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THE WEEKLY UPDATE ON WORLDWIDE SECURITIZATION

Morningstar Gives Nod to Infinity IPS

Morningstar has added **Infinity IPS** to the list of due-diligence firms whose findings it will accept when rating mortgage securitizations.

The agency finished vetting the Infinity in the past month or so. The Rockville, Md., firm already was approved to perform reviews for deals rated by **Moody's, S&P, Fitch, DBRS** and **Kroll.**

John Hutchinson, who oversees Infinity's due-diligence business, worked with Morningstar. Hutchison said due diligence shops fill an important role "at a time when we are uncovering more issues than ever in the pools and securitizations we're working on."

Other firms approved to review loan portfolios by multiple rating agencies include **American Mortgage Consultants, Clayton Holdings, Digital Risk, LenderLive Network** and **New Diligence Advisors.**

Morningstar began rating mortgage-bond offering last year, winning two assignments. It expects to expand its footprint in the sector in 2019. Infinity was founded in 1998 by chief executive **Chandresh Mehta.** ❖


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THE GRAPEVINE

Mario Verna resigned as head of collateralized loan obligation origination at **Guggenheim** this week to join **Robert W. Baird & Co.,** where he will start in New York after waiting out a gardening leave. Verna worked at Guggenheim since 2014, following stops at **Krypton Advisors, Deutsche Bank, J.P. Morgan** and **Fitch.** His exit from his most recent role followed Guggenheim's October hiring of **Adrian Radulescu** to help lead its CLO business, which has struggled to gain traction. While Baird maintains an active CLO-trading desk under **David Barrish,** it hasn't yet worked on new deals.

Mortgage-conduit specialist **Michael Wold** joined the former **New Penn Financial** this month as a Los Angeles-based vice

See GRAPEVINE on Back Page

Repo Desks Chase Private-Label Contracts

With agency-mortgage volume falling, banks' repurchase desks are scrambling for fresh exposures to non-agency products.

As they seek to drum up that business, the institutions — including **Credit Suisse, Deutsche Bank, Goldman Sachs** and **J.P. Morgan** — are cutting the fees they charge to clients. The efforts cover contracts tied to both bonds and whole loans.

"Agency mortgage production is down enough that there is excess repo capacity in the banking system, so banks are forced to fight over business. This has actually made it cheaper for us," one private-label mortgage-bond investor said.

Repo lines allow investors to take positions in assets by purchasing them from dealers that agree to buy back the holdings at pre-arranged prices. The contracts, which typically require cash down payments, roll over every one to three months with the counterparties using cashflows from the underlying investments to pay interest.

Sources pointed to REITs including **Invesco Mortgage Capital, MFA Financial** and

See REPO on Page 14

SFIG Campaigning for Portfolio-Risk Deals

The **Structured Finance Industry Group** is intensifying a push for the **Comptroller of the Currency** to allow banks to gain capital relief via "portfolio risk transfer" transactions.

The effort comes as part of a broader plan by the trade group to task newly hired chief executive **Michael Bright** with gaining influence among policymakers, with an emphasis on reductions in capital charges. Should the organization succeed, the expectation is that a wave of offerings would follow.

In a portfolio risk transfer deal, a bank securitizes a pool of mortgages while keeping the resulting senior notes and selling most or all of the subordinate securities to investors. In the process, the institution replaces its exposure to the underlying loans with the retained triple-A-rated bonds — thus lessening its capital-reserve requirements under the **Bank for International Settlements'** Basel 3 mandate.

But the Comptroller, then led by **Obama Administration** appointee **Thomas Curry,**

See SFIG on Page 14

New Team Leads Mayer's Securitization Unit

Jon Van Gorp has stepped down as co-head of **Mayer Brown's** securitization practice.

Van Gorp, who had led the group since 2012 alongside **Stuart Litwin,** remains a partner at Mayer and a member of the management committee overseeing the entire firm. Litwin, who is based in Chicago, will continue overseeing the team along with newly named co-heads **Julie Gillespie** and **David O'Connor.** The management changes took effect this month.

"This is part of our continuing legacy of bringing in new leadership," said Van Gorp, who has worked at the firm since 1997. "I replaced **Jason Kravitt** in 2012, and now it's time to bring in younger partners. We have really good generational expertise from top to bottom."

Mayer consistently finishes at or near the top of **Asset-Backed Alert's** league tables

See MAYER on Page 11