

MAYER | BROWN

Insurance Company Investments
in Mortgage Loans



Overview

Mortgage Loans can be attractive assets for insurance company investment portfolios. In particular, mortgage loans held on insurance company balance sheets are subject to relatively low risk-based capital requirements. In addition, they are generally eligible for Federal Home Loan Bank financing that can supply relatively convenient liquidity for such investment. However, mortgage loan investments, particularly residential mortgage loans, are subject to a wide variety of legal, accounting and logistical considerations that can be fraught with complications.

Mayer Brown offers collaborative cross-practice advice to insurance companies or their investment advisors with respect to any aspect of their insurance company mortgage loan investment strategies.

Insurance Regulatory

We regularly advise insurers, reinsurers, investment banks, investment advisers, investment funds and their sponsors and others on potential investment structures, collateral solutions and insurer investment laws. This work includes advising clients on various initiatives by the National Association of Insurance Commissioners (NAIC) that could significantly impact the treatment of investments for US insurance companies.

Structured Finance / Mortgage Securitization

We have been a leader in the creation and expansion of the global and regional ABS and MBS markets and have securitized almost every asset type. Our mortgage-backed securities practice is comprehensive and international in scope.

Our structured finance practice has been involved in all aspects of securitization, financing, acquisition and sale of residential and commercial mortgage loans, residential real estate owned (REO) property, servicing

rights, servicing advances, excess servicing fees and other mortgage-related assets. We are consistently recognized as one of the top law firms in the mortgage-backed securities market.

Consumer Financial Services

With its exceptional breadth of knowledge and experience, the Consumer Financial Services group helps mortgage lenders and consumer finance investors navigate the broad range of US federal and state laws that impact their business' operations. Members of the group perform as trusted advisors in every aspect of the consumer lending spectrum, including formation, licensing and approvals, regulatory compliance, government enforcement, internal investigations, class action defense, and public policy and government affairs.

We are also experienced in transactions and activities that present regulatory complexities unique to the financial services industry, including regulatory and compliance-related requirements of establishing, operating and managing various investment schemes and structures.

Other Practice Areas

In addition to the practice areas listed above, we closely collaborate with colleagues in several other practice groups across the firm on a regular basis with respect to important topics, such as tax, ERISA, litigation, real estate and others.

We Can Help With:

- Structuring investment vehicles for mortgage loans and related assets;
- Obtaining and maintaining any required consumer law licenses in any state;
- Securitizations of all types of mortgage loans;
- Compliance with consumer regulations;
- Addressing issues that may arise with federal, state and local consumer regulators;
- Addressing issues that may arise with insurance regulator;
- Liaising with statutory accounts to optimize risk-based capital charges;
- Compliance with insurance regulations;
- MSR trades;
- CRE CLOs, including single-investor CRE CLOs;
- Warehouse facilities;
- MSR financing arrangements;
- Servicing advance facilities;
- Commercial mortgage loan origination;
- Custodial arrangements;
- Fund formation;
- Whole-loan trades for all types of mortgage loans;
- Trust Agreements;
- Participation Agreements;
- Reporting agent, paying agent and similar agreements;
- REO disposition and financing;
- Financing mortgage loans with federal home loan banks;
- Securitizing mortgage loans;
- Optimizing loan acquisition and management programs;
- Servicing and sub-servicing agreements;
- Investment management agreements;
- Counterparty due diligence reviews;
- Investment Company Act and Investment Advisors Act Compliance;
- Derivatives and hedging arrangement;
- Mortgage related litigation; and
- Any other mortgage-related transaction or matter.

What You Can Expect From Us

Deep mortgage-related transactional experience, market knowledge and resources in the legal disciplines that are key to such transactions, including regulatory, tax, information technology, real estate, ERISA and insolvency.

Innovative partners with a thorough understanding of the underlying financial products and services of mortgage businesses, including the structures, risks and regulatory issues related to residential mortgage products and services.

Substantial financial service regulatory experience, including routine interaction with all relevant federal and state financial regulatory agencies as well as with all types of banks and savings and loan associations.

Unique among other corporate law firms, we have a 50-state insurance regulatory practice in the US and advise clients on all aspects of applicable insurance regulation.

Associates with experience in all the above areas and the close involvement of our partners, when appropriate, to most efficiently and effectively achieve our clients' goals.

ABS LAW FIRM OF THE YEAR

– GlobalCapital US Securitization Awards 2023

TEAM OF THE YEAR Securitization & Structured Finance

– IFLR Americas Awards 2023

PRACTICE GROUP OF THE YEAR Structured Finance

– Law360 2022

Ranked BAND 1 in Financial Services Regulation: Consumer
Finance (Compliance)

– Chambers USA 2023

“They’re the premier law firm for mortgage issues.”

Chambers USA

“A broad practice with an exceptional reputation in the
consumer finance space, notably excelling in its provision of
compliance advice to clients in the mortgage industry.”



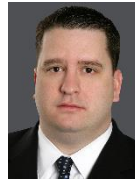
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Mayer Brown is a distinctively global law firm, uniquely positioned to advise the world's leading companies and financial institutions on their most complex deals and disputes. With extensive reach across four continents, we are the only integrated law firm in the world with approximately 200 lawyers in each of the world's three largest financial centers—New York, London and Hong Kong—the backbone of the global economy. We have deep experience in high-stakes litigation and complex transactions across industry sectors, including our signature strength, the global financial services industry. Our diverse teams of lawyers are recognized by our clients as strategic partners with deep commercial instincts and a commitment to creatively anticipating their needs and delivering excellence in everything we do. Our “one-firm” culture—seamless and integrated across all practices and regions—ensures that our clients receive the best of our knowledge and experience.

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