands, as specialty shops including **Bayview Financial, Carrington Capital** and **Vericrest Financial** have stepped up to absorb the inventory — often with securitization as an exit strategy.

But little, if any, additional NPL trading is expected to take place between now and the end of the year. Why? In the wake of the \$25 billion robo-signing settlement in February, the banks are still trying to sort out whether certain loans might be suitable for modification.

"It's hard to sell loans when you're still trying to figure out which ones need to be modified," a trader said.

Among buyers, meanwhile, the due-diligence process can take weeks. The upshot: With the holidays approaching, sellers and buyers alike appear to be heading for the sidelines for the remainder of the year.

A possible exception might be Citi, which has been among the more active sellers of late. The bank unloaded a \$400 million NPL portfolio last week, and could have one or two more deals up its sleeve before yearend. ❖

## Buyers Speculate on Reset-Rate Paper

Investors are picking up an increasing volume of "reset-rate" notes backed by student loans.

Traders report that a small but growing number of buysiders recently have begun taking an interest in the securities, resulting in flurries of secondary-market activity where there had been none just a few weeks ago.

The play stems from a disconnect between the bonds' current values and what certain buyers think they ultimately can collect. At the moment, most holders of reset-rate securities are willing to unload the paper below par — based on the fact that they've been stuck in the positions as routine remarketing efforts have failed repeatedly in the wake of the credit crisis.

But the new buyers, mainly hedge fund managers, are betting that conditions have improved enough to set the stage for some successful remarketing campaigns. Under that scenario, they would recover the securities' full principal balances. Until then, they can expect to continue collecting outsized returns on their discounted purchases.

The market for reset-rate notes was pioneered by **Salle Mae** as a way to finance long-dated consolidation loans with government guarantees. The securities initially were sold with "soft-bullet" maturities shorter than the underlying collateral, with the idea that issuers could periodically roll over their obliga-

tions by remarketing the bonds.

The remarketing process was supposed to provide investors with a ready-made exit. But as demand for structured products wilted with the onset of the credit crisis, the auctions began to fail. That triggered mechanisms that automatically set the paper's coupons to a specific rate — typically 75 bp over three-month Libor for triple-A-rated notes with 12-year lives — while follow-up auctions repeated every three months.

When new buyers are found, noteholders will be paid at par. In the meantime, investors can expect to continue collecting the 75 bp coupon. Combined with current discounts, that works out to an effective spread of 125 bp over Libor for secondary buyers. That compares to 93 bp for comparable student-loan paper with a more typical floating-rate structure. "It's a win-win," one trader said. ❖

## KKR ... From Page 1

next month with **Citigroup** as underwriter, the question is whether investors will demand retribution in the form of higher yields. Some expect KKR to have trouble pricing the senior notes, while others insist KKR's reputation as a savvy loan buyer and CLO manager will overcome any lingering concerns.

"If an investor is looking at it from a purely credit-management standpoint, the credit selection by KKR has been very, very good," one source said. "If you were an investor who saw the structure of a deal gutted, then that plays more into the philosophy and the morality of a manager. The question is, what are the principles that will be applied if times get tough?"

Said another source: "If you have a reputation of not being good with the triple-As, it is hard to line them up for a deal. It may come down to what they have to pay."

At issue is a move KKR made in March 2009 to prevent three 2006- and 2007-vintage CLOs from slipping below their minimum over-collateralization thresholds. Such a development would have required cashflows be diverted from the deals' junior notes and equity pieces in order to begin paying down principal on senior notes. To avoid such a scenario, the manager bought the deals' outstanding subordinate tranches on the secondary market for pennies on the dollar, then retired them — effectively boosting the ratio of collateral to outstanding obligations.

Senior noteholders, eager to liquidate their investments amid the financial crisis, cried foul. One threatened to sue the manager.

KKR wasn't alone, however. Other CLO managers that bought back subordinate paper in an effort to keep their deals afloat included **Churchill Financial** and **Highland Capital**.

In the wake of the financial crisis, investors started demanding that CLO managers insert language into their deal documents explicitly prohibiting them from retiring junior notes. Those assurances should further alleviate pressure on KKR as it prepares to price its upcoming offering. The deal will be the firm's first widely distributed CLO since it sold \$715.1 million of notes in March 2009. ❖

## MARKET MAKERS

## World's Leading Structured-Product Bankers, Syndicators and Traders

The listing below shows contact information for the top-ranking securitization professionals at the investment banks that consistently distribute the most asset- and mortgage-backed bonds worldwide.

The institutions have routinely won rankings atop league tables published by **Asset-Backed Alert**.

Head bankers oversee deal origination, structuring and other areas unrelated to the trading and syndicate operations. Those in charge of syndicate desks distribute issues in cooperation with other banks. Head traders are responsible for buying and selling securities in the secondary market on behalf of their employers and clients.

	HEAD ABS BANKING	HEAD ABS SYNDICATE	HEAD ABS TRADER	Skinny
<b>Bank of America</b>	<b>Ted Breck</b> 646-855-4240 ted.breck@baml.com	<b>Brian Kane</b> 646-855-9095 brian.f.kane@baml.com	<b>Marshall Insley</b> 646-855-9095 marshall.insley@baml.com	Retains usual top-five standing by relying mainly on ABS deals in the U.S. Has been planning a mortgage-conduit offering, and is a force in CLOs. Also has thrown its hat into the ring for "REO-to-rental" deals, extending warehouse lines to two private equity firms that plan to buy foreclosed homes.
<b>Barclays</b>	<b>Diane Rinnovatore (U.S.)</b> 212-526-5460 diane.rinnovatore@barclays.com <b>Cory Wishengrad (U.S.)</b> 212-526-1305 cory.wishengrad@barclays.com <b>Allen Appen (Europe)</b> 44-207-773-2243 allen.appen@barclays.com	<b>Brian Wiele (U.S.)</b> 212-412-5780 brian.wiele@barclays.com <b>Miray Muminoglu (Europe)</b> 44-207-773-8199 miray.muminoglu@barclays.com	<b>Chris Haid (U.S.)</b> 212-412-2449 chris.haid@barclays.com <b>Stuart Calnan (Europe)</b> 44-207-773-9056 stuart.calnan@barclays.com	Although new-deal volume has grown by nearly 40% in 2012, the bank continues to trail J.P. Morgan among the world's most active structured-product underwriters. Just led the first-ever U.S. offering of bonds from its U.K. credit-card affiliate.
<b>BNP Paribas</b>	<b>Sean Reddington (U.S.)</b> 212-841-2565 sean.reddington @us.bnpparibas.com <b>Fabrice Susini (Europe)</b> 44-207-595-3510 fabrice.susini @uk.bnpparibas.com	<b>Damian Saunders</b> 44-207-595-8219 damian.saunders @uk.bnpparibas.com	<b>Olivier Morand-Duval</b> 44-207-595-8529 olivier.morand-duval @uk.bnpparibas.com	Strength remains in auto-loan transactions, with a half dozen deals in the U.S. and Europe this year. But European team has been extending its reach, underwriting deals underpinned by mortgages, insurance premiums and other assets.
<b>Citigroup</b>	<b>Gerald Keefe (U.S.)</b> 212-723-3716 gerald.f.keefe@citi.com <b>Susan Mills (U.S.)</b> 212-723-6376 susan.mills@citi.com <b>David Basra (Europe)</b> 44-207-986-9236 david.basra@citi.com	<b>Amanda Magliaro (U.S.)</b> 212-723-6171 amanda.magliaro@citi.com <b>Keval Shah (Europe)</b> 44-207-986-9000 keval.shah@citi.com	<b>Eliot Rubenzahl (U.S.)</b> 212-723-6325 eliot.rubenzahl@citi.com <b>Philip Seares (U.S.)</b> 212-723-1145 philip.seares@citi.com <b>Geoffrey Chang (U.S.)</b> 212-723-6289 geoffrey.chang@citi.com <b>Rohit Hemdev (Europe)</b> 44-207-986-9393 rohit.hemdev@citi.com	Business volume remains heavy enough to ensure a top-five ranking among underwriters, thanks to a mix of deals. They include issues backed by auto loans and credit cards in the U.S., along with U.K. mortgage bonds. Has benefitted from growth in CLOs, where it leads more deals than anyone else.
<b>Credit Suisse</b>	<b>Jay Kim</b> 212-538-6601 jay.j.kim@credit-suisse.com	<b>Craig Leonard (U.S.)</b> 212-325-8549 craig.leonard@credit-suisse.com <b>Victor Su (Europe)</b> 44-207-888-1289 victor.su@credit-suisse.com	<b>Ted Moran (U.S.)</b> 212-325-2747 ted.moran@credit-suisse.com <b>Victor Su (Europe)</b> 44-207-888-1289 victor.su@credit-suisse.com	Underwriting volume on a range of securitizations continued to increase as Jay Kim entered his second year at the bank, resulting in a top-three ranking so far in 2012. Look for Credit Suisse to take part in a flurry of mortgage-conduit issues.

(Continued on Page 7)

## MARKET MAKERS

(Continued from Page 6)

	HEAD ABS BANKING	HEAD ABS SYNDICATE	HEAD ABS TRADER	Skinny
<b>Deutsche Bank</b>	<b>Jay Steiner</b> (U.S.) 212-250-8424 jay.steiner@db.com <b>Massimo Ruggieri</b> (Europe) 44-207-545-4321 massimo.ruggieri@db.com	<b>Randall Outlaw</b> (U.S.) 212-250-4880 randall.outlaw@db.com <b>Bilal Husaine</b> (Europe) 44-207-547-2735 bilal.husaine@db.com	<b>Ben Solomon</b> (U.S.) 212-250-8898 ben.solomon@db.com <b>Nick Waring</b> (Europe) 44-207-547-3157 nick.waring@db.com	Ben Solomon was promoted from within to replace Pius Sprenger as global ABS trading chief. Sprenger now oversees the liquidation of a legacy credit-product portfolio.
<b>Goldman Sachs</b>	<b>Michael Millette</b> 212-902-3702 michael.millette@gs.com <b>Michelle Gill</b> 212-357-8721 michelle.gill@gs.com	<b>Scott Walter</b> 212-357-8910 scott.walter@gs.com	<b>Michael Swenson</b> 212-902-7144 michael.swenson@gs.com <b>David Lehman</b> 212-902-2927 david.lehman@gs.com	Underwriting volume is up in the U.S. and elsewhere, continuing a pattern of gradual growth. Deals have spanned a range of assets, including catastrophic risk and insurance premiums. Biding its time for launch of mortgage conduit.
<b>HSBC</b>	<b>Scott Dickens</b> 44-207-991-5791 scott.dickens@hsbcgroup.com	<b>James Cunniffe</b> 44-207-991-5335 james.cunniffe@hsbcgroup.com	<b>Alexander Harrison</b> 44-207-991-5767 alexander.harrison@hsbcgroup.com	U.S. presence remains confined largely to in-house card-bond program launched last year. Remains a much bigger player in Europe. Global volume more or less flat from 2011 levels.
<b>Jefferies &amp; Co.</b>	<b>Michael Wade</b> 203-708-6569 michael.wade@jefferies.com <b>Adam Smith</b> 203-708-6550 adam.smith@jefferies.com	<b>Adam Smith</b> 203-708-6550 adam.smith@jefferies.com	<b>Adam Smith</b> 203-708-6550 adam.smith@jefferies.com.	Growth in underwriting volume has surpassed the market's expansion as brokerage specialist pushes for more underwriting work. That initiative led to the addition of former Barclays executive Michael Wade in March. Recent deals have included a CLO and a legal-settlement issue.
<b>J.P. Morgan</b>	<b>David Duzyk</b> (U.S.) 212-834-5657 david.m.duzyk@jpmorgan.com <b>Oldrich Masek</b> (Europe) 44-207-325-9758 oldrich.masek@jpmorgan.com	<b>Andy Cherna</b> (U.S.) 212-834-4154 andy.cherna@jpmorgan.com <b>James Crispin</b> (Europe) 44-207-779-2468 james.h.crispin@jpmorgan.com	<b>Peter Basso</b> (U.S.) 212-834-3720 peter.basso@jpmchase.com <b>Borja Taboada</b> (Europe) 44-207-779-2331 borja.taboada@jpmorgan.com	How dominant is J.P. Morgan? Already the world's busiest underwriter of structured products coming into 2012, the bank has boosted its deal volume by an improbable 60% from year-ago levels. And that's before it kicks off a planned series of mortgage-conduit issues.
<b>Lloyds Banking</b>	<b>Robert Plehn</b> 44-207-158-3735 robert.plehn@lloydsbanking.com	<b>Bob Paterson</b> 44-207-158-2110 bob.paterson@lloydsbanking.com	<b>Andrew Bristow</b> 44-207-158-3998 andrew.bristow@lloydsbanking.com	Volume is down sharply this year, reflecting a lack of self-issuance from mortgage-lending affiliate in the U.K.
<b>Morgan Stanley</b>	<b>Valerie Kay</b> 212-761-2162 valerie.kay@morganstanley.com	<b>Yared Ywand-Wossen</b> 212-761-1973 yared.ywand-wossen@ms.com	<b>Jay Hallik</b> 212-761-2252 jay.hallik@morganstanley.com	Underwriting volume has been growing, but at a slower rate than the overall market. Remains among the 10 most active underwriters worldwide, even without the self-issuance that aids many of its peers.
<b>RBC Capital</b>	<b>Giuseppe Pagano</b> 212-428-6424 giuseppe.pagano@rbccm.com	<b>Richard Lawrence</b> 212-618-7763 richard.lawrence@rbccm.com	<b>David Stauber</b> 212-618-7778 dave.stauber@rbccm.com	Deal volume continues to rise while staff expands. Leaps in global bookrunner league table have been fueled by U.S. business, where it passed several bigger-name peers during the first nine months of 2012.

(Continued on Page 8)

**Flurry** ... From Page 1

meanwhile, has developed rapidly after coming to the attention of market participants just a few months ago.

The qualified-mortgage guidelines are important in a structured-finance context largely because they would set the stage for the FDIC, **Federal Housing Finance Agency**, Federal Reserve, **HUD**, SEC and **Treasury Department** to issue a final set of criteria for “qualified residential mortgages” next year.

Securitizations of so-called QRMs would be the only deals exempt from a Dodd-Frank Act requirement that mortgage-bond issuers retain 5% interests in their offerings — a consideration that has made many lenders hesitant to write new loans until more certainty emerges. A preliminary version of the QRM standards was released in March 2011, indicating that only accounts with loan-to-value ratios of 80% or less would make the cut.

But there are indications the CFPB will take a softer stance, setting a minimum down payment of 10%. And given expectations that the agencies in charge of the QRM would use the bureau’s standard as a guideline, it now looks like issuers might be able to securitize a far greater universe of loans without being forced to keep portions of their deals. “If they’ve been thinking of any parameters larger than the QRM, they’d have to rethink that,” one banker said.

The CFPB also appears to be leaning toward more liberal requirements for debt-to-income ratios among qualified-mortgage borrowers. The latest talk is that the agency favors a 43%

threshold for the proportion of a borrowers’ monthly income that can be consumed by his or her mortgage payment, which is at the maximum end of a range it had considered.

As for the Volcker Rule, regulators still hadn’t finished drafting the mandate by the time it automatically took effect July 22 — resulting in a grace period for compliance that runs until July 2014. Banks then were told to expect a final version of the rule early next year.

That timeline has recently become more specific, with regulators signaling an intention to unveil the finished directive by March 30. But there also have been indications that the agencies would accompany such a move by shortening the timeline for compliance, perhaps to as little as six months. The result could be a scramble to conform with some finer points of the mandate, which broadly seeks to limit proprietary trading by banks.

In the meantime, the **American Securitization Forum**, other lobbying groups and industry lawyers continue to push for some adjustments to the Volcker Rule, including language specifying that banks could issue collateralized loan obligations and operate commercial-paper conduits.

As far as the CFTC rule is concerned, the agency is still expected to announce by yearend that covered bonds and commercial-paper conduits will be exempt from regulation as commodity pools under a Dodd-Frank provision assigning the body broad oversight of transactions involving all types of swaps. Those instruments had been left out of an Oct. 12 order

See **FLURRY** on Page 10

**MARKET MAKERS**

(Continued from Page 7)

	<b>HEAD ABS BANKING</b>	<b>HEAD ABS SYNDICATE</b>	<b>HEAD ABS TRADER</b>	<b>Skinny</b>
<b>RBS</b>	<b>Daniel McGarvey</b> (U.S.) 203-897-6217 daniel.mcgarvey@rbs.com <b>Lee Rochford</b> (Europe) 44-207-085-6311 lee.rochford@rbs.com	<b>Bob Pucel</b> (U.S.) 203-897-6160 robert.pucel@rbs.com <b>Damon Mahon</b> (Europe) 44-207-085-7346 damon.mahon@rbs.com	<b>Adam Siegel</b> (U.S.) 203-897-6160 adam.siegel@rbs.com <b>Pradeep Patten</b> (Europe) 44-207-085-0326 pradeep.patten@rbs.com	Worldwide bookrunning volume has almost caught up to year-ago levels, following a first-half dip that saw the bank fall from its usual top-five standing. Continues to work on unique bond structures while remaining involved in a range of transactions.
<b>Santander</b>	<b>Luis Araneda</b> (U.S.) 212-407-7852 laraneda@santander.us <b>Steve Gandy</b> (Europe) 44-207-756-5599 steve.gandy @santandergbm.com	<b>Jorge De Gortari</b> (U.S.) 212-407-0907 jdegortari@santander.us <b>Heike Hoehl</b> (Europe) 44-207-756-7202 heike.hoehl@santandergbm.com	<b>Robert Kessler</b> (U.S.) 212-583-4674 rkessler@santander.us <b>Javier Canseco Garcia-Pita</b> (Europe) 34-91-257-2097 jmcansco @gruposantander.com	Story for the bank’s U.S. team has been auto loans, particularly volume of deals backed by its own subprime accounts. Prime-loan deals are coming as well. Nonetheless, it remains busiest in Europe.
<b>Wells Fargo</b>	<b>Julie Caperton</b> 704-374-4918 julie.caperton@wellsfargo.com	<b>Jennifer Doyle</b> 704-715-7008 jennifer.doyle@wellsfargo.com	<b>Sergei Zagin</b> 704-383-8268 sergei.zagin@wellsfargo.com <b>Doug Lucas</b> 704-715-8446 doug.lucas@wellsfargo.com <b>Charles Mather</b> 704-715-7440 charles.mather@wellsfargo.com	Deal volume is up sharply in 2012, assuring a continued presence among the top 10 underwriters worldwide. U.S. ABS deals and CLOs account for much of its activity.



## Toyota Leaning More on Corporates

**Toyota** is planning a reduction in its output of asset-backed bonds.

The outlook follows a storyline that emerged earlier this year, as the automaker signaled that it would issue more unsecured corporate bonds. Now, it looks like the company might sell asset-backed securities only once in 2013 — or possibly put its issuing program on hold altogether.

Toyota has completed just two auto-loan securitizations totaling \$1.6 billion this year, barely registering an increase from its 2011 tally of two issues for \$1.5 billion. “They are finding it cheaper to issue corporate debt, so we might see them do a deal a year or go completely dark,” one banker said.

Most recently, Toyota sold \$1.5 billion of five-year corporate bonds on Oct. 18 at a spread of 65 bp over Treasuries. Its latest securitization priced Sept. 18, at spreads ranging from 1 bp over eurodollar futures for a one-year class of triple-A-rated securities to 11 bp over swaps for a three-year batch of triple-A notes.

Toyota sat out of the asset-backed bond market from 2003 to 2010. The company resumed issuing in part because of a round of downgrades that boosted its unsecured-funding costs. After its securitization output reached \$3.4 billion in 2010, it was widely thought that more of the same was in store. But the manufacturer has pulled back instead as its corporate borrowing costs have fallen.

Now, Toyota is anticipating upgrades that could bring down those expenses even more. The company currently is rated Aa3/AA- by **Moody's** and **S&P**.

Toyota's outlook is similar to what industry participants expect from **Ford**. The automaker regained investment-grade ratings earlier this year, and is seen as likely to cut back from its 2011 volume of 11 securitizations of auto loans, leases and dealer-floorplan accounts totaling \$14.1 billion. “They will continue to sell asset-backed bonds, but you definitely won't see as many deals going forward,” another source said.

The dimmer 2013 projections are taking shape at a time when many large auto lenders already have signaled that they have fulfilled their structured-finance needs for this year, tempering activity in what had been one of the most active asset classes following the credit crisis. ❖

## Gasp ... From Page 1

at **McKool Smith** who has been representing plaintiffs in the cases.

By McKool's tally, the number of lawsuits filed over breaches of reps and warrants involving private-label mortgage bonds have jumped from just a few in 2011 to 36 so far this year. Scheef anticipates a similar pace for next year, or perhaps a slight increase. Some lawsuits are surfacing with claims on more than one deal.

Given a sharp decline in issuance from 2008 on, the actions then will likely taper off. But they won't stop altogether, as some issuers and investors have entered so-called tolling agreements

in which statutes of limitations are extended as they discuss potential settlements — negotiations that in some instances are bound to fail.

Reps and warrants refer to language in offering documents that attest to the adequacy and accuracy of collateral-loan data. In instances where investors and trustees feel a lack of adherence to those standards resulted in losses, they typically petition lenders to conduct “putbacks” involving repurchases of faulty accounts.

A lawsuit is the next step when the issuers refuse, assuming investors representing at least 25% of a deal's voting rights sign off on the action. The goal at that point commonly is to recover monetary damages, as opposed to enforcing transaction covenants. The filings often come from trustees, along with pension systems, hedge fund managers and insurers holding bonds from the issues. Some bond insurers also have sued to recover payments they had to make to bondholders when the transactions blew up, although those actions typically came alongside broader fraud cases in the immediate wake of the market collapse.

The defendants span the universe of mortgage-bond issuers, encompassing prime-quality and subprime players alike.

Reps-and-warrants claims are separate from a far-greater number of mortgage-bond lawsuits in which investors have complained that issuers and underwriters committed fraud or broke securities laws. Those actions have been flowing into the courts since the onset of the credit crisis, and are seen as likely to keep coming because they aren't subject to the same statutes of limitations as those covering putbacks.

That said, there is some disagreement about when the clock starts ticking on reps-and-warrants lawsuits. Most work on the assumption that it begins on the date of issuance. Others contend they have six years from the time an issuer denies an investor's claim. For the most part, attorneys representing bondholders are advising their clients to play it safe and act now. “Sometimes a court gets it wrong, so if you want to eliminate the worst-case scenario, you file a claim within six years of the closing date,” Scheef said.

The first credit-crisis era lawsuits over reps and warrants surfaced soon after the crash. They included a 2008 complaint that bond insurer **MBIA** filed against **Countrywide**. So far, none of the cases have yielded judgments.

In fact, only one lawsuit has made it through trial so far. Closing arguments took place last month for that case, involving a claim by **Assured Guaranty** against **Flagstar Mortgage**. The New York district judge presiding over the proceedings, **Jed Rakoff**, has yet to indicate when he will hand down a decision.

Why do the cases take so long? Reps-and-warrants actions involve exhaustive discovery, including loan-by-loan examinations of collateral pools for flaws including inaccurate loan-to-value ratios, discrepancies in delinquency rates and the inclusion of borrowers that list multiple primary residences. That also provides an incentive for investors to move ahead quickly with planned lawsuits, as it could be years before they learn whether they'll recover any losses. ❖

## INITIAL PRICINGS

**Ford Credit Auto Owner Trust, 2012-D**

**Priced:** Nov. 14  
**Amount:** \$1.1 billion  
**Collateral:** Auto loans (prime)  
**Seller:** Ford  
**Bookrunners:** Bank of America, Credit Suisse, Deutsche Bank

Class	S/F	Amount	Yield	WAL	Spread	Benchmark
A-1	A-1+	234.900	0.220	0.29		
A-2	AAA	342.700	0.404	1.05	+9	EDSF
A-3	AAA	326.200	0.514	2.25	+13	Int. Swaps
A-4	AAA	95.610	0.674	3.39	+18	Int. Swaps
B	AA+/AA	31.560	1.021	3.97	+45	Int. Swaps
C	AA-/A	21.040	1.238	4.07	+65	Int. Swaps
D	A-/BBB	21.040	1.988	4.07	+140	Int. Swaps

**AmeriCredit Automobile Receivables Trust, 2012-5**

**Priced:** Nov. 14  
**Amount:** \$1.0 billion  
**Collateral:** Auto loans (subprime)  
**Seller:** Ally Bank  
**Bookrunners:** Barclays, Credit Suisse, J.P. Morgan, Morgan Stanley

Class	S/F	Amount	Yield	WAL	Spread	Benchmark
A-1	A-1+	203.400	0.270	0.25		
A-2	AAA	315.300	0.513	0.95	+20	EDSF
A-3	AAA	191.590	0.628	2.04	+26	Int. Swaps
B	AA	76.517	1.131	2.84	+70	Int. Swaps
C	A	94.987	1.703	3.45	+120	Int. Swaps
D	BBB	93.403	2.368	3.95	+180	Int. Swaps
E	BB	24.803	3.324	3.97	+275	Int. Swaps

**Dryrock Issuance Trust Class A, 2012-1**

**Priced:** Nov. 9  
**Amount:** \$700 million  
**Collateral:** Credit cards  
**Seller:** Barclays  
**Bookrunner:** Barclays

Class	M/S	Amount	WAL	Spread	Benchmark
A-1	AAA	700.000	1.91	+15	1 mo. Libor

**Dryrock Issuance Trust Class A, 2012-2**

**Priced:** Nov. 9  
**Amount:** \$300 million  
**Collateral:** Credit cards  
**Seller:** Barclays  
**Bookrunner:** Barclays

Class	M/S	Amount	Yield	WAL	Spread	Benchmark
A-1	AAA	300.000	0.645	2.91	+20	Int. Swaps

**Canadian Bank Adds CP Conduit**

**National Bank Financial** is launching a second conduit as Canadian investors continue to exhibit strong demand for asset-backed commercial paper.

The vehicle, dubbed Clarity Trust, initially will issue an unspecified amount of paper to finance mortgages for two lenders. But as it ramps up, outstandings are expected to reach C\$1.5 billion (\$1.5 billion). NBF has just begun marketing the entity and will begin selling notes in the coming days.

The bank will use Clarity Trust to finance a range of assets, as it does with its existing Fusion Trust conduit. That vehicle has just over C\$2 billion of paper outstanding.

So why the need for a second conduit? Canadian institutions face limits on how much paper they can purchase from any one vehicle, so a new conduit would allow NBF to place more securities with its existing clients.

"This is a confirmation of [NBF's] growth in the securitization business and our commitment to the ABCP portion of that business," said managing director **Jerry Marriott**, who joined the bank's Toronto-based securitization unit at the start of the year.

Clarity Trust represents the first new commercial-paper conduit started by a Canadian bank since the financial crisis. The amount of paper outstanding market-wide is expected to stand at roughly C\$30 billion at yearend, up from less than C\$25 billion a year ago.

Despite the increase in demand, some banks, including **Bank of Montreal** and **CIBC**, have shuttered conduits because of onerous capital-reserve requirements set to take effect under the **Bank for International Settlements'** Basel 3 accord. ❖

**Flurry ... From Page 8**

granting a temporary reprieve to a range of asset- and mortgage-backed bonds.

However, expectations that the CFTC also would create an exemption for CLOs are fading. Should CLOs become subject to the regulator's oversight, it's possible banks including **CitiGroup**, **J.P. Morgan** and **Wells Fargo** that offer warehouse funding to issuers or buy senior portions of the transactions could be considered commodity-pool operators themselves — in violation of Volcker Rule limits. The institutions' only option under that scenario would be to scale back their involvement in the sector.

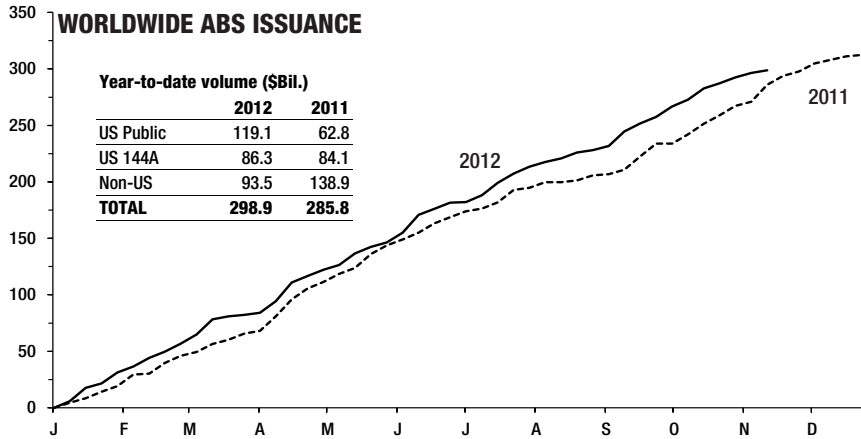
"I'm not confident that CLOs will get exemption relief," said **J. Paul Forrester**, an attorney at law firm **Mayer Brown**. "Generally, they are not using swaps in their deals and no one thinks they are commodity pools, but no one is arguing for an exemption for them even though the market has really picked up."

There also are concerns that catastrophe bonds could get roped into the CFTC rules. Meanwhile, the ASF and **Sifma** sent a letter to the CFTC on Nov. 15 requesting that any outstanding structured-finance transactions be grandfathered under existing regulations. ❖

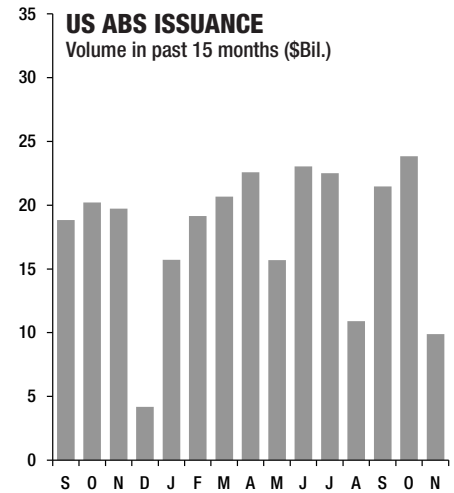
MARKET MONITOR

WORLDWIDE ABS ISSUANCE

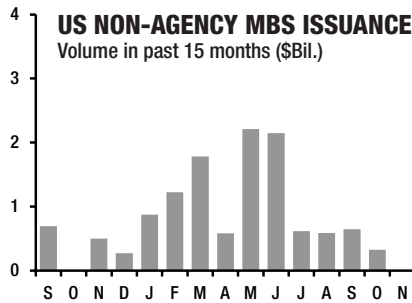
Year-to-date volume (\$Bil.)		
	2012	2011
US Public	119.1	62.8
US 144A	86.3	84.1
Non-US	93.5	138.9
<b>TOTAL</b>	<b>298.9</b>	<b>285.8</b>



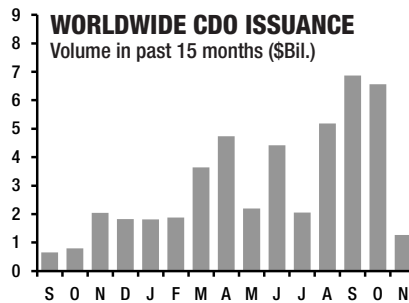
US ABS ISSUANCE  
Volume in past 15 months (\$Bil.)



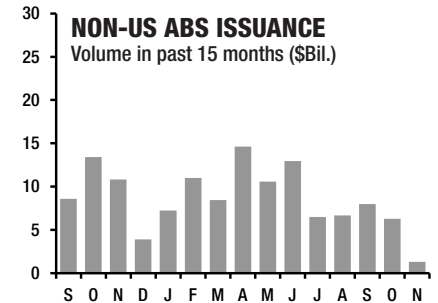
US NON-AGENCY MBS ISSUANCE  
Volume in past 15 months (\$Bil.)



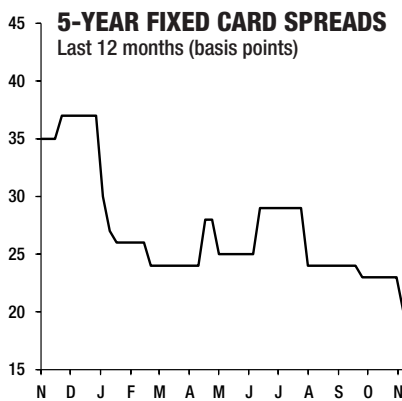
WORLDWIDE CDO ISSUANCE  
Volume in past 15 months (\$Bil.)



NON-US ABS ISSUANCE  
Volume in past 15 months (\$Bil.)



5-YEAR FIXED CARD SPREADS  
Last 12 months (basis points)

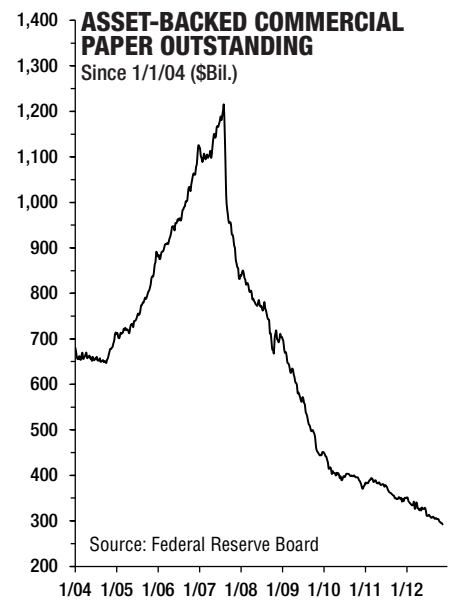


SPREADS ON TRIPLE-A ABS

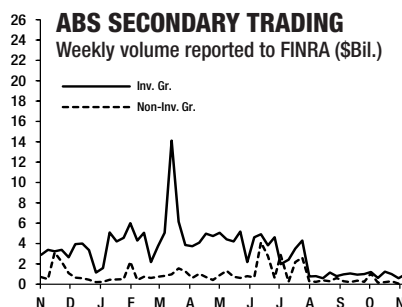
	Avg. Life	Spread (bps)		
		11/9	Week Earlier	52-wk avg.
Credit card - Fixed rate (vs. Swap)	2.0	+5	+5	+7.7
Credit card - Floating rate (vs. 1 mo Libor)	5.0	+20	+23	+27.0
Auto loan - Tranched (vs. Swap)	2.0	+8	+8	+9.3
Home equity - Fixed-rate/wrapped (vs. Swap)	3.0	+18	+18	+23.5
	2.0	+200	+200	+397.2
	5.0	+475	+500	+868.4
Swap spreads (bid/offer midpoint)	2.0	+12	+10	+27.9
	5.0	+13	+10	+26.5
	10.0	+4	+3	+11.5

Source: Deutsche Bank

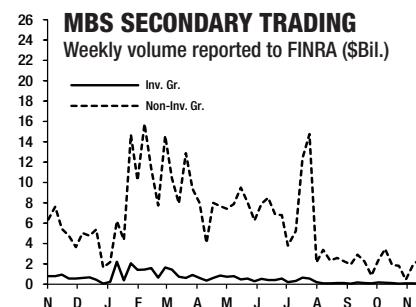
ASSET-BACKED COMMERCIAL PAPER OUTSTANDING  
Since 1/1/04 (\$Bil.)



ABS SECONDARY TRADING  
Weekly volume reported to FINRA (\$Bil.)



MBS SECONDARY TRADING  
Weekly volume reported to FINRA (\$Bil.)



Data points for all charts on this page can be found in The Marketplace section of [ABAlert.com](http://ABAlert.com)

**THE GRAPEVINE**

... From Page 1

commenced a widespread round of layoffs two weeks ago. At least one CLO trader also was dismissed, following head CLO trader **Jason Schechter's** resignation in September. While there's no official word on what the layoffs mean for UBS' CLO presence, sources suggest the bank may not pursue new assignments after placing a few deals already in the pipeline.

**Fitch** added a director to its London office last month to cover collateralized debt obligations and other structured credit products. The recruit, **Brendan Condon**, most recently was an analyst at private equity shop **Graham Allen Partners** in London. The new assignment marks his second tour on Fitch's structured-finance team, where he worked from 2004 to 2006. He then spent some time as an analyst at **Ellington Management**.

Law firm **Locke Lord** has added veteran securitization attorney **Rob Wiperman** to its New York office. Wiperman,

who holds the title of counsel, most recently worked at **Bingham McCutchen**. Before that, he was at **McKee Nelson**. His colleagues during there included **Keith Kransey**, who joined Locke Lord in August with the mission of building up the firm's presence in structured finance. Wiperman also has worked at **Stroock & Stroock** and **Sidley Austin**. All told, Wiperman has been involved in securitized products for more than 25 years.

**Redwood Trust** is assessing whether Hurricane Sandy damaged nine homes in New York and New Jersey whose mortgages had been slated for inclusion in its next jumbo-loan securitization. If damage is found, the REIT would replace the accounts with new ones unaffected by the storm. The nine homes are among 358 underpinning the \$301 million transaction, which is expected to price by Nov. 19.

**J.P. Morgan** has brought in an analyst to aid in the oversight of trading and risk-management systems for its structured-product unit. **Peter Brackman** holds the title of vice president in the bank's New York office. He previously served

similar capacities at **Markit Group**, **Morgan Stanley** and **UBS**, and has analyzed securitized products at **Deutsche Bank**.

Quantitative analyst **Lorenzo Pitotti** has joined **Credit Suisse's** London office as a vice president in charge of a team that covers a range of structured products. Pitotti previously worked as an analyst at risk-management firm **Algorithmics**.

Former **Seaport Group** salesman **Marc Torres** joined **Credit Suisse's** private-banking arm in New York last month as a director. Torres' exact duties are unclear. At Seaport, he focused on structured products during a four-month stint that ended in September. He previously worked at **BTIG**, **MF Global** and **UBS**.

Investment shop **Fundamental REO**, which buys foreclosed homes for conversion to rentals, is looking for an accounting director. The recruit would be involved in property acquisition, leasing and management, working from the New York shop's Tampa office. **Fundamental REO** was launched in June by former **Goldman Sachs** subprime-mortgage bond trader **Donald Mullen**.

**TO SUBSCRIBE**

**YES!** Sign me up for a one-year subscription to Asset-Backed Alert at a cost of \$3,097. I understand I can cancel at any time and receive a full refund for the unused portion of my 46-issue subscription.

**DELIVERY** (check one):  E-mail.  Mail.

**PAYMENT** (check one):  Check enclosed, payable to Asset-Backed Alert.

Bill me.  American Express.  Mastercard.  Visa.

Account #: \_\_\_\_\_

Exp. date: \_\_\_\_\_ Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Company: \_\_\_\_\_

Address: \_\_\_\_\_

City/ST/Zip: \_\_\_\_\_

Phone: \_\_\_\_\_

E-mail: \_\_\_\_\_

**MAIL TO:** Asset-Backed Alert  
5 Marine View Plaza #400  
Hoboken NJ 07030-5795

www.ABAAlert.com  
**FAX:** 201-659-4141  
**CALL:** 201-659-1700

**ASSET-BACKED ALERT**

www.ABAAlert.com

**Telephone:** 201-659-1700 **Fax:** 201-659-4141 **E-mail:** info@hspnews.com

<b>Joseph Nadilo</b>	Managing Editor	201-234-3984	jnadilo@hspnews.com
<b>Matt Birkbeck</b>	Senior Writer	201-234-3991	mbirkbeck@hspnews.com
<b>Steve Chambers</b>	Senior Writer	201-234-3990	schambers@hspnews.com
<b>James A. Quirk</b>	Senior Writer	201-234-3992	jquirk@hspnews.com
<b>Andrew Albert</b>	Publisher	201-234-3960	andy@hspnews.com
<b>Daniel Cowles</b>	General Manager	201-234-3963	dcowles@hspnews.com
<b>Thomas J. Ferris</b>	Editor	201-234-3972	tferris@hspnews.com
<b>T.J. Foderaro</b>	Deputy Editor	201-234-3979	tjfoderaro@hspnews.com
<b>Ben Lebowitz</b>	Deputy Editor	201-234-3961	blebowitz@hspnews.com
<b>Dan Murphy</b>	Deputy Editor	201-234-3975	dmurphy@hspnews.com
<b>Michelle Lebowitz</b>	Operations Director	201-234-3977	mlebowitz@hspnews.com
<b>Evan Grauer</b>	Database Director	201-234-3987	egrauer@hspnews.com
<b>Kevin Pugliese</b>	Database Manager	201-234-3983	kpugliese@hspnews.com
<b>Mary E. Romano</b>	Advertising Director	201-234-3968	mromano@hspnews.com
<b>Josh Albert</b>	Advertising Manager	201-234-3999	josh@hspnews.com
<b>Joy Renee Selnick</b>	Layout Editor	201-234-3962	jselnick@hspnews.com
<b>Barbara Eannace</b>	Marketing Director	201-234-3981	barbara@hspnews.com
<b>JoAnn Tassie</b>	Customer Service	201-659-1700	jtassie@hspnews.com

Asset-Backed Alert (ISSN: 1520-3700), Copyright 2012, is published weekly by Harrison Scott Publications Inc., 5 Marine View Plaza, Suite 400, Hoboken, NJ 07030-5795. It is a violation of federal law to photocopy or distribute any part of this publication (either inside or outside your company) without first obtaining permission from Asset-Backed Alert. We routinely monitor forwarding of the publication by employing email-tracking technology such as ReadNotify.com. **Subscription rate:** \$3,097 per year. Information on advertising and group subscriptions is available upon request.