

Rising Star: Mayer Brown's Jan Stewart

By Jon Hill

Law360 (October 16, 2019, 3:39 PM EDT) -- Mayer Brown LLP's Jan Stewart guided RBC Capital in Canada's first personal loan securitization, advised Synchrony on its creation of an innovative credit-card securitization platform and steered Morgan Stanley in a first-of-its-kind \$1 billion securitization of trade finance assets, earning a place as one of five securitization law practitioners under age 40 honored by Law360 as Rising Stars.

THE BIGGEST DEAL OF HER CAREER:

One of the biggest deals under Stewart's belt is also one of the earliest deals she ever worked on as a young Mayer Brown attorney: The 2009 creation of the U.S. government-backed Straight-A Funding LLC student loan conduit program.

Launched as a response to the financial crisis, the conduit was intended to keep credit flowing to student borrowers and went on to supply \$60 billion in financing and liquidity support for the federal student loan market. Stewart helped represent Straight-A Funding as a junior associate and remained heavily involved in the transaction for a number of years.

"Once the program was up and running, my role was making sure that each new student loan originator that wanted to access the conduit was doing so in a way that the Department of Education had outlined and would qualify for the very important guarantee that the government was providing," Stewart said.

But Stewart also singled out the first very large transaction she led as a partner, representing Morgan Stanley as lead underwriter and structuring agent for the landmark \$1 billion Trade MAPS securitization in 2013. The deal bundled trade finance assets originated by Citibank and Santander into a program that issued medium-term notes, becoming the first-ever multibank securitization of such assets and winning industry recognition as a "deal of the year."

RISING
 ★★★★★
STAR



Jan Stewart
 Mayer Brown

Age: 40
Home base: Chicago
Position: Partner
Law school: Loyola University
 Chicago School of Law
First job after law school: Associate
 at Mayer Brown

“It's unusual in the securitization space to have essentially two sponsors come together to put their assets into one securitization structure,” Stewart said. “It was taking an asset and trying to structure it in a way that hadn't been done before.”

OTHER NOTABLE CASES:

When RBC Capital Markets and other underwriters needed U.S. counsel for their work on Canada's first-ever securitization of personal loans, they turned to Stewart.

The nearly \$322.5 million transaction by alternative lender Fairstone Financial closed in March and heralded the arrival of a new asset class in the Canadian securitization market, but it also relied on a novel cross-border structure involving two trustees — one from Canada, the other from the U.S. — that Stewart helped design to alleviate regulatory barriers facing the issuance in the U.S.

Stewart also advised Synchrony Financial on its creation in 2017 of a new credit-card securitization master trust, which was then only the third such securitization platform established under more complex safe harbor regulations crafted by the Federal Deposit Insurance Corp. in the wake of the financial crisis.

This master trust, which debuted last year with a \$1 billion issuance of top-rated securities, is also the first to issue “de-linked” notes under the FDIC's revised rules, allowing Synchrony to sell different classes of notes independent of each other.

“It gave Synchrony much more flexibility in terms of when it needed or wanted to issue subordinated classes of notes,” Stewart said.

WHAT MOTIVATES HER:

Client relationships are what Stewart said keep her powering through even the most difficult transactions. Having led more than two dozen offerings last year alone that issued a combined \$15 billion in securities, she is depended on not only by a roster of securitization heavyweights like Discover, Synchrony and Comenity, but also by less frequent issuers like Dell Financial Services and other equipment financiers.

“Some of my clients I've been working on for my entire career here at Mayer Brown,” Stewart said.

“Because I represent many different securitization issuers, I've been able to develop those relationships and hopefully become a valued partner in helping them to achieve their business goals. That communication we have really allows me to enjoy work and keeps me coming back.”

HER PROUDEST MOMENT AS AN ATTORNEY:

Although some attorneys relish going to battle in the courtroom, Stewart said her work is all about collaboration. That doesn't mean she doesn't still enjoy the taste of victory, but for her, a win is when she can bring together different parties to achieve the best solution and business results for all involved.

“I really want to create something and build something, and in securitization, you really get that sense of satisfaction any time you close a deal or make a filing,” Stewart said.

Further validation of this collaboration-focused approach came for Stewart in 2013, when she learned she was being promoted to partner.

“I was out on maternity leave with my first child,” Stewart said. “It gave me a sense that I’m heading down the right path, that I can be successful, both personally and professionally.”

HOW SHE THINKS HER PRACTICE AREA WILL CHANGE IN THE NEXT 10 YEARS:

Securitization became something of a dirty word after the financial crisis, when the slicing and dicing of often-shoddy mortgages was blamed for helping fuel the mid-2000s housing bubble and spreading pain throughout the financial system once that bubble eventually burst. But following more than a decade of regulatory overhauls and industry changes, Stewart said that securitization has proven it’s here to stay.

“It’s a key tool for banks and other originators to provide financing for their businesses,” Stewart said. “I think no matter what, the businesses are going to continue to look for ways to obtain low-cost funding, and the securitization structures that we deal with will continue to evolve to meet different challenges.”

According to Stewart, one challenge already on the horizon is the rollout of the new current expected credit losses accounting standard, which would require banks and other financial institutions to change when and how they account for potential future losses on their assets.

“That might drive people to look at their structures and see whether there’s any way to get certain assets off their balance sheets,” Stewart said. “A securitization practice will morph more toward a structured finance practice.”

“There’s not just one way to do things,” Stewart added, pointing to her own experience at Mayer Brown. “We’re committed to finding creative solutions for our clients and to being on the cutting edge of new types of structures and transactions so they can evolve with the changing regulatory climate.”

— *As told to Jon Hill*

Law360’s Rising Stars are attorneys under 40 whose legal accomplishments belie their age. A team of Law360 editors selected the 2019 Rising Stars winners after reviewing more than 1,300 submissions. Attorneys had to be under 40 years old as of April 30, 2019, in order to be considered for this year’s award. This interview has been edited and condensed.