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Asset-Backed ALERT
THE WEEKLY UPDATE ON WORLDWIDE SECURITIZATION

JUNE 21, 2019

Wells Fargo Rescues Auto Deal From Default

A troubled securitization of subprime auto loans from **Honor Finance** has been retired, but only because underwriter **Wells Fargo** funded the maneuver.

Servicer **Westlake Services** conducted the cleanup call on June 17, buying back all of the securities still outstanding from a $100 million deal Honor completed in December 2016. But with Honor having shut down last year, the process was possible only because Wells stepped in to buy the transaction's underlying assets.

While it's unclear how much capital was involved, the deal had a remaining principal balance of $15.1 million on April 15 — all in the form of subordinate securities. Had Wells not stepped forward, the transaction almost certainly would have become the first subprime auto loan securitization ever to default.

Wells' asset purchase took place through Westlake, which has controlled the transaction since August. Given its role as underwriter, the bank's motivation, in part, was to help it head off lawsuits from holders of the deal's subordinate

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Nearwater Envisoning Treasury-Backed CP

Nearwater Capital is assembling a novel commercial-paper conduit.

The New York firm, best known for financing the risk-retention activities of structured-product issuers, is calling the vehicle Columbia Funding. It is aiming for July to start selling securities with P-1/A-1 ratings from **Moody's** and **S&P,** with the goal of having several billion dollars of the notes in the hands of investors.

Barclays, J.P. Morgan and **RBC** are serving as the vehicle's dealers.

So where's the twist? Instead of financing loans, trade receivables or other standard conduit fare, Columbia would help major banks obtain highly liquid securities that they use for a mix of operational, regulatory and funding purposes.

Here's the plan: Nearwater would sell paper with maturities ranging from overnight to 397 days, and would use the proceeds mainly to buy U.S. Treasury bonds and other forms of sovereign debt. It then would charge fees to lend the assets to

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PennyMac Favoring Term CRT-Backed Bonds

PennyMac is changing the way it finances its investments in agency risk-transfer securities.

The Westlake Village, Calif., REIT historically funded those exposures mainly through short-term repurchase contracts. But it eventually plans to phase out that tactic and rely entirely on a bond-issuing vehicle called PMT Credit Risk Transfer Trust that gives it a longer-term source of capital.

The so-called PMTCR program has produced two offerings so far, both backed by repurchase contracts on risk-transfer bonds that PennyMac bought from **Fannie Mae** under the agency's L Street Securities banner. Most recently, PennyMac privately placed $638 million of the notes on June 11 with **Credit Suisse** as underwriter.

Those securities carry an initial term of four years that can be extended by two years. They priced at a spread of 275 bp over Libor.

The first PMTCR deal took place March 29. The $300 million transaction priced

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THE GRAPEVINE

David Cannon no longer is employed as co-head of asset-backed bond trading at **MUFG.** Cannon, who shared oversight of the desk with **Chris Gray,** exited the bank's New York office this week. He had arrived in 2015, and stepped into his most recent post with the May 2018 exit of **John Lennon.** Previously, Cannon worked at **RBS** and **UBS.** He also counts **PaineWebber** and **Chase Securities** as former employers.

Credit Suisse installed **Alexander Chan** this month as a managing director on its collateralized loan obligation-issuing team in New York. Chan most recently was employed since 2010 at **Shenkman Capital,** which also issues CLOs. He also has worked at **Nomura, Barclays,** Credit Suisse, **Donaldson, Lufkin & Jenrette** and **Sullivan & Cromwell.** Credit Suisse has

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Citi Adds to MBS-Banking Team

Citigroup is beefing up its U.S. mortgage-bond underwriting group while putting the finishing touches on a jumbo-loan conduit that has been in the works for some time.

Michael Marra, most recently a member of the home-loan financing group at **Credit Suisse,** will join Citi in August as a director. He'll fill a client-facing role in New York, working alongside vice president **Andrew Knote** to build and extend relationships with mortgage-bond issuers.

The addition of Marra will free up mortgage-banking head **Cheryl Glory** to focus on launching the conduit, which would securitize jumbo loans that meet the **Consumer Financial Protection Bureau's** "qualified-mortgage" standards.

"They needed reinforcements on the banking side. They had a bottleneck, so they brought in Mike," a source said.

The conduit would compete with similar operations at **J.P. Morgan** and **Wells Fargo.** Glory has spent months working on the project.

Citi once was among the most prolific issuers of jumbo-mortgage securities. From 1995 to 2015, it completed 184 such transactions totaling $86.2 billion, according to **Asset-Backed Alert's** ABS Database. While the bank never officially suspended the program, the flow of deals dried up as economic factors shifted in favor of whole-loan sales.

Citi already is a routine issuer of bonds backed by reperforming home loans. And a plan is in the works to begin securitizing non-qualified mortgages. ❖

Blackstone Keeping Exeter, For Now

Blackstone has suspended efforts to exit its position in subprime-auto lender **Exeter Finance** via an initial public offering.

Blackstone, which bought a 90% stake in Exeter in 2011, registered with the **SEC** in January to sell $100 million of shares via an IPO, even as it was in talks with **Chrysler** about a potential sale of the operation. Now comes word that Blackstone dropped the IPO plan.

Sources said Blackstone was near an agreement to sell Exeter to Chrysler in May when the automaker entered advanced merger talks with **Renault.** At that point, Chrysler ended its negotiations with Blackstone. A few weeks later, Chrysler withdrew its offer for Renault.

Also within the past few weeks, Blackstone pulled the plug on Exeter's IPO. Sources said Blackstone and Exeter executives had conducted an extensive roadshow with equity investors in February, but met with tepid demand amid widespread uncertainty stemming from a temporary government shutdown.

"Blackstone was actively pursuing a deal to sell Exeter, but it didn't transpire," one source said. And "now they've put the IPO on hold and are going to stay the course on Exeter for the time being, given the company is performing well."

Exeter, a routine issuer of bonds backed by subprime auto loans, plans to begin marketing its next deal in July. The $600 million offering would carry ratings from **Moody's** and **S&P.** **Barclays, Citigroup, Deutsche Bank** and **Wells Fargo** will likely split bookrunner and co-manager duties.

So far this year, Exeter has completed two transactions, most recently selling $700 million of securities on April 16, according to **Asset-Backed Alert's** ABS Database.

From 2014-2017, Exeter was good for three such offerings per year. Last year, the Irving, Texas, company increased its deal count to four.

In April, Exeter agreed to pay $6 million to settle allegations by regulators in Delaware and Massachusetts that it originated loans it "knew or should have known were unfair" in violation of state consumer-protection laws. ❖

Trade Group Names New President

Kristi Leo has been appointed president of the newly renamed **Structured Finance Association.**

Leo, a consultant and board member for the trade group — previously known as the Structured Finance Industry Group — assumes a title formerly held by chief executive **Michael Bright.**

"Kristi is going to be a big part of helping SFA to achieve the lofty objectives we have," said Bright, who arrived in January from a position as interim head of **Ginnie Mae.** "She is spending more time in D.C. to help me run the institution. She will also help us do a better job onboarding new members and serving current members."

The group's June 20 name change is part of a rebranding effort led by Bright that also includes a redesign of its website and a more-active lobbying role via a related political action committee.

Leo, a former co-head of **Deutsche Bank's** asset-backed securities banking and origination team, had been a board member of the **American Securitization Forum** until 2013, when she and others left to launch SFIG.

Leo, who runs a firm called **Boulder Advisors** in Boulder, Colo., has been working as a consultant to the trade group for several years, with a focus on investors. She also served on the executive committee that ran SFIG following the ouster of former executive director **Richard Johns** in June 2018. ❖

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Relief Sought for Education-Refi Deals

A trade group that represents online lenders is lobbying for securitizations of student-loan refinancings to be exempt from the Dodd-Frank Act's risk-retention rule.

The **Marketplace Lending Association** has initiated meetings with officials at the **Comptroller of the Currency, FDIC, Federal Reserve** and **SEC,** as well as members of Congress. The plan is to argue that the deals' underlying assets are of such high quality that the issuers shouldn't be subject to the same 5% skin-in-the-game requirement as most of their peers in the structured-product market.

"This category didn't even exist when they wrote this rule, but [there is] a strong case for relief," said the MLA's executive director, **Nat Hoopes.** "This is such a high-credit-quality asset that we feel it deserves an exemption from risk retention."

Since 2015, online lenders including **CommonBond** and **Social Finance** have issued $25 billion of bonds backed by student-loan refinancings, according to **DBRS,** which has rated 56 of the 57 deals to date. SoFi began marketing its latest offering on June 20.

"Student loan-refi market losses are ridiculously low, with a loss rate of only 20 bp," a source said. "That's pretty impressive."

The risk-retention rule took effect in 2016. Last year, issuers of collateralized loan obligations gained an exception following a legal challenge by the **Loan Syndications and Trading Association.** ❖

Law-Firm Lender Eyes Securitization

Litigation-finance shop **Alliance Legal Solutions** is considering the asset-backed bond market as a funding source.

The Charlotte firm unveiled an online-lending program this week that's expected to substantially increase its origination volume. The program, dubbed Fundafi, offers loans to help law firms cover up-front litigation costs including research and expert witnesses.

Alliance also plans to use Fundafi to originate lines of credit — assets it particularly is interested in securitizing.

Alliance so far has funded its lending activity with a combination of bank credit lines and capital from private investors.

Alliance caters to law practices with 10 or fewer employees — firms that typically are overlooked by larger litigation-finance investors. Fundafi draws on the firm's historic performance data to automate underwriting and servicing functions. Since 2011, Alliance has deployed more than $25 million to finance 4,500-plus cases.

Founder **Cheryl Kaufman** said in many cases, clients have tried unsuccessfully to obtain financing from online lenders that cater to small businesses. Other clients are using Fundafi to refinance small-business loans obtained from other lenders.

While larger litigation-finance firms have raised and deployed several billion dollars in recent years, there have been few, if any, efforts to securitize those receivables. Asset-backed bond investors have yet to see a rated transaction. ❖

Nearwater ... From Page 1

the banks.

Those institutions, in turn, could pledge the borrowed bonds toward their liquidity coverage ratios — a measure of whether they hold enough high-quality liquid assets to cover projected outflows over a 30-day period of stress. Or they could hold the securities against uncleared over-the-counter swaps as required under the **Bank for International Settlements'** Basel 3 accord.

Another option would be for the banks to post the conduit's underlying bonds as collateral when borrowing money. Also among the expected tactics would be for the banks to loan the Treasurys to clients instead of cash.

Nearwater is pitching the service mainly to a group of 29 institutions designated by the BIS' **Financial Stability Board** as "Globally Systemic Important Banks." In many cases, those operations have been gathering Treasurys for similar purposes by arranging reverse repurchase contracts with the **Federal Reserve.**

Expectations are that Columbia's paper would carry returns similar to those of more mainstream asset-backed commercial paper, perhaps a few bp wider than Libor. Nearwater plans to market the securities to typical investors in the sector, including corporate treasury departments, government agencies and money-market fund operators.

Conduit launches have been few and far between in recent years.

In setting up Columbia to help banks meet their treasury-related needs, however, Nearwater is following a theme similar to that of its core risk-retention financing business. That service, originally aimed at collateralized loan obligations, today helps issuers of asset-backed bonds satisfy the Dodd-Frank Act's 5% skin-in-the-game rule. It has lent out $1.1 billion so far.

Nearwater's staff has extensive experience in the conduit market. Topping the list is managing partner **James Peterson,** who founded the firm in 2017. Peterson previously worked in **Guggenheim's** treasury division, which runs several conduits, and before that was in a conduit-structuring role at **Lehman Brothers.** He also led the asset-backed securities group at **Bayersiche Landesbank,** which at the time maintained a $15 billion conduit business.

Also working on Columbia are managing director **Jane Cho,** who worked with Peterson at Guggenheim and Lehman, and trader **Paterno "Tino" Luzano,** formerly of **Bank of America** and J.P. Morgan.

Other key personnel include associate directors **Christina Cheung,** who worked on the conduit teams at **Mizuho** and **Credit Agricole,** and **Kristy Giardino,** previously of **FMS Wertmanagement.** ❖

Ford Claims Leeway in Libor Switch

Ford's completion of a securitization with provisions to replace Libor as a benchmark could inspire other issuers to follow suit — but in a less aggressive manner.

In pricing a $1.1 billion auto-loan securitization via its Ford Credit Auto Owner Trust on June 18, Ford became the first issuer of consumer-asset bonds to spell out the process under which it might switch the deal's benchmarks. The move would take place once Libor reporting ends or the interest rate no longer is deemed representative of banks' funding costs.

To a point, Ford's procedures follow related recommendations released by the **Federal Reserve's** Alternative Reference Rates Committee on May 31. That is, the first move would be to switch from Libor to the Fed's Secured Overnight Financing Rate.

But Ford's deal departs from the Fed's guidelines by giving the issuer broad discretion to specify an alternative rate in the event that SOFR isn't available. Ford also would have the power to adjust spreads in relation to the benchmark it chooses.

Ian Walker, an analyst at **Covenant Review,** doesn't think the departure from the committee's so-called fallback language is problematic. "It's a remote event. This would only come into play in the event that neither term SOFR nor compounded SOFR were available as a replacement rate," he said. "So it wouldn't apply even if Libor went away tomorrow, because compounded SOFR is available today."

Still, Walker said, Ford's terms introduce the same uncertainty about replacement benchmarks that the fallback language is meant to address.

As for the plans of other issuers, some could look to Ford's position as a leading issuer as an indication that it's time to introduce provisions for the end of Libor. The expectation is that they would stick more closely to the committee's blueprint, however. "This is easier for Ford to get away with," Walker said. "I don't think other issuers will want to use this language, since it creates litigation risk."

To that end, the potential concern for investors is that, in the unlikely event SOFR is discontinued, Ford could choose a benchmark that is lower than prevailing market rates.

In another departure from the committee's recommendations, Ford left out one of three suggested triggers for moving from Libor to a replacement rate. Specifically, it did not require that such a switch take place once a certain percentage of the collateral no longer is pegged to Libor — likely because the underlying loans and most of the securities carry fixed interest rates.

Indeed, only two of the transaction's seven classes are benchmarked to Libor. The deal was led by **Barclays, Credit Suisse, Deutsche Bank, Morgan Stanley** and **RBC** (see Initial Pricings on Page 9). ❖

Rescues ... From Page 1

bonds.

Wells also wanted to avoid blemishing its reputation as a leader among institutions that fund subprime auto lenders via warehouse lines and securitization. The bank entered the sector in 2010, and since has led 185 such asset-backed bond deals totaling $82 billion, according to **Asset-Backed Alert's** ABS Database.

Another factor that Wells may have taken into account: The **SEC** launched an investigation in November of whether Honor overstated its historical asset performance before conducting the securitization.

Honor and Wells both are subjects of the investigation. So are **CIVC Partners,** which owns Honor, along with **S&P** and **Kroll.** "You're talking about a bank that's had a lot of headline risk the past few years and this could have been a big black eye," another source said. "So by doing this, Wells not only kept investors whole but also cuts the legs out of the SEC investigation and any potential investor lawsuits."

Sources said that Wells notified the SEC of its plan to buy Honor's securitized assets, but that the investigation continues. A Wells spokesperson declined to comment.

Honor's latest servicing report suggests that Wells intervened just in the nick of time. The April 15 update shows that the deal had a deficiency of $2.25 million in its reserve funds, with an over-collateralization level of minus-25.4%.

Senior Class-A bondholders already had been made whole by that point. Class-B investors also were on the verge on receiving the last of their principal, although one source said it's possible those payments might have come up slightly short. The deal's bottom-rung Class-C securities, meanwhile, were facing more substantial shortfalls — possibly affecting installments due in the coming weeks.

S&P and Kroll downgraded the deal twice each. The most recent cut took place on May 1, with Kroll moving down the Class-B notes to "B+" (from "BB+") and the Class-C notes to "C" (from "CC").

Honor's securitization marked the Evanston, Ill., company's only appearance in the asset-backed bond market. The deal ran into immediate trouble amid higher-than-expected losses that sources have attributed to a scheme in which founders **James Collins** and **Robert DiMeo** used profits from sales of GPS units and vehicle warranties to prop up delinquent or defaulted loans prior to securitization — claims that tie in with the SEC investigation and a separate **U.S. Justice Department** probe.

Sources said Collins and DiMeo, during meetings with rating agencies, touted their experience in the mid-1990s as senior executives at subprime auto lender **Mercury Finance.** But Kroll's presale report on the deal failed to note that Mercury went bankrupt in 1999 after overstating its earnings. It also didn't mention that Mercury chief executive **John Brincat** received a 10-year prison sentence after pleading guilty in 2006 to charges that he concealed losses at the company. Collins and DiMeo never were charged in the Mercury case. ❖

Bonds ... From Page 1

at 200 bp over Libor but came with a shorter term, at three years. Even at the second issue's wider spread, the longer-term nature of the program makes it a more attractive source of funding than the former repo-driven approach, sources said.

To date, PennyMac has bought some $2 billion of L Street securities referencing $50 billion of mortgages. The PMTCR transactions took place some months or years after those purchases.

For its future deals, however, PennyMac hopes to time its purchases of L Street bonds and its sales of PMTCR notes more closely together. That would cut the company's need for temporary funding — hence, the move away from repo lines — while resulting in a term deal every 6-12 months. "Optimally, [PennyMac] aggregates loans into CRT, Fannie issues the bonds and that same day or the next day [PennyMac] issues term debt against it," one source said. "We're not there quite yet, but that's the goal."

L Street represents PennyMac's primary avenue of investing in risk-transfer bonds and, in a twist, gives the REIT exposures to its own loans. The program is modeled on Fannie's flagship Connecticut Avenue Securities series, which enables the agency to shed the risk associated with pools of recently securitized loans. Where Connecticut Avenue references mortgages from multiple originators, however, L Street is tied exclusively to loans from PennyMac.

In fact, L Street reinsures some 80% of the loans that PennyMac sells to Fannie — encompassing virtually all of the REIT's 30-year, fixed-rate mortgages with loan-to-value ratios of 97% or less.

PMTCR follows a similar format to a program that PennyMac uses to finance investments in mortgage-servicing rights. The company's most recent risk-transfer investment encompassed $933 million of L Street securities that priced on June 13 with Credit Suisse as underwriter. ❖

CALENDAR

Main Events

Dates	Event	Location	Organizer	Information
Sept. 22-24	ABS East 2019	Miami	IMN	www.imn.org
Nov. 4-5	Residential Mortgage Finance Symposium 2019	New York	SFIG	www.sfindustry.org
Dec. 4-6	Single Family Rental Forum West	Scottsdale, Ariz.	IMN	www.imn.org
Dec. 8-10	CLO Summit 2019	Dana Point, Calif.	Opal Group	www.opalgroup.net
Feb. 23-26, 2020	SFIG Vegas 2020	Las Vegas	SFIG	www.sfindustry.org

Events in US

Dates	Event	Location	Organizer	Information
June 24	FIIN Annual Conference	New York	IMN	www.imn.org
June 26	Middle Market CLO Seminar	New York	SCI	www.structuredcreditinvestor.com
Sept. 5-6	Residential Property Management Forum	Atlanta	IMN	www.imn.org
Sept. 9-11	Risk Minds Americas	Boston	KNect365	www.knect365.com
Sept. 16-18	Fundamental Review of the Trading Book	New York	Marcus Evans	www.marcusevans.com
Sept. 23	Women's Credit Forum	Boston	Kayo Conf. Series	www.kayoconferenceseries.com
Sept. 25-27	LEND360	Dallas	LEND360	www.lend360.org
Oct. 14	Understanding Securitisation & ABS	New York	Fitch Learning	www.fitchlearning.com
Oct. 17-18	RMBS: Assessing Value & Risk	New York	Fitch Learning	www.fitchlearning.com
Oct. 30	LSTA Annual Conference	New York	LSTA	www.lsta.org
Nov. 5	Creditflux CLO Investor Summit	New York	Creditflux	www.creditflux.com

Events Outside US

Dates	Event	Location	Organizer	Information
June 27	Debt & Restructuring Forum	Vienna	W J Global Group	www.wjglobalgroup.com
Sept. 10	Debtwire Germany Forum	Frankfurt	Debtwire	www.debtwire.com
Sept. 19	Mortgage-backed Securities & Securitization Conf.	Moscow	Cbonds Congress	Cbonds-congress.com
Sept. 23-25	Fundamental Review in the Trading Book	London	Marcus Evans	www.marcusevans.com
Sept. 26-27	True Sale International Conference	Berlin	True Sale Intl.	www.true-sale-international.com
Oct. 3-4	Covered Bonds: Credit & Market Risk	Frankfurt	Fitch Learning	www.fitchlearning.com

To view the complete conference calendar, visit the Market section of ABAlert.com

NC Bill Paves Way for Duke Deal

A proposal to allow energy companies in North Carolina to issue asset-backed bonds is progressing through the state legislature — setting the stage for an offering from **Duke Energy.**

Senate Bill 559 was approved on June 1. The companion House Bill 624, meanwhile, is entering review by the Committee on Energy and Public Utilities.

The measure would create a framework for power companies in North Carolina to fund storm-damage repairs by selling bonds backed by fees added to customers' bills. While the proposal doesn't name any specific issuers, sources said the most immediate beneficiary would be Charlotte-based Duke.

That's because Duke has been developing an offering that would help it recover up to $571 million of hurricane-related expenses from 2018.

But several clean-energy groups have been pushing the House to add provisions that also would route securitization proceeds toward the closures of coal-fired plants. Duke has been shuttering those facilities since 2011 amid a move toward more environmentally friendly generation methods, but continues to operate 20 of them and currently doesn't plan to finish the replacement process until the 2030s.

The expectation is that the House and then Senate will revise their bills accordingly, with a final version likely set for approval by the Republican-controlled legislature this year. Duke's offering could come in 2020.

Duke has issued asset-backed bonds once before. That 2016 deal, totaling $1.3 billion, helped pay for the closure of a nuclear plant in Florida. ❖

Non-QM Financing Costs Drop

It is getting cheaper to accumulate non-qualified mortgages for securitization.

That's because warehouse lenders have been reducing the amounts of collateral issuers must post against their credit lines, Today, the standard requirement is 5-10%. At yearend 2018, it was 20-25%.

Sources said the reduction is partly the result of increasing competition among warehouse lenders. Those companies and others also appears to be getting more comfortable with exposures to the underlying loans, which don't meet the **Consumer Financial Protection Bureau's** "qualified-mortgage" guidelines.

Major warehouse lenders in the sector include **Cantor Fitzgerald, J.P. Morgan, Morgan Stanley** and **Nomura.**

The credit lines typically carry terms of about one year. They are known as aggregate facilities, reflecting the fact that most issuers of the resulting bonds are so-called loan aggregators — as opposed to originators.

Issuers including **Angel Oak Mortgage** and **Deephaven Mortgage** have completed 24 non-qualified mortgage securitizations totaling $9.6 billion this year, according to **Asset-Backed Alert's** ABS Database. ❖

Buysiders Push Back on Heloc Deal

Investors are showing some nervousness about buying into the first securitization of home-equity lines since the market collapse.

Issuer **FirstKey Mortgage** and underwriter **J.P. Morgan** started marketing the $277.7 million transaction this week with an eye toward a June 19 pricing date. Initially, J.P. Morgan suggested a spread of 90 bp over one-month Libor for the offering's top class, encompassing $179.6 million of 2.2-year notes with triple-A ratings from **Fitch.**

But amid apparent resistance from buysiders, the bank revised its guidance for the class to 100 bp while pushing the projected pricing date back a few days. The main reason: It remains uncertain how quickly borrowers will draw on their lines of credit — a factor that has contributed to the lack of activity in the asset class in recent years.

"There are a lot of unknowns on the draws. I think people are giving the deal a discount," one investor said.

The offering is underpinned by 1,732 home-equity lines, of which 46% are less than two years old. New York-based FirstKey purchased the accounts from **TCF Financial** just before TCF agreed to sell itself to **Chemical Financial** in January.

From 1996 to 2007, issuers in the U.S. sold $159.9 billion of bonds backed by home equity lines, according to **Asset-Backed Alert's** ABS Database. ❖

INITIAL PRICINGS

Ford Credit Auto Owner Trust, 2019-B

Priced: June 18
Amount: $1.1 billion
Collateral: Auto loans (prime)
Seller: Ford
Bookrunners: RBC, Barclays, Credit Suisse, Deutsche Bank, Morgan Stanley

Class	S/F	Amount	Yield	WAL	Spread	Benchmark
A-1	A1+	203.000	2.387	0.25	+0	Int. Libor
A-2A	AAA	220.000	2.365	0.94	+24	EDSF
A-2B	AAA	126.020		0.94	+24	1 mo. Libor
A-3	AAA	346.060	2.250	2.12	+36	Int. Swaps
A-4	AAA	105.020	2.254	3.23	+43	Int. Swaps
B	AA+	31.580	2.421	3.40	+60	Int. Swaps
C	AA/A+	21.060	2.601	3.40	+78	Int. Swaps

Synchrony Card Issuance Trust SynchronySeries A, 2019-2

Priced: June 17
Amount: $850 million
Collateral: Credit cards
Seller: Synchrony Financial
Bookrunners: Wells Fargo, RBC, TD Securities

Class	M/F	Amount	Yield	WAL	Spread	Benchmark
A	AAA	850.000	2.354	2.98	+53	Int. Swaps

Bank of the West Auto Trust, 2019-1

Priced: June 17
Amount: $764.1 million
Collateral: Auto loans (prime)
Seller: Bank of the West
Bookrunner: BNP Paribas

Class	S/F	Amount	Yield	WAL	Spread	Benchmark
A-1	A1+	139.500	2.481	0.20	+7	Int. Libor
A-2	AAA	270.000	2.421	1.07	+34	EDSF
A-3	AAA	220.000	2.445	2.38	+57	Int. Swaps
A-4	AAA	67.600	2.529	3.44	+70	Int. Swaps
B	AA-/AA	26.180	2.776	3.80	+95	Int. Swaps
C	A-/A	20.010	2.926	3.80	+110	Int. Swaps
D	BBB-/BBB	20.790	3.376	3.80	+155	Int. Swaps

Harley-Davidson Motorcycle Trust, 2019-A

Priced: June 19
Amount: $552.6 million
Collateral: Motorcycle loans
Seller: Harley-Davidson
Bookrunners: Barclays, Citigroup, Wells Fargo

Class	M/F	Amount	Yield	WAL	Spread	Benchmark
A-1	F1+	116.000	2.386	0.28	+1	Int. Libor
A-2	AAA	187.340	2.383	1.05	+28	EDSF
A-3	AAA	187.340	2.355	2.27	+45	Int. Swaps
A-4	AAA	61.960	2.411	3.38	+56	Int. Swaps

Navient Private Education Loan Trust, 2019-D

Priced: June 19
Amount: $560 million
Collateral: Student loans
Seller: Navient
Bookrunners: J.P. Morgan, Barclays, Credit Suisse

Class	S/D	Amount	Yield	WAL	Spread	Benchmark
A-1	AAA	166.000		1.00	+45	1 mo. Libor
A-2A	AAA	150.000	3.037	6.15	+115	Int. Swaps
A-2B	AAA	184.000		6.15	+120	1 mo. Libor
B-A	AA	60.000	3.647	10.45	+160	Int. Swaps

Wheels SPV 2 LLC, 2019-1

Priced: June 18
Amount: $509.2 million
Collateral: Auto-fleet leases
Seller: Wheels Inc.
Bookrunners: Wells Fargo, J.P. Morgan, Mizuho, MUFG

Class	S/F	Amount	Yield	WAL	Spread	Benchmark
A-1	A1+	135.000	2.367	0.39	+3	Int. Libor
A-2	AAA	284.150	2.320	1.65	+40	EDSF
A-3	AAA	80.000	2.368	3.00	+57	Int. Swaps
A-4	NR/AAA	10.000	2.540	3.57	+75	Int. Swaps

Carvana Auto Receivables Trust, 2019-2

Priced: June 18
Amount: $457.1 million
Collateral: Auto loans (subprime)
Seller: Carvana
Bookrunners: Credit Suisse, Amherst Pierpont, Wells Fargo, Citigroup, Deutsche Bank

Class	M/K	Amount	Yield	WAL	Spread	Benchmark
A-1	NR/K-1+	65.000	2.476	0.28	+10	Int. Libor
A-2	AAA	90.000	2.623	0.86	+48	EDSF
A-3	AAA	90.340	2.596	1.66	+65	EDSF
B	Aa1/AA	71.675	2.764	2.45	+90	Int. Swaps
C	A	47.705	3.023	3.11	+120	Int. Swaps
D	Baa3/BBB	53.815	3.310	3.77	+150	Int. Swaps
E	B2/BB	38.540	5.064	4.53	+325	Int. Swaps

World Financial Network Credit Card Master Note Trust, 2019-B

Priced: June 19
Amount: $381.2 million
Collateral: Credit cards
Seller: Alliance Data Systems
Bookrunners: J.P. Morgan, BNP Paribas, Fifth Third Bank, SMBC Nikko

Class	S/F/D	Amount	Yield	WAL	Spread	Benchmark
A	AAA	350.000	2.510	2.97	+65	Int. Swaps
M	AA	31.165	3.060	2.97	+120	Int. Swaps

INITIAL PRICINGS

Consumer Loan Underlying Bond Credit Trust, 2019-P1

Priced: June 18
Amount: $269.6 million
Collateral: Consumer loans, unsecured
Seller: LendingClub
Bookrunners: J.P. Morgan, Citigroup, Credit Suisse

Class	M/K	Amount	Yield	WAL	Spread	Benchmark
A	A3/A+	187.000	2.962	0.90	+83	EDSF
B	Baa3/BBB+	36.900	3.312	2.39	+145	Int. Swaps
C	NR/BB	45.000	4.714	3.18	+290	Int. Swaps

Foursight Capital Automobile Receivables Trust, 2019-1

Priced: June 19
Amount: $218.9 million
Collateral: Auto loans (subprime)
Seller: Foursight Capital
Bookrunner: J.P. Morgan

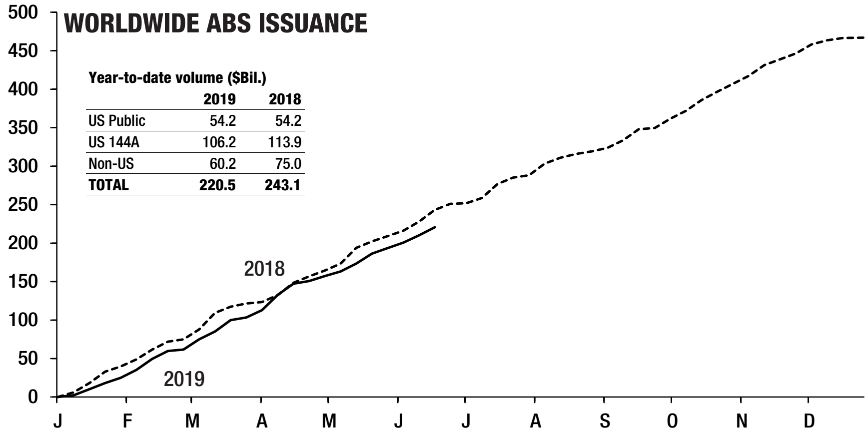
Class	M/D	Amount	Yield	WAL	Spread	Benchmark
A-1	NR/R-1(H)	24.900	2.506	0.28	+13	Int. Libor
A-2	AAA	86.000	2.604	1.21	+54	EDSF
A-3	AAA	40.310	2.691	2.45	+80	Int. Swaps
B	Aa2/AAA	14.780	2.800	3.10	+95	Int. Swaps
C	A2/AA(H)	14.560	3.097	3.49	+125	Int. Swaps
D	Baa2/AA(L)	14.330	3.294	3.85	+145	Int. Swaps
E	Ba2/A(L)	12.050	4.344	3.88	+250	Int. Swaps
F	B2/BBB	11.930	5.644	3.88	+380	Int. Swaps

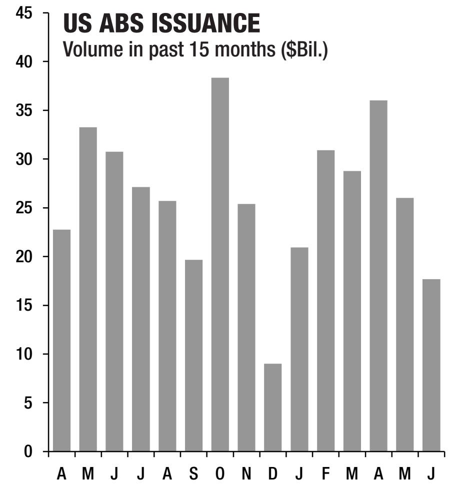
Sunnova Helios III Issuer LLC, 2019-A

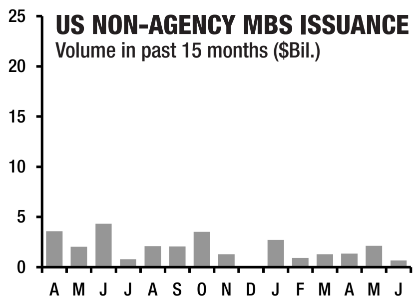
Priced: June 19
Amount: $167.6 million
Collateral: Renewable-energy assets
Seller: Sunnova Energy Corp.
Bookrunners: Credit Suisse, Goldman Sachs

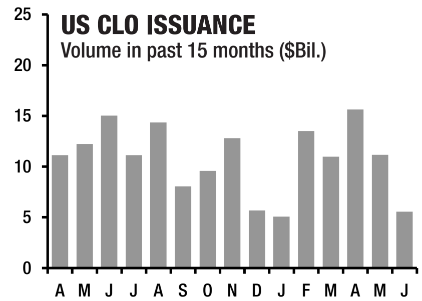
Class	Kroll	Amount	Yield	WAL	Spread	Benchmark
A	A	139.692	3.785	5.98	+190	Int. Swaps
B	BBB	14.900	4.535	5.98	+265	Int. Swaps
C	BB	13.038	5.385	5.98	+350	Int. Swaps

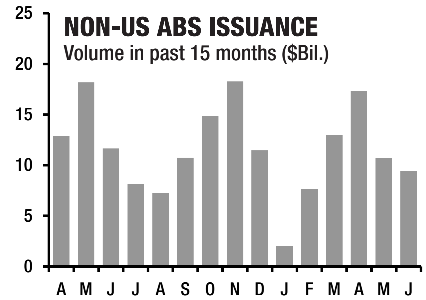
MARKET MONITOR

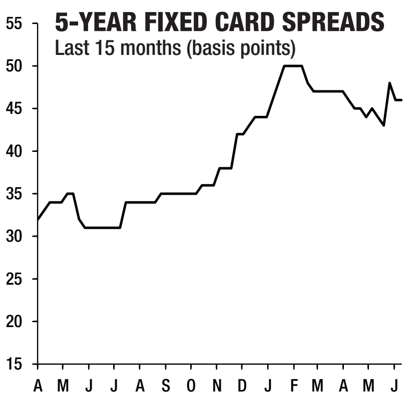








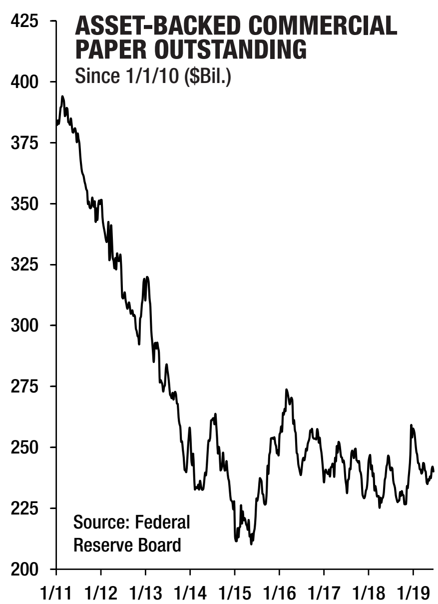


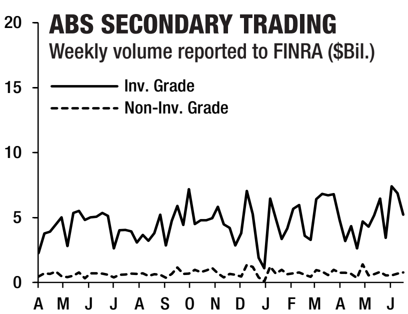


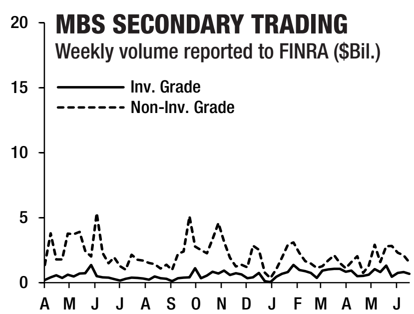
SPREADS ON TRIPLE-A ABS

	Avg. Life	Spread (bps) 6/14	Week Earlier	52-wk avg.
Credit card - Fixed rate (vs. Swap)	2.0	+24	+24	+21.8
	5.0	+46	+46	+40.8
Credit card - Floating rate (vs. 1 mo. Libor)	2.0	+24	+24	+21.7
	5.0	+49	+49	+41.6
Auto loan - Tranched (vs. Swap)	2.0	+30	+30	+23.8
	3.0	+38	+38	+30.2
Swap spreads (bid/offer midpoint)	2.0	+2	+7	+15.6
	5.0	-2	+3	+9.4
	10.0	-7	-1	+3.1

Source: Deutsche Bank







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THE GRAPEVINE

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completed six CLOs totaling $3.6 billion this year.

Ally Financial hired a three-person lender-finance team away from **Capital One** this month. The Chicago-based **Jason Cardella** had been a member of CapOne's financial-institutions group since 2014, most recently as a director. Prior to that, he spent time at **BMO Capital** and **Bank of America.** Also joining Ally's Chicago office was **Riley Quinn,** who worked alongside Cardella as a director at CapOne since 2014 and before that was at **Barclays** and **Fitch. Keith Harris,** who is based in Washington, had been a vice president at CapOne. He arrived there in after stops at **Wells Fargo** and **Morgan Stanley.**

Mutual of Omaha has added a senior analyst to its structured-product investment team. The recruit, **Henry Chen,** had been employed at **Volkswagen** since 2017 as part of a team that issues bonds backed by auto loans, auto leases and dealer-floorplan accounts. Before that, he analyzed auto-loan deals at **Moody's.**

Suk Shah will leave his post as chief financial officer at subprime personal lender **Avant** today. Shah took his position in 2014, moving over from the commercial-banking division at **HSBC.** He also has worked at **General Electric.** Shah's duties at Avant included tasks related to the Chicago company's securitization program, which has produced 10 deals totaling $2.2 billion since 2016.

Tim Davies parted ways today with **Demica Finance,** where he served as chief investment officer of a business called More Finance that helps clients package their trade receivables into securitizations. Davies had arrived at the London firm in 2015 from **Lloyds Bank.** He also has worked at **Global Structured Finance Solutions, RBS** and **RBC.**

Bramshill Investments is seeking an associate. The recruit would work in the firm's Newport BEach, Calif., office, acting as a liaison between its structured-product portfolio managers and its administrators, custodians and other counterparties. Bramshill has $2.5 billion under management, a portion of which is in a vehicle called Bramshill Structured Products Fund that it launched in 2018. Candidates can email operations chief **Kevin Jester** at kevin@bramshillinvestments.com

Blockchain-technology company **Cadence,** which is attempting to arrange a mix of securitizations, has added a staffer while elevating an existing employee. **Charles Halsey** joined the New York operation in May as head of business development. He most recently worked at **EMS Partners** from 2016 to November 2018, and before that spent time at **Greylock Capital, Galle Global Macro** and **Hunt Financial Ventures.** Meanwhile, Cadence named **Prath Reddy** as head of capital markets. Reddy arrived from **UBS** in September as head of risk management. Cadence, founded by **Nelson Chu,** is aiming for next week to launch a service that would accommodate sales of digital tokens and securities.

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