

# Insurance Company Investments in Mortgage Loans



# Today's Presenters

## Holly Spencer Bunting

*Partner, Washington DC*  
+1 202 263 3380  
hbunting@mayerbrown.com

## David Freed

*Partner, New York*  
+1 212 506 2498  
dfreed@mayerbrown.com

## Haukur Gudmundsson

*Partner, Chicago*  
+1 312 701 8622  
hgudmundsson@mayerbrown.com

## Larry Hamilton

*Partner, Chicago*  
+1 312 701 7055  
lhamilton@mayerbrown.com

## Adam Kanter

*Partner, Washington DC*  
+1 202 263 3164  
akanter@mayerbrown.com

## Steve Kaplan

*Partner, Washington DC*  
+1 202 263 3005  
skaplan@mayerbrown.com

## Claire Ragen

*Partner, Chicago*  
+1 312 701 7984  
cragen@mayerbrown.com

## Eric Reilly

*Partner, Charlotte*  
+1 704 444 3581  
ereilly@mayerbrown.com

## Terry Schiff

*Partner, New York*  
+1 212 506 2577  
tschiff@mayerbrown.com

## Miller Smith

*Partner, Charlotte*  
+1 704 444 3677  
msmith@mayerbrown.com

## Tameem Zainulbhai

*Partner, Chicago*  
+1 312 701 7092  
tzainulbhai@mayerbrown.com

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# Agenda

- Welcome & Introduction
- Understanding and Mitigating Material Mortgage Licensing and Regulatory Risks
- Insurance Regulations and Risk-Based Capital
- Structures and Practical Considerations
- FHLB Financing
- Role of Asset Managers
- Commercial Mortgages
- Conclusion





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# Welcome & Introduction



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# Understanding and Mitigating Material Mortgage Licensing and Regulatory Risks

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# Objective and Road Map

- Understanding material risks of purchasing, holding, and servicing non-QM residential mortgages in today's regulatory environment
  - Material regulatory concerns
  - Licensing requirements
  - Significant requirements under federal and state consumer financial laws

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# Residential Mortgage Lending, In General

- Highly regulated industry
- Subject to increasing regulation in wake of financial crisis, with respect to both the breadth of legal requirements and regulatory, enforcement, and litigation scrutiny
- Specific regulatory requirements depend on factors such as:
  - Nature of the loans (lien priority, open- vs. closed-end, etc.)
  - Role of entity (broker, lender, servicer, holder, etc.)
  - Entity type (bank, non-bank state licensee, trust, etc.)

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# Qualified Mortgages vs. Non-QM Loans

- Relates to how a loan meets “ability to repay” (ATR) requirements under the federal Truth in Lending Act (discussed in more detail later)
- QM loans → have characteristics (size, fees, structure, underwriting standards) that regulators consider safer
  - Presumption of “ability to repay” compliance
  - Certain other requirements inapplicable (prohibitions on prepayment penalties, risk retention, etc.)
- Non-QM loans → underwritten to general ATR standards, but without risk-reducing features
- QM vs. Non-QM status affects risk and ability to securitize/finance



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# Higher-Priced Mortgage Loans and High-Cost Mortgages

- **Higher-Priced Mortgage Loans**

- Defined under the federal Truth in Lending Act based on interest rate
- Subjects lender to additional requirements at origination (including an escrow requirement that survives through servicing)

- **High-Cost Mortgages**

- Defined under the federal Truth in Lending Act based on interest rate, points and fees, and prepayment penalties
- Significant terms and conditions restrictions and other origination and servicing requirements
- Expanded assignee liability

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# Open-End and Closed-End Mortgage Loans

- Regulatory requirements
  - Ability to repay evaluation
- Line management considerations
- Fee restrictions

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## Portfolio to Be Acquired

- Non-QM loans, including loans originated using innovative underwriting techniques such as bank statement lending or other “alt-doc” underwriting
- May include higher-priced mortgage loans
- High-cost mortgages



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## Regulatory Environment

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# Federal and State Regulators and Enforcers

- **Federal**

- Consumer Financial Protection Bureau (CFPB)
- Federal Trade Commission (FTC)
- Department of Housing and Urban Development (HUD)
- Department of Justice (DOJ)

- **State**

- Licensing Regulators
- Attorneys General
- State Anti-Discrimination Regulators



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# CFPB

- Oversees federal consumer financial laws, including (as relevant to residential mortgages):
  - Alternative Mortgage Transaction Parity Act or the “Parity Act”
  - Electronic Fund Transfer Act (EFTA)
  - Equal Credit Opportunity Act (ECOA)
  - Fair Credit Reporting Act (FCRA)
  - Home Owners Protection Act or the “PMI Act”
  - Fair Debt Collection Practices Act (FDCPA)
  - Gramm-Leach-Bliley Act (GLBA)
  - Home Mortgage Disclosure Act (HMDA)
  - Home Ownership and Equity Protection Act (HOEPA)
  - Real Estate Settlement Procedures Act (RESPA)
  - S.A.F.E. Mortgage Licensing Act (SAFE Act)
  - Truth in Lending Act (TILA)
  - Unfair, Deceptive, or Abusive Acts or Practices (UDAAP)

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## CFPB (cont.)

- Supervisory, Regulatory, and Enforcement Authority
  - Supervisory authority over larger depositories and non-bank covered persons in enumerated industries, including persons involved in origination, brokerage or servicing of consumer-purpose residential mortgage loans
  - Regulatory authority over federal consumer financial laws
  - Enforcement authority over persons violating federal consumer financial laws (including investigatory authority over persons with information relevant to violations)

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## CFPB (cont.)

- Substantial Remedial Authority
  - Various forms of consumer remediation (e.g., contract rescission or reformation, restitution, etc.)
  - Civil money penalties in amounts (periodically adjusted for inflation, 2023 below) up to:
    - \$6,813 per violation per day
    - \$34,065 per violation per day for a reckless violation
    - \$1,362,567 per violation per day for a knowing violation
- Historically aggressive with enforcement authority
- Various proposals in Congress to limit CFPB authority

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# Other Federal Agencies

- **FTC**
  - Enforcement authority for a prohibition on unfair or deceptive acts or practices (UDAPs) in interstate commerce
  - Much more limited remedial and penalty authority than CFPB
- **HUD**
  - Enforcement authority under the Fair Housing Act
- **DOJ**
  - Pattern or practice enforcement authority for discrimination claims and Servicemembers Civil Relief Act (SCRA) claims

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# State Licensing Regulators

- Licensing requirements typically apply to residential mortgage:
  - Loan originators
  - Lenders
  - Brokers
  - Servicers
  - Purchasers (of whole loans and/or mortgage servicing rights)
- Some states apply licensing requirements to entities purchasing, holding, or selling whole loans or mortgage servicing rights, even if they do not originate or service
- Licensing laws generally do not precisely define what it means to purchase or take assignment of a mortgage loan



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## State Licensing Regulators (cont.)

- Licensing exemptions may apply to certain types of entities, such as federally-chartered or state-chartered banks/depositories
- Federal law (the National Bank Act) preempts application of licensing requirements to national banks
- Consider trust structure with national banks as trustee

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## State Licensing Regulators (cont.)

- Requirements under state licensing laws vary, but typically include requirements related to:
  - Obtaining, renewing, and remaining in good standing under licensing obligations
    - Applications and fees
    - Financial status requirements (e.g., net worth, surety bonds, etc.)
    - Reporting and recordkeeping requirements
    - In some cases, in-state office and/or qualified individual requirements
  - Loan disclosure requirements
  - Substantive restrictions on loan terms and conditions
  - Substantive requirements on loan processes (e.g., underwriting, loss mitigation, and/or foreclosure requirements)

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## State Licensing Regulators (cont.)

- Enforcement and remedial authority also varies, but typically includes:
  - Cease and desist or other injunctive relief
  - License suspension and/or revocation
  - Regulatory fines
  - Criminal penalties (typically reserved for engaging in unlicensed activities and/or violations after notice such as violating a consent order—though sometimes applies more broadly)



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# State Mortgage Licensing

# State Licensing

Certain states require licensing to:

- Merely purchase first-lien residential mortgage loans with or without servicing rights
- Purchase mortgage servicing rights for first-lien mortgage loans

Certain states may provide an exemption from mortgage licensing for insurance companies.



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# Processing Times for State Mortgage License Applications

(after submission of complete application)

- Most states: 60 – 120 days
- California: up to nine months
- New York: one year

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## Other Requirements for Licensees

- In-state office requirements
- Restrictions on off-shore entities
- Requirement to designate a responsible individual
- Depending on the state, a criminal background check may be required for any or all of the following in connection with a mortgage license application:
  - Control Persons
  - Direct Owners
  - Indirect Owners
  - Executive Officers
  - Branch Managers
  - Qualifying Individuals/Responsible Individuals

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# State Licensing Issues Specific to Insurance Companies

## Audited Financial Statements

- Many states require the submission of GAAP-compliant audited financial statements with a license application.
- If an applicant does not have financials prepared in accordance with GAAP, it may need to request a waiver.

## Secretary of State/Insurance Regulator Issues

- In some states, an insurance company in the business of purchasing mortgage loans may fall into a regulatory grey area.

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## Other State Agencies

- Office of the Attorney General—may have authority over UDAP or other claims
- State Anti-Discrimination Regulators—may have authority over ECOA-like state claims, including claims that involve “prohibited bases” that go beyond those addressed by federal anti-discrimination laws



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## Pathways to Liability



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# Forms of Liability

- **Direct Liability**—A law imposes a requirement expressly on an entity holding a loan or servicing rights to a loan
- **Asset Impairment**—A law imposes a requirement on another (e.g., the original lender), but the penalty for the violation impairs the loan in whole or in part
- **Assignee Liability**—A law expressly provides that an assignee may be held liable for the violations of a prior holder
- **Aiding and Abetting or Accessory Liability**—A law holds a person liable for providing a degree of assistance (e.g., substantial assistance or knowing/willful assistance) to a violation
- **Indemnification**—A law holds another liable, but the liability is transferred contractually (certain liability, such as civil money penalties and/or punitive damages may not be indemnifiable)



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## Mitigating Risks

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# Mitigating Risks

- Ensure all parties have appropriate licenses
- Design program to limit applicability of federal and state laws to the extent possible
- Comply with remaining applicable laws
- Diligence loans for compliance with laws
- Engage in appropriate servicer/vendor management
- Consider reputational risks



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# Insurance Regulations and Risk-Based Capital

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# The Authority of Insurers to Invest in Mortgage Loans

- An insurer's investments are governed first and foremost by the insurer investment laws of its state of domicile
- These laws differ widely across the states. The NAIC has developed a model act to govern insurer investments, but only nine states have adopted it
- All states permit investments in mortgage loans, but differ on such matters as:
  - What percentage of the insurer's assets may be invested in this asset class
  - What loan-to-value ratios are required
  - The extent to which the statute expressly addresses indirect methods of owning mortgage loans (e.g., trusts, LLCs, partnerships, joint ventures)
- The NAIC's statutory accounting and reporting system is used across the states

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## What Counts as a Mortgage Loan for Statutory Accounting Purposes (*SSAP No. 37*)?

- A mortgage loan is defined as a debt obligation that is not a security, which is secured by a mortgage on real estate. In addition to mortgage loans directly originated, a mortgage loan also includes mortgage loans acquired or obtained through assignment, syndication or participation
- **OK:** A “bulk purchase” where the insurer’s interest in each mortgage loan is legally separate and divisible and the purchase just facilitates the acquisitions of multiple single mortgage loan agreements. Example: a titling trust
- **Not OK:** Where an insurer acquires an interest in a “bundle” of mortgage loans with various unrelated borrowers and collateral. Example: a commingled fund

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## How Are Mortgage Loan Investments Treated?

- Mortgage loans meeting the *SSAP No. 37* definition are reported, based on the amortized principal, as individual line items on **Schedule B** of an insurer's statutory investment schedules
- Risk-based capital (RBC) factors are determined in part by whether the mortgage loan is residential or commercial, which is not always a clear-cut distinction
- The next two slides show pre-tax RBC factors for life insurers for **Schedule B**:
  - Residential mortgages (insured or guaranteed)
  - Residential mortgages (not insured or guaranteed)
  - Commercial mortgages (insured or guaranteed)
  - Commercial mortgages (not insured or guaranteed)

## RBC for Mortgage Loans for Life Insurers (Pre-Tax) – Residential and (Insured or Guaranteed) Commercial

<b>Loan Status</b>	<b>RBC If Insured or Guaranteed (Residential or Commercial) (%)</b>	<b>RBC If Not Insured or Guaranteed (Residential Only) (%)</b>
In Good Standing	0.14	0.68
90 Days Overdue, But Not in Foreclosure	0.27	1.40
In Process of Foreclosure	0.54	2.70



## RBC for Commercial Mortgage Loans for Life Insurers (Pre-Tax) – Not Insured or Guaranteed

Category (determined based on debt service coverage and loan-to-value ratio)	RBC Factor (%)
CM1	0.90
CM2	1.75
CM3	3.00
CM4	5.00
CM5	7.50
CM6 (90 Days Overdue, But Not in Foreclosure)	18.00
CM7 (In Process of Foreclosure)	23.00

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## Schedule BA Mortgage Loan Investments

- When an insurer holds an interest in a joint venture, partnership or limited liability company that owns mortgage loans, such investments are reported as “Other Long-Term Assets” on Schedule BA and are valued based on their GAAP equity
- Unaffiliated mortgages use the same RBC factors as commercial mortgages
  - Where DSC and LTV covenants exist and are complied with, they determine the CM category
  - Investments defeased with government securities are CM1 (0.90% RBC)
  - Other investments comprised primarily of senior debt are CM2 (1.75% RBC)
  - Other investments (e.g., mezzanine or subordinated debt) are CM3 (3.00% RBC)
- Affiliated mortgages are assigned to CM categories based on a worksheet

## Schedule D Mortgage Loan Investments

- Notes issued in mortgage securitizations (RMBS and CMBS) are treated as “bonds” and reported on Schedule D
- RBC for a Schedule D asset is determined by its NAIC credit quality designation
  - For MBS, the NAIC designation is assigned through a financial modeling process
  - For senior loans in an MBS structure, the NAIC designation is derived from the NRSRO rating
- Schedule D assets are carried at amortized cost so long as they are above NAIC-6
- Once the NAIC’s new bond definition is effective (1/1/2025), MBS structures will need to provide substantive credit enhancement (through guarantees, tranches for payment priority and/or overcollateralization) in order to qualify for bond treatment

## Bond RBC Factors for Life Insurers (pre-tax)

NAIC Designation	NRSRO Equivalents	Life RBC Factor (%)	NAIC Designation	NRSRO Equivalents	Life RBC Factor (%)
1.A	Aaa/AAA	0.158	3.A	Ba1/BB+	3.151
1.B	Aa1/AA+	0.271	3.B	Ba2/BB	4.537
1.C	Aa2/AA	0.419	3.C	Ba3/BB-	6.017
1.D	Aa3/AA-	0.523	4.A	B1/B+	7.386
1.E	A1/A+	0.657	4.B	B2/B	9.535
1.F	A2/A	0.816	4.C	B3/B-	12.428
1.G	A3/A-	1.016	5.A	Caa1/CCC+	16.942
2.A	Baa1/BBB+	1.261	5.B	Caa2/CCC	23.798
2.B	Baa2/BBB	1.523	5.C	Caa3/CCC-	30.000
2.C	Baa3/BBB-	2.168	6	All Lower	30.000

## Comparison of Statutory Reporting Treatments

Reporting Schedule	How RBC Factor Is Derived	Mark to Market?
Schedule B (Residential)	Payment Status or Insured/Guarantee	No
Schedule B (Commercial)	Category Determined Based on DSC and LTV	No
Schedule BA	Generally Use Commercial Mortgage Categories	Yes
Schedule D	Credit Quality Designation Based on Modeling	No (if above NAIC-6)

# Investment Subsidiaries

- Many state insurance codes have the concept of an “investment subsidiary” of an insurer whose sole purpose is to own and manage investments that the insurer could have owned and managed directly
- Investments made through an investment subsidiary are aggregated with an insurer’s direct investments for purposes of determining compliance with any quantitative investment limitations
- Practice varies with regard to insurers’ statutory accounting and reporting of mortgage loan investments made through investment subsidiaries
  - Schedule BA reporting based on GAAP equity of the subsidiary
  - Schedule B reporting based on a “look through” to the underlying mortgage loans

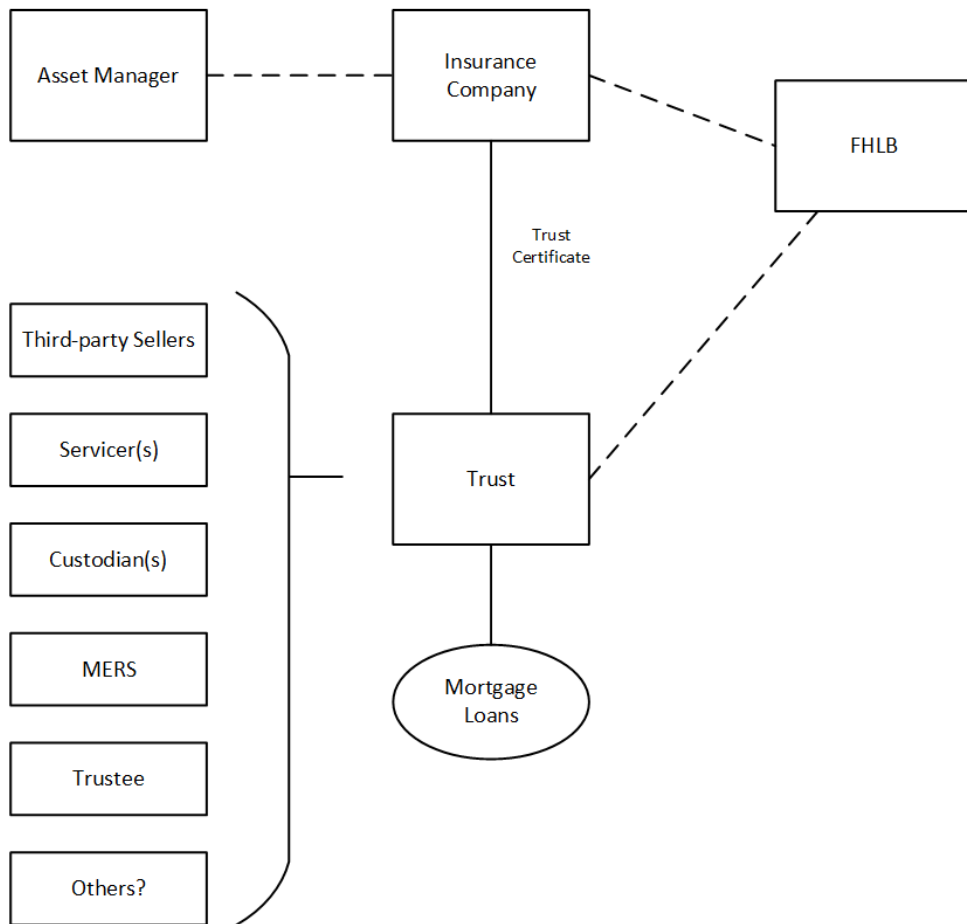


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## Structures and Practical Considerations

# Trust Structures

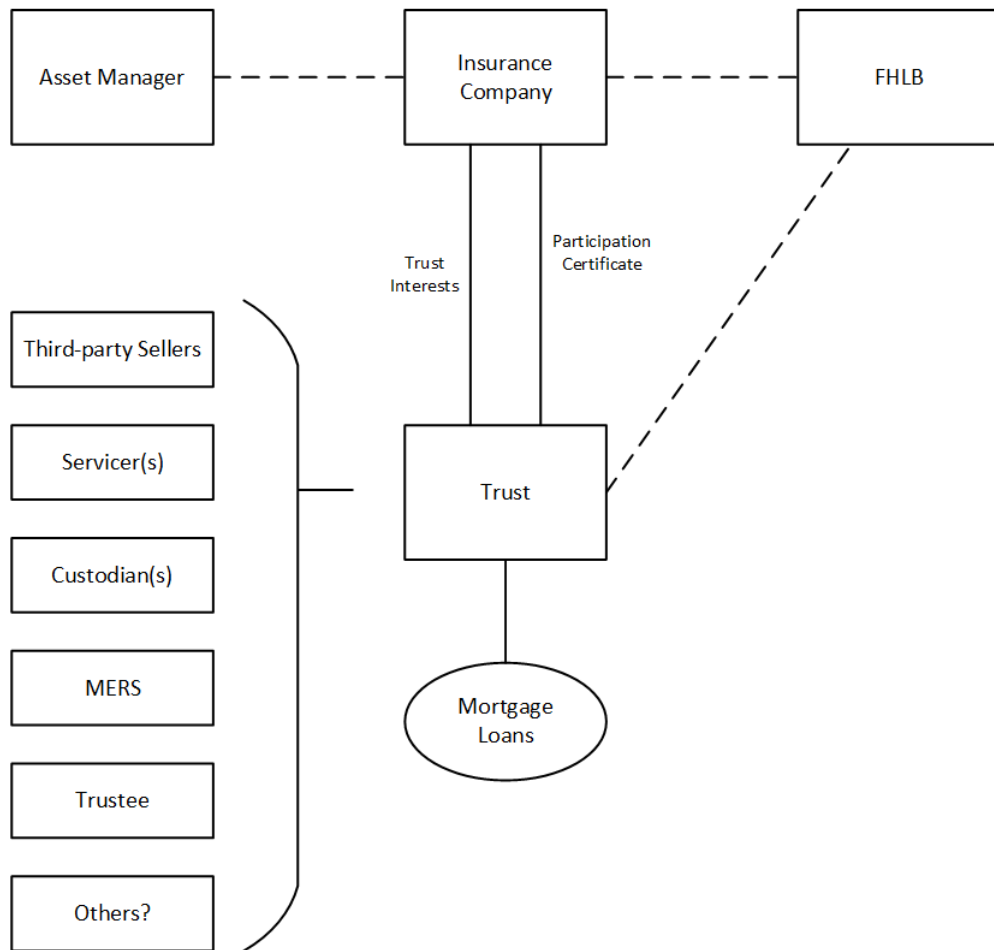
## Pass-Thru Trust





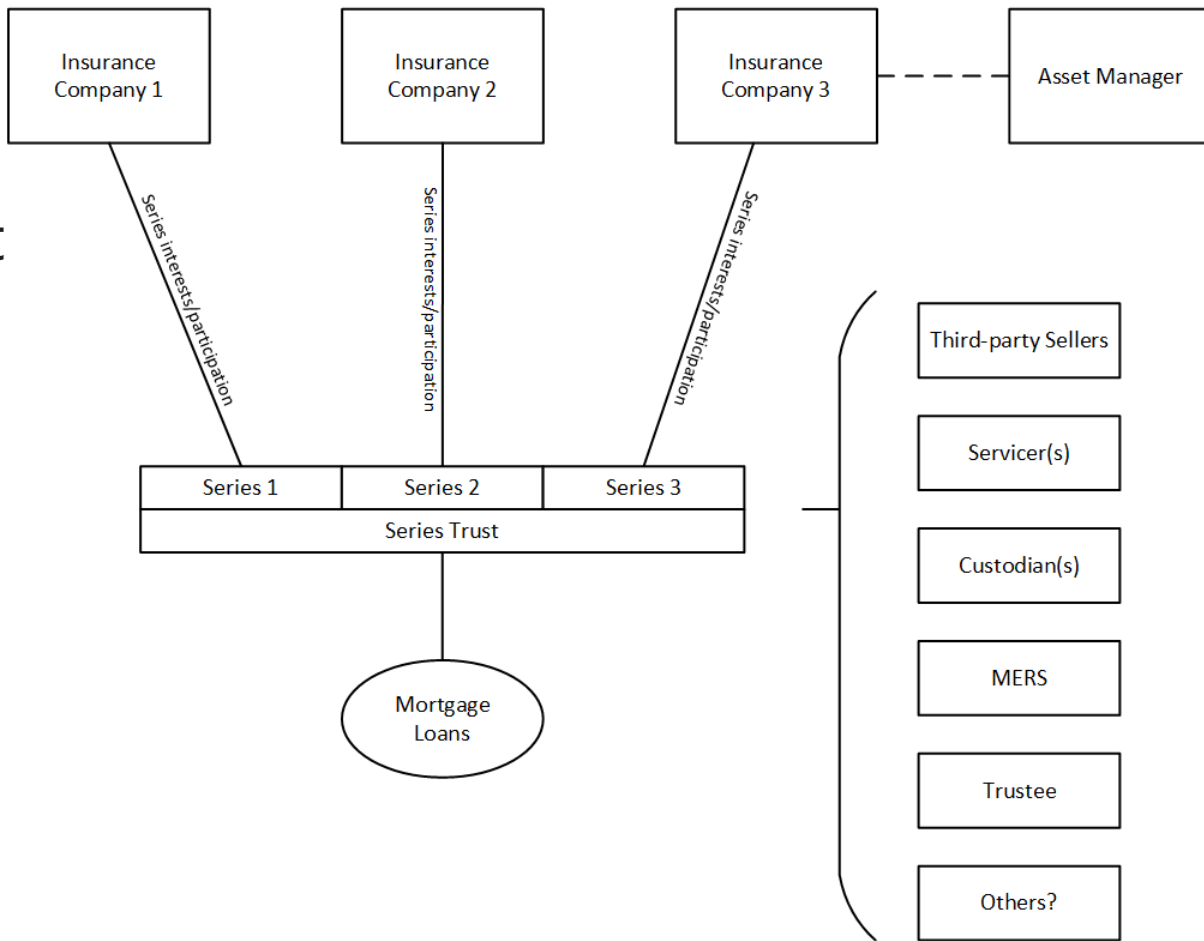
# Trust Structures

## Participation Interests



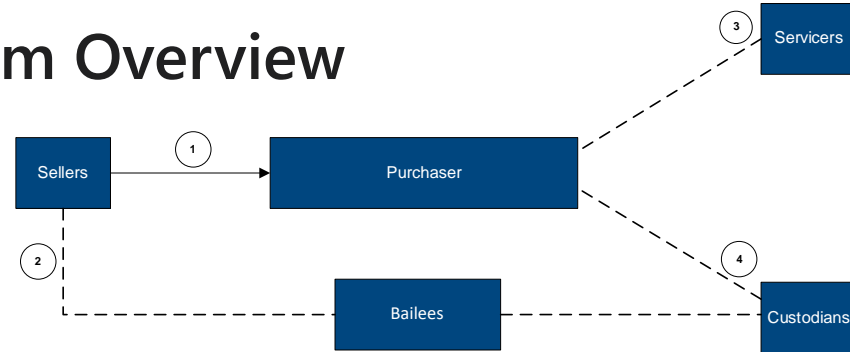
# Trust Structures

## Master Titling Trust

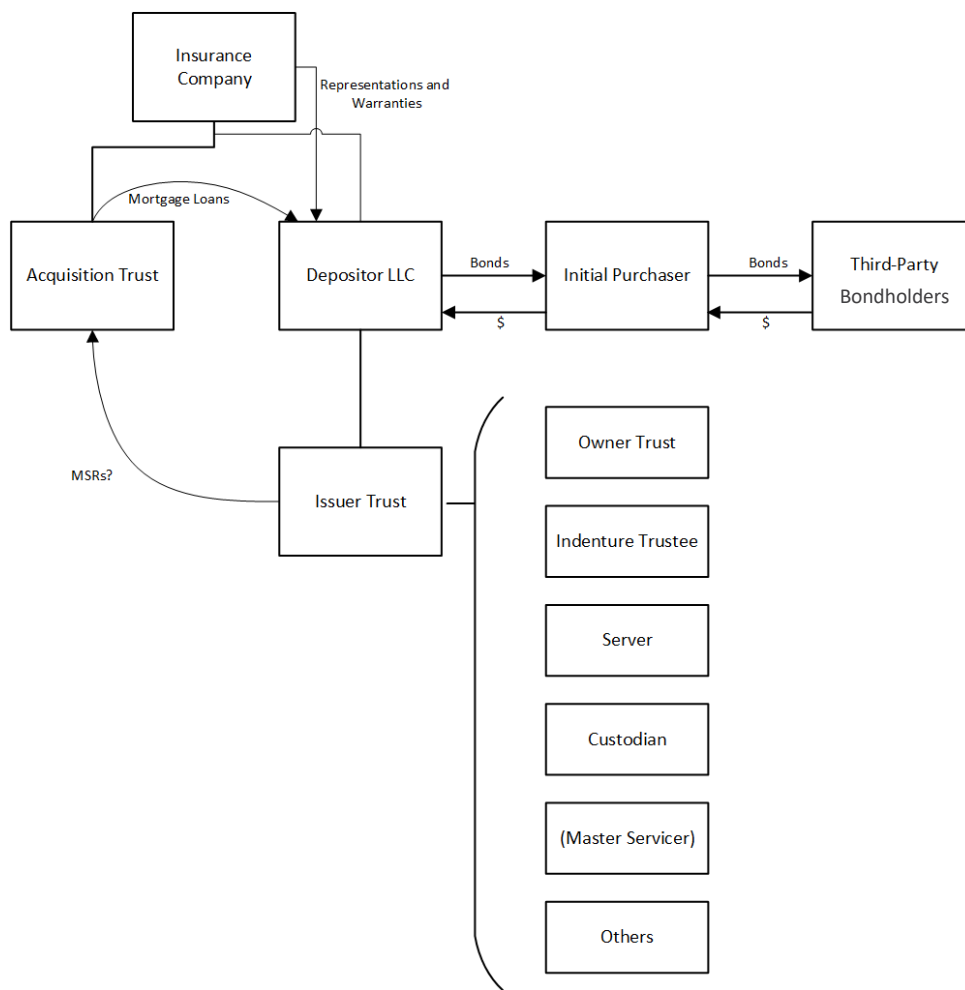


# Residential Whole Loan Program Overview

1. Pursuant to one or more mortgage loan purchase agreements, residential mortgage loans will be sold by one or more sellers to the purchaser.
2. Pursuant to one or more bailment letter agreements, the collateral files will be shipped to (pre- or post-closing)/retained by one or more bailees and, upon payment of the applicable purchase price by the purchaser, the applicable seller will deliver a release to the applicable bailee and the applicable collateral files will be shipped to/retained by one or more custodians.
3. Pursuant to one or more servicing agreements, one or more servicers will service and administer the mortgage loans purchased by the purchaser. Generally, each servicing agreement sets forth certain representations, warranties, covenants and servicer resignation/removal provisions, as applicable to a servicer.
4. Pursuant to one or more custodial agreements, one or more custodians will act as the purchaser's custodian for the purposes of receiving and holding certain documents, instruments and papers delivered under the applicable custodial agreement relating to the applicable mortgage loans. Generally, each custodial agreement sets forth certain representations, warranties, covenants and custodian resignation/removal provisions, as applicable to a custodian.



# Securitization





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## FHLB Financing

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# Mortgage Loans vs. Trust Certificates vs. Participations

- **Direct Pledge of Mortgage Loans**
  - FHLB will accept a pledge of Mortgage Loans directly from the Member insurance company to the FHLB pursuant to an Advances Agreement.
- **Mortgage Loans Held in a Trust**
  - Affiliate pledge – Trust pledges Mortgage Loans directly to FHLB.
- **Pledge of Participation Certificate**
  - Affiliate pledge – Trust pledges Mortgage Loans directly to FHLB.
  - Member pledges Participation Certificate to FHLB. Participation Certificate in possession of FHLB.

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# FHFA Regulatory Interpretation 2021-RI-01

- Eligibility of Mortgage Loan Participations as Collateral for FHLB Advances
  - Described a situation in which the participations caused a known impediment to liquidation
- Takeaways
  - FHLBs are interpreting this conservatively.
  - Trust structures described earlier have important factual differences from the situation described in 2021-RI-01

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# Custodial Requirements

- Each FHLB has specific requirements for a Custodian
  - Some FHLBs are the Custodian and hold mortgage loan files directly and require them to be in a specific order.
  - Some FHLBs allow for third party Custodians but will require a tri-party custodial arrangement so the FHLB has direct privity with the Custodian.





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## Role of Asset Managers

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# Funds and SMAs

- **Commingled Funds**
  - Often structured as a Delaware limited partnership, but feeder funds and other structures can be used to optimize tax efficiency for investors.
  - Investment manager typically retains greater discretion over investment activities of the vehicle.
  - Key decisions such as terminating the investment manager, ending the investment period early or making investments outside of agreed upon scope are typically subject to a vote of the investors, so any one investor will have less control.

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# Funds and SMAs

- **Separately Managed Account/Fund of One**
  - Investments are made for the benefit of a single client.
  - Investment management agreement governs relationship between manager and client.
  - Investments are made and held in the name of the client.
  - A “fund of one” may be used if client does not want to hold investments directly (or to allow for tax-efficient performance-based fees/carried interest).

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# Compensation Structures

- **Management Fees.** Investment manager receives periodic compensation to conduct investment activities.
  - Often structured as a percentage of invested (or committed) capital.
  - Separate from origination and servicing fees.
- **Performance Compensation.** Investment manager is entitled to share in profits of the investments.
  - Amount is dependent on performance of investments.
  - If a vehicle is used, may be structured as a “carried interest.”

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# Regulatory Considerations

- Investment Company Act of 1940 (ICA)
  - Mortgages are generally viewed as “securities” under the ICA (and the Investment Advisers Act of 1940)—this means that funds investing in mortgages will generally need to rely on an exception. Common exceptions are:
    - Section 3(c)(1)—for privately offered funds with fewer than 100 beneficial owners
    - Section 3(c)(7)—for privately offered funds sold only to “qualified purchasers”
    - Section 3(c)(5)(C)—for funds that do not issue “redeemable securities” and satisfy certain asset tests

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# Regulatory Considerations

- **Investment Advisers Act of 1940 (Advisers Act)**
  - Because mortgages are generally viewed as “securities,” persons who advise others, for compensation, regarding investments in mortgages are “investment advisers.”
  - The Advisers Act provides a number of exemptions from registration—including for certain advisers to smaller private funds and for advisers whose only clients are insurance companies. However, many advisers of mortgage portfolios are registered.
  - The Act also imposes a number of substantive requirements on advisers, including restrictions on “principal transactions” (including sales from affiliated mortgage originators), requirements regarding the safekeeping and custody of client assets, and a host of other compliance requirements.



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# Commercial Mortgages

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# Commercial vs. Residential Mortgages

- Purpose of classification
  - Risk-based capital
  - Statutory accounting
  - Licensing requirements
- Factors to consider
  - Raw land
  - Habitable structure
  - Borrower type (individual, SPE, for profit entity, etc.)
  - Recourse
  - Number of units



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# Common Structures for Financing Commercial Mortgages

- Non-Mark-to-Market Repurchase Facilities
- Private/Single Investor CRE CLOs

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## Non-MTM Repurchase Facilities

- Traditional MRA structure governed by Master Repurchase Agreement
- Static portfolio of mortgage loans
- 70-80% advance rate and increased pricing dependent upon credit quality
- Pricing between 1.65% and 2.60%
- Potential payment recourse of 10-25%
- No margin rights but mortgage loans are subject to repurchase if they become defaulted assets
- Mandatory prepayments in connection with failure to satisfy the related portfolio Debt Yield Test

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## Private/Single Investor CRE CLOs

- Hybrid loan and traditional CRE CLO structure governed by Indenture and Credit Agreement
- Class A Loan made by Class A Lender and Class B Note retained by Issuer affiliate
- Static portfolio of mortgage loans
- 55-73.5% advance rate and increased pricing (3.50% - 4.10%) dependent upon credit quality
- CRE CLO style loan protection tests in lieu of standard margin rights
- Similar to CRE CLOs, failure to satisfy loan protection tests typically results in adjustments to cash flow waterfall

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## Private/Single Investor CRE CLOs (cont.)

- Loan repurchases limited to material document defects, representation and warranty breaches and other specified events
- Directing Holder (Class B) may have consent rights over major decisions until the occurrence of a Control Shift Event
- Class B Holder may have a purchase option if (i) Class B and Class A Holders are unable to agree on a material modification or (ii) the related mortgage loan defaults



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## Conclusion



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# APPENDIX

SPEAKER BIOGRAPHIES



## Holly Spencer Bunting

*Partner, Washington DC*

[hbunting@mayerbrown.com](mailto:hbunting@mayerbrown.com)

+1 202 263 3380

Holly practices in the areas of residential mortgage banking and consumer finance and concentrates on issues of federal and state regulatory compliance and enforcement. Holly represents companies in the mortgage lending, title insurance and real estate industries on regulatory compliance matters and defends clients subject to government audits, investigations and enforcement proceedings. She also provides counsel on federal and state consumer credit and protection laws and regulations, including the Real Estate Settlement Procedures Act (RESPA), and reviews and analyzes existing and proposed business arrangements for compliance with federal and state requirements.



## David Freed

*Partner, New York*

[dfreed@mayerbrown.com](mailto:dfreed@mayerbrown.com)

+1 212 506 2498

David represents issuers and underwriters in public and private offerings of equity and debt securities in a number of industries, with a focus on real estate and REITs. David advises equity and mortgage REITs, investment banks and private equity sponsors, in connection with private placements, IPOs, follow-on offerings, ATM offerings, secondary offerings, Rule 144A offerings, Regulation S offerings, forward equity offerings and consent solicitations, exchange offers and tender offers.

He advises management teams, boards of directors, real estate fund sponsors and other owners of real estate with respect to UPREIT and pre-IPO formation transactions, and has substantial experience advising REITs and other public companies with respect to SEC reporting obligations, NYSE and Nasdaq compliance matters, corporate governance matters and conflict of interest transactions.





## Haukur Gudmundsson

*Partner, Chicago*

[hgudmundsson@mayerbrown.com](mailto:hgudmundsson@mayerbrown.com)

+1 312 701 8622

Haukur's practice is focused on structured finance and other transactions involving all types of residential mortgage loans and other residential real property-related assets, including mortgage servicing rights, servicing advances, REO properties, single-family-related properties, home improvement loans and house equity products.

For more than 15 years, Haukur has represented his clients in a wide array of transactions involving virtually every type of residential real property-related asset, including several novel asset types, transactions and structures. Clients appreciate his thoughtful and creative approach to solving problems and successfully executing novel and complicated transactions.



## Larry Hamilton

*Partner, Chicago*

[lhamilton@mayerbrown.com](mailto:lhamilton@mayerbrown.com)

+1 312 701 7055

Larry leads Mayer Brown's US Insurance Regulatory & Enforcement group. He advises insurance companies, insurance agencies and investment companies on a broad range of regulatory matters, including those associated with formation, licensing, portfolio investments, reinsurance, e-commerce, cybersecurity and outsourcing.

Larry regularly advises US and European financial institutions on the insurance regulatory issues associated with complex capital market and derivative structures, including the evolving changes in regulatory treatment of different types of investments by the National Association of Insurance Commissioners.





## Adam Kanter

*Partner, Washington DC*

[akanter@mayerbrown.com](mailto:akanter@mayerbrown.com)

+1 202 263 3164

Adam focuses his practice on counseling domestic and non-US investment advisers, investment companies, and other financial services firms on a variety of regulatory, compliance, enforcement, and transactional matters.

Adam has advised clients on a wide range of investment management matters, including formation, registration, and ongoing compliance issues of investment advisers and investment companies. He has also assisted clients in adapting to new regulations, such as the amended marketing rule under the Investment Advisers Act of 1940, and the amended fair value rule under the Investment Company Act of 1940. Adam also advises clients on related matters, including the preparation of compliance policies and procedures, registration statements, proxy statements, "no-action" letter requests, exemptive applications, comment letters, and corporate documents.



## Steve Kaplan

*Partner, Washington DC*

[skaplan@mayerbrown.com](mailto:skaplan@mayerbrown.com)

+1 202 263 3005

Steve is the firm leader for the firm's Financial Services Regulatory & Enforcement group and co-leader of the Fintech group. He concentrates his practice on matters related to consumer financial products and services and represents clients in federal and state supervisory matters, investigations and enforcement proceedings. He also advises clients on compliance with federal and state laws governing licensing and practices of financial institutions, mortgage lenders, consumer finance companies, loan servicers, prepaid card issuers, payment system providers and secondary market participants. Steve acts as regulatory counsel in connection with investments or acquisitions related to consumer loans and other consumer financial products and performing regulatory compliance due diligence. Additionally, Steve assists with structuring operations and developing compliance management systems and due diligence programs and with litigation involving regulatory compliance matters.



## Claire Ragen

*Partner, Chicago*

[cragen@mayerbrown.com](mailto:cragen@mayerbrown.com)

+1 312 701 7984

Claire focuses on private investment funds and joint ventures.

Claire has broad experience in the formation and structuring of real estate open-end and closed-end funds utilizing a variety of investment structures and investment strategies. Claire also has significant experience in structuring joint ventures, primarily involving real estate companies (including real estate investment trusts), as well as in other corporate and securities transactions. Claire regularly represents institutional investors in investment in private equity funds, hedge funds, managed accounts and other alternative investments.



## Eric Reilly

*Partner, Charlotte*

[ereilly@mayerbrown.com](mailto:ereilly@mayerbrown.com)

+1 704 444 3581

Eric's practice focuses on structured finance and real estate finance matters.

Eric regularly represents borrowers and lenders in commercial, multifamily and residential mortgage warehouse facilities, including facilities structured to finance nonperforming loans, non-QM loans, reverse mortgage loans and home equity loans.

Eric also regularly represents financial institutions and finance companies in the securitization of mortgage loans and other real estate assets, including advising issuers and underwriters in the structuring and execution of CRE CLOs.

He regularly advises underwriters in connection with mortgage insurance-linked note transactions.



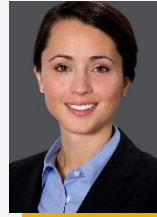
## Terry Schiff

*Partner, New York*

[tschiff@mayerbrown.com](mailto:tschiff@mayerbrown.com)

+1 212 506 2577

Terry concentrates his practice on United States and international finance transactions. He acts for a broad range of financial institutions and his experience includes public and private securities offerings, asset sales and structured finance transactions. Terry has extensive experience representing issuers and underwriters of securities backed by residential mortgages and open- and closed-end home equity loans in public and private securities offerings.



## Miller Smith

*Partner, Charlotte*

[msmith@mayerbrown.com](mailto:msmith@mayerbrown.com)

+1 704 444 3677

Miller's practice is concentrated in the area of structured finance and real estate finance matters.

Miller regularly represents borrowers and lenders in commercial, multifamily and residential mortgage warehouse facilities, including representing institutional lenders in connection with the syndication of such facilities. Her experience also includes advising clients in connection with whole loan acquisitions and dispositions and the administration of their commercial mortgage loan portfolios. She has also represented underwriters, mortgage loan sellers and servicers in connection with commercial mortgage-backed securities transactions. Miller also has experience advising clients in connection with regulatory matters, including risk retention, Regulation AB II and Rule 15Ga-1.



## Tameem Zainulbhai

*Partner, Chicago*

[tzainulbhai@mayerbrown.com](mailto:tzainulbhai@mayerbrown.com)

+1 312 701 7092

Tameem represents issuers, borrowers, underwriters, lenders, investors, private equity funds, insurance companies and financial institutions in a broad range of lending, financing and securitization transactions.

His experience includes advising on the financing of residential mortgage loans, commercial mortgage loans, single family rentals, non-performing and re-performing loans, fix and flip loans, consumer loans, retail installment contracts, as well as the financing of servicing and corporate advances and mortgage servicing rights. Tameem's securitization experience includes public and private transactions involving various asset classes, including residential mortgage loans, commercial mortgage loans, aircraft leases, and commercial loans. In addition, Tameem has represented clients in connection with a variety mergers and acquisitions such as portfolio sales, acquisitions of mortgage companies and acquisitions of mortgage servicers.



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