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DEAL AGENT: NEW AGREEMENT TEMPLATE AVAILABLE FOR RMBS

BOSTON AND GREENWICH (September 15, 2016) –Today, a working group of mortgage industry participants distributed its Sample Deal Agent Agreement– a legal template that describes and governs the role of the Deal Agent intended to reform the securitization contracts for US non-agency residential mortgages (RMBS).

The working group, co-led by Alessandro Pagani, head of securitized assets at Loomis, Sayles & Company, and Jim Callahan, principal at PentAlpha, focused on the request by investors for the inclusion of a Deal Agent, an independent party that would provide governance and oversight of the trust, while also subject to duties of care and loyalty.

“We are pleased to distribute this document for industry consideration. Members of the working group shared their diverse experience and put countless hours toward the shared goal of reforming, and improving, the structure of RMBS. We believe this framework will support a gradual and responsible growth of mortgage credit with fair protections and increased transparency,” said Mr. Pagani.

“The Deal Agent structure is intended to provide fair protections to all investors in the trust, increase transparency and allow trust parties to adapt to events not specifically contemplated in the securitization contracts. This framework is an important step to defining key practices for the oversight and review functions,” said Mr. Callahan.

The Sample Deal Agent agreement is a full legal document and an expansion of the Key Principles, which were released publicly in February 2016. The Agreement was finalized after soliciting feedback across the committee membership, and sharing, discussing and incorporating members’ comments. The document provides additional details and a robust legal construct necessary for the Deal Agent to operate consistent with its duties of care and loyalty.

The main areas covered by the Agreement template include:

- Description of Services, which outlines the broad responsibilities of the Deal Agent
- Scope of Services, which describes the various roles of the Deal Agent and its powers to oversee the actions of the different trust parties
- Indemnification and Dispute Resolution mechanisms among the Deal Agent, investors, and other trust parties

For more information on this initiative, please reference the introduction document on the working group’s efforts and the Sample Deal Agent Agreement, which are available at <http://www.fairmortgagemarkets.org/>.

About Loomis Sayles

Since 1926, Loomis, Sayles & Company, L.P. has served the investment needs of institutional and mutual fund clients. As performance-driven investors seeking exceptional opportunities, Loomis Sayles employs actively managed disciplines that combine fundamental research, systematic risk assessment and experienced portfolio management. This rich tradition has



earned Loomis Sayles the trust and respect of clients worldwide, for whom it manages \$240 billion in assets as of June 30, 2016.

About PentAlpha

Founded in 1994, PentAlpha is considered an industry-leading workout firm dedicated to repairing damaged financial institutions and the debt instruments they issue. The firm is staffed with former investment banking and finance company traders, bankers, quantitative analysts and operations specialists with loan origination and loan collections expertise. The firm specializes in European and US interests.

PentAlpha and Loomis, Sayles & Company are not affiliated.

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