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# The Return of European CMBS: DECO 2011-CSPK and CMBS 2.0

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## INTRODUCTION

After nearly four years, the first significant, fully placed CMBS of European collateral has been issued. The CMBS transactions that have been issued since mid-2007 cannot be considered to be "true" CMBS. Either the transactions were "retained" deals issued for ECB financing purposes or they were credit tenant lease deals tracking the credit of a rated tenant (e.g., Tesco). During this time there has not been any issuance of true, structured credit CMBS of European collateral placed in the market.

The revival had been anticipated for several months, given the reopening of the US markets during 2010. The US CMBS market continues to expand and 2011 issuance already exceeds 2010 levels.

Deutsche Bank's DECO 2011-CSPK, which closed on 28 June 2011, is expected to mark the start of the revival of European CMBS. One notable difference in this new CMBS transaction relates to the change in regulatory requirements for investment by regulated entities in securitisations in Europe. To enable regulated investors to hold bonds in DECO 2011-CSPK without suffering adverse regulatory capital treatment under the Capital Requirements Directive[2], Deutsche Bank will invest in each class of bonds issued in the transaction in an amount equal to 5 per cent. of the class and will hold this investment for the life of the transaction. This is the first instance of a European CMBS complying with the new requirements.

In addition to this change, the form of the offering document for DECO 2011-CSPK was adapted in anticipation of the requirements for offering documents that are expected to be introduced with respect to the Bank of England's Sterling Monetary Framework (the "BOESMF"). While there are currently no guidelines for the form of the offering document for eligible CMBS product under the BOESMF, DECO 2011-CSPK has generally followed the framework requirements for RMBS product. Under the current BOESMF guidelines, CMBS can be used as collateral for the Bank of England's Discount Window Facility.

However, the modifications described above are not the only changes in Deutsche Bank's CMBS programme. In structuring the DECO 2011-CSPK transaction, Deutsche Bank and its advisers took considerable efforts to improve upon older vintage European CMBS. The experience of the last several years has provided considerable guidance for such improvements.

The Deutsche Bank CRE servicing team services fifteen CMBS transactions and over 162 CRE loans involving borrowers and properties in almost every European jurisdiction. The servicing team has first hand knowledge of the issues and challenges encountered in the most difficult commercial real estate market seen in many years. Paul Hastings has been involved in some of the largest and most complex CMBS work-outs and enforcements, including representing the servicer in Fleet

Street 2 and the special servicer in White Tower 2006-3. Deutsche Trustee Company Limited is one of the leading trustees for European CMBS and has also been involved in some of the largest CMBS restructurings, including Fleet Street 2. After considering various improvements to the standard European CMBS structure based upon the experience of these parties, Deutsche Bank arranged meetings with all of the European rating agencies to discuss the issues that they have encountered with European CMBS. Finally, Deutsche Bank arranged meetings with a wide selection of active European CMBS investors to obtain their initial views. Deutsche Bank continued to have a dialogue with these investors during the marketing process for DECO 2011-CSPK, even after such parties reviewed the details of the “red herring” Offering Circular and the rating agency pre-sale reports.

One of the key features that is supposed to separate CMBS from many other classes of ABS is the level of asset management that might be required during the term of the CMBS bonds. The transaction appoints a servicer and a special servicer to manage the loan assets. The servicing structure for CMBS contemplates the possibility where, if a loan defaults, the servicer or special servicer will be involved in significant asset management, such as work-out or enforcement. All options and tools should be available to the servicer and special servicer to allow them to achieve the best realisation. Such asset management should result in better results for bondholders than simply limiting asset management options to a sale of the defaulted or impaired loan assets at market value, as is the case for many other ABS asset classes. In theory and in practice, the best case scenario for a defaulted loan would see the CMBS bonds perform despite any decline in the current situation of the underlying properties. A perfect example of this model would be the CMBS bonds secured by the World Trade Center. In that situation, the properties were destroyed before the first payment date on the CMBS bonds. However, the World Trade Center bonds remained outstanding for several years after the destruction of the building as a result of the unsettled insurance claims that were caught up in extended litigation. Despite this situation, the CMBS bonds never defaulted on a single interest payment and eventually the bonds were repaid in full.

From the experience of the recent credit crisis, the various parties to CMBS transactions came to realise that there were further tools that could be added to the tool boxes of the various transaction parties. Although it is difficult to generalise, many of the improvements made in DECO 2011-CSPK reflect that the pre-credit crunch market seems have to made an implicit assumption (which was reflected in many parts of the documentation) that a CRE loan would either be fully performing or fully non-performing with only a short transition period in between the two positions. However, the reality has been that many CRE borrowers have been unable to refinance their debt despite their property generating sufficient rental income to make full scheduled payments of principal and interest, as a result of a devaluation of the property, notably where the property is classified as a “secondary” asset. The significant lack of available debt capital to refinance existing loan positions or finance the sale of properties encumbered by existing loan positions have added significant stress to CMBS transactions.

The purpose of this article is to highlight the changes to CMBS that were introduced with the DECO 2011-CSPK transaction.

## LOAN ORIGINATION AND DOCUMENTATION

### *Loan Documentation and Diligence*

Perhaps the single most significant effect of the credit crunch on lending has been an increasingly conservative approach to the financial terms of new loans in terms of advance rates, coupons, etc. The process of originating, underwriting and documenting loans has, however, always been a rigorous and thorough process in a market with well established standards and procedures.

However, one area that required improvement relates to the structuring of related subordinate debt on the property.

### *Subordinate Debt*

The DECO 2011-CSPK transaction introduces a very significant improvement to loan structures for CMBS. This relates to the additional leverage on the properties. In prior European CMBS transactions, many times additional subordinate loan positions were secured against the property (typically in the form of “B Loans” or mezzanine debt). In fact these subordinate loan positions shared in the first mortgage security of the senior loan. Typically, the documentation for these subordinate loan positions provided the subordinate lender with significant rights to limit or otherwise impede the rights of the CMBS transaction in connection with any enforcement on the related property and an extra-contractual ability to threaten to interfere with such enforcement.

While the DECO 2011-CSPK transaction provides that the related mezzanine debt has the benefit of a subordinate mortgage, as opposed to sharing in the first mortgage, the mezzanine lender does not have the right to enforce on such security. In addition, the mezzanine lender’s rights to such subordinate mortgage security or other common security can be released by the senior lender upon an enforcement on the senior loan, thereby limiting the ability of the mezzanine lender to restrict the manner of enforcement of the senior loan or threaten to interfere with such enforcement. Instead, the mezzanine lender’s primary means of enforcement is limited to non-mortgage security at a higher position in the equity structure of the borrower, at a level removed from the security held by the CMBS transaction (so-called “true mezzanine debt”). This is a significant improvement from the structures seen in older vintage CMBS transactions, where the rights of the senior lender in a work-out or enforcement were significantly limited because of the structure of the security package held by the subordinate lender.

## SERVICING AND SPECIAL SERVICING

### *Servicing Standard*

Perhaps the most heavily discussed aspect of servicing and special servicing relates to the relationship between servicers and bondholders. In particular, the documentation for servicing has not always been clear as to what obligations the servicer and special servicer have to bondholders directly as opposed to indirectly through their obligations to the CMBS issuer.

Deutsche Bank and its advisers debated this issue at length and concluded that obliging servicers to specifically consider the interests of bondholders would be counterproductive to their primary object of maximising recoveries on a loan. Servicers are not expected to have the capital markets skills required to trace through the implications of their actions on bondholders. Moreover, bondholders in the various classes of bonds often have conflicting interests as regards to servicing decisions. Requiring the servicer and special servicer to look to the interests of the bondholders in each and every action could easily result in situations where servicers might become paralysed by the conflicting interests they would be required to consider.

The definition of servicing standard has varied among the different CMBS transactions in Europe. Some transactions require specific consideration of the position of bondholders, while others do not. DECO 2011-CSPK explicitly provides that neither the servicer nor the special servicer has any specific obligation to any bondholder or the bondholders as a whole as part of the servicing standard. Instead the focus is on maximisation on recover of the loan as a whole, from the perspective of the CMBS issuer as lender.

### *Advisors to Servicer and Special Servicer*

In situations such as significant restructurings of CMBS transactions (e.g., extending bond maturity dates), it may be appropriate for the servicer to hire advisors and charge the cost of those advisors to the CMBS (and ultimately the bondholders). Outside of hiring legal advisors, it has often been unclear whether servicers and special servicers have the right to hire other professional advisors that may be appropriate in a restructuring or enforcement. DECO 2011-CSPK clarifies the position on this and gives the servicer and special servicer a clear power to engage advisors under certain conditions.

### *Ad Hoc Committee of Bondholders*

In certain rare cases, usually relating to a major restructuring of the underlying loan where this restructuring will have a major impact on the related CMBS, servicers may feel it prudent to consult with the bondholders through an *ad hoc* committee of bondholders. While such activities have generally been viewed as within the scope of the powers of the servicer and special servicer, this right is now specifically discussed in the servicing agreement and procedures are set forth on how such committees can function within the structure of the CMBS transaction.

### *Servicer Work-Out Fee*

Legacy CMBS transactions always assumed that all troubled loans would quickly be moved to special servicing promptly upon any trouble arising with such loans. Therefore, servicing agreements typically did not contemplate the servicer's involvement in work-outs. Special servicers were expected to be the party to engage in work-outs and, as a result, the servicing structures were focused on their efforts to work-out the loans. Servicers were supposed to only collect payments, monitor performance and provide reporting information. Unfortunately, the world of servicing has proved not to be quite so black and white. The experience of the current markets has taught us that many times borrowers present problems to their lenders well in advance of a default.

One possibility here is to instruct the servicer to not take any material action until a default has occurred. However, this is not necessarily a good result for the bondholders. From the point of view of bondholders, a significant period of time could elapse before the loan actually defaults and/or is put into special servicing. Such a delay could result in the neglect of a growing problem with the relevant loan which ultimately could exacerbate the issue. Accordingly, provided that the quality of the restructuring is the same in both cases, bondholders would benefit from having the restructuring implemented by the servicer rather than having to wait for the special servicer.

However, such a restructuring could involve significant efforts by the servicer. It is also likely that once the restructuring is completed, the role of the servicer will become more intensive; for example, the servicer may need to actively monitor compliance with a sales program and may have to undertake a more frequent monitoring and reporting schedule. These added responsibilities of the servicer can result in a substantial increase in the servicer's costs often to the point of making servicing the loan loss making. Such cost issues can create an incentive to push the loan into special servicing. If this happens then the CMBS issuer and also the bondholders are immediately faced with significantly higher servicing fees.

DECO 2011-CSPK attempts to remedy this situation by allowing the servicer to charge a modification fee, subject to certain requirements under the servicing agreement. Such modification fee must be paid by the borrower as a condition to such work-out. This will encourage the servicer to take prompt responsibility in any potential work-out, compensate the servicer for its unexpected, additional efforts and prevent an expensive and unnecessary transfer of the loan to special servicing.

### *Special Servicing Fees*

Traditionally, special servicers in European CMBS have received special servicing fees of around 25 basis points (0.25 per cent.) of the loan balance and liquidation fees of 1 per cent. of recoveries. However, special servicing costs are to a large extent fixed and do not rise and fall in proportion with loan size. This means that a 25 basis points running fee plus 1 per cent. liquidation fee will not cover the special servicing cost on small loans and will generate substantial profits for special servicers on large loans. DECO 2011-CSPK is the beginning of an attempt by Deutsche Bank to tie special servicing fees to the actual amount of work performed. This will appear as an increase in the fee expressed as basis points on small loans or particularly complicated loans and a reduction in the fee expressed in basis points on large and simpler loans. DECO 2011-CSPK has a special servicing fee of 0.125 per cent. and a liquidation fee of 0.50 per cent. reflecting the large size of the loan and the single property nature of the collateral.

### *Sale of Loan*

In historic CMBS transactions under the DECO programme, the special servicer had no ability to sell a defaulted loan even if this would generate more proceeds on a net present value basis than working the loan out. The legacy DECO deals also did not contemplate situations where (as has happened in practice) the work-out process could not be completed by the final maturity date. Both of these issues have been addressed in DECO 2011-CSPK with the special servicer being given clear power to sell loans and the servicing standard requiring it to complete work-outs before the final maturity date.

### *Operating Adviser*

In recent years it has emerged that a controlling class does not always appoint an operating adviser to exercise its rights. Often this arises because bondholders are not willing to become restricted in their ability to trade in the bonds which is likely to happen as a result of their receipt of price sensitive information as operating adviser. However, this does not change the fact that the servicer and special servicer are, many times, required to consult with the operating adviser before taking key loan actions. This can simply halt any form of decision making.

DECO 2011-CSPK has clear and detailed provisions on the appointment of operating advisers and provides that if no operating adviser is appointed the special servicer has no obligation to consult with the controlling class thus removing an uncertainty that hampered the activities of special servicers on some transactions.

### *Asset Status Report*

DECO 2011-CSPK seeks to add transparency to the functions of the special servicer. The special servicer on the transaction is now obliged to produce an asset status report upon the underlying loan going into special servicing. This report assesses the status of the loan and gives broad details of the planned work-out strategy. This report, less any part that would potentially aid the defaulted borrower if they became aware of it, will be made available to bondholders.

### *Appointment of Receiver*

Where a special servicer wishes to appoint a receiver (which is the most common way of enforcing UK loans), the receiver will require an indemnity before accepting the role. Obtaining such an indemnity from the CMBS issuer as lender can be heavily restricted in CMBS transactions. Such situations can severely limit the choice of enforcement routes available to special servicers. In this transaction, the special servicer is clearly authorised to provide such an indemnity on behalf of the CMBS issuer.

### *Power to Raise Funds*

Special servicers are often faced with situations in which they need to fund expenses at the property level. For example, it may be necessary to fund property improvements to re-let vacant space particularly in the case of secondary properties. It is not always the case that funds are available through the liquidity facility or other sources within the transaction for these expenditures. If this arises in DECO 2011-CSPK, subject to certain restrictions, the special servicer will be allowed to raise funds from third parties for these expenses on behalf of the CMBS issuer.

### *REO Properties*

The servicing agreement for DECO 2011-CSPK sets forth specific requirements for how the CMBS issuer can hold and manage the properties that it might acquire through enforcement or other means. Some CMBS transactions were actually silent on this or even prohibited the transaction from ever taking an interest in the property. Such a limitation would not always be in the best interest of bondholders.

## CMBS GOVERNANCE/BONDHOLDERS

### *Bondholder Communications*

Bondholders have expressed particular frustration in relation to locating other bondholders to discuss potential restructures of a CMBS or for other governance purposes. The most commonly suggested solution to this is a voluntary bondholder register. However, a voluntary register is likely to be incomplete as some bondholders will wish to keep their investments confidential. Also, a voluntary register is likely to become out of date as there is very little incentive for any bondholder to update the register upon the sale of its bonds. On the other hand, a compulsory register (which would require disenfranchisement for unregistered investors to be effective) would be difficult to implement and would likely have an adverse affect on the liquidity of the bonds.

DECO 2011-CSPK attempts to resolve the issue by providing a mechanism for bondholders to make contact with each other through the quarterly cash management reports. This improvement is by no means a complete “fix”, but it provides a better means of communication than what is currently offered in CMBS transactions.

### *Bondholder Meetings and Resolutions*

The increased use of bondholder meetings in CMBS restructurings has focused attention on the mechanics of convening meetings and passing resolutions. In many cases, the provisions contained in standard CMBS transactions have been obstructive and, in some cases, counter-productive.

Accordingly, the DECO 2011-CSPK transaction seeks to simplify these processes and make it easier for bondholders to express their views or give directions. In particular:

- notice periods for convening have been shortened;
- the majorities required to approve resolutions have been reduced;
- the use of written resolutions has been made clearer and easier (with the majorities for the same matching those required at meetings); and
- negative consent procedures have been established.

Perhaps the most significant change in this area has been the introduction of negative consent procedures for passing resolutions. This is designed to overcome the often encountered problem of a lack of bondholder response to proposed resolutions. The process allows a resolution to be passed if, within a specified time after publication, significant numbers of bondholders have not objected to the same. However, the use of negative consent has been restricted to mitigate concerns that major decisions could be made without the positive approval of bondholders and fundamental modifications to the financial terms of the deal cannot be made in this way.

### *Exclusion of Voting Rights for Borrower-owned Bonds*

Recent years have seen a number of instances of bondholder decisions being manipulated by interested parties. This has been a particular issue in single-borrower CMBS where some sponsors of the related borrower, or an affiliate of the borrower, have bought bonds and voted such bonds in their own interest. This action is prohibited in the DECO 2011-CSPK transaction and such bonds will not be included in any CMBS bondholder vote.

### *Authority for Service Providers to Interact with Bondholders*

Service providers, notably servicers and special servicers, have sometimes sought to engage directly with bondholders on some transactions. However, it has not always been clear whether they actually have the power to summon formal bondholder meetings and propose resolutions. DECO 2011-CSPK specifically gives these powers to all of the major transaction service providers.

## STRUCTURE

### *Borrower Interaction*

There have been several CMBS transactions where the borrowers and their advisors have attempted to circumvent the servicer and special servicer when negotiating the work-out of their loans. In such circumstances, they have organised meetings directly with the bondholders and have engaged in significant interactions with the bond trustee and the CMBS issuer. In most cases, these other parties are not prepared to properly negotiate the loan terms with the borrower. Further, CMBS transactions never intended for the borrower to negotiate with such parties. There have even been situations where the borrower has contacted the relevant rating agencies with proposed restructuring terms without first having relayed such details to the servicer.

These actions are greatly restricted under the DECO 2011-CSPK transaction. In particular, neither the CMBS issuer nor the trustee may engage with the borrower or its advisors without the involvement of the servicer and/or special servicer.

### *Removal of Transaction Parties*

In a more general change, the process by which bondholders collectively can replace service providers to the CMBS has been clarified. This process can also be applied to removing and replacing the servicer.

### *Note Maturity Plan*

CMBS has always assumed that the loan portfolio would be either repaid or otherwise realised on or prior to the final maturity date of the bonds. The period in between the last loan maturity and the maturity date on the bonds is called the “rated tail” period. This period contemplates the possibility that the loan will default at its maturity date and that the special servicer will need several years to fully realise on the security for the loan.

In recent years, the question has been asked as to what will happen if the loan is not fully realised by the maturity date of the bonds. Most CMBS transactions do not provide any set rules for this. Instead, it is generally assumed that the bond trustee will enforce against the security package for the CMBS bonds. However, there is concern that the bond trustee may not be the best suited to achieve optimal value in such an enforcement.

DECO 2011-CSPK seeks to address these concerns by providing a clear process at the maturity date for the CMBS bonds. If six months prior to the final maturity date of the DECO 2011-CSPK bonds, the special servicer believes that the underlying loan will not be repaid by that date, it is required to formulate a Note Maturity Plan containing proposals to deal with this situation, one of which must be a winding up of the bond issuer. The most senior class of bonds may on a simple majority vote direct the special servicer to implement any of these proposals. If the most senior class make no such direction, the bond trustee will appoint a receiver over the assets of the issuer and will proceed to liquidate the same.

***Class X***

In most CMBS transactions, the sponsor of the CMBS loan is paid the excess spread in the transaction. This excess spread reflects the excess of the loan interest amounts, net of recurring costs, over the amount of interest payable on the CMBS bonds. Many times, this strip is held in the form of a Class X bond. In most cases, this excess spread is paid senior to other bonds or *pari passu* with the most senior principal paying bond. In other situations, it is fully or partially subordinated to the bonds.

There have been extensive and often heated discussions in the market about the role of the Class X bond and how it should operate. These discussions have revolved around two topics in particular. The first is how the Class X bonds in the market have in fact operated over the last three years in particular in the context of loan defaults and loan modifications and extensions. There is a feeling that the Class X bond has been receiving payments that are unexpected and that these windfall cashflows have been created precisely because loans have been modified/extended because they have not been able to refinance at maturity, in other words when the junior bonds in the CMBS are being put at risk. The second topic has been whether Class X bonds, whether they operate as expected or not, should be subordinated in some way to the principal paying bonds in a CMBS.

DECO 2011-CSPK seeks to remedy concerns about how current Class X bonds have operated, notably by ensuring that any additional cashflows caused by poor performance of the loan are not paid through to the Class X bond unless the other bonds in the transaction are paid in full. This is achieved through a revision of the standard Class X structure:

- The transaction has a much simplified definition of what is payable to the Class X bond with significantly greater clarity as to which expenses are deemed to be “extraordinary” and so not deducted from amounts available for the Class X bond;

- Any increase in the coupon on the loan because of the charging of default interest or capitalised, unpaid amounts is not used in the calculation of the payment due to the Class X bond and so is not paid to the Class X bondholder;

- After the expected maturity date of the bonds (being the maturity date of the loan) all payments to the Class X bond will become subordinated to all payments to the other bonds and to all transaction expenses; this will be achieved by holding the Class X amounts in a reserve fund and only paid to the Class X bond after the other bonds have been repaid in full; and

- As the Class X bond has no ability to call, vote in or even attend bondholder meetings, unlike any other class of bonds, it is exposed to the risk that the other bondholders modify the transaction in a way that diverts to them cashflow that would have gone to the Class X bond. To eliminate this risk any changes that would have the effect of diverting cashflow that would go to the Class X bond prior to the maturity date of the loan requires the approval of the Class X bondholder.

The second topic of discussion, whether the Class X bond cashflows however clearly structured should be subordinated, is a pricing issue principally between the sponsor of the CMBS and the junior classes of bonds. The seniority of the Class X bond cashflows clearly benefits the sponsor while the junior classes of bonds would benefit from these cashflows being subordinated and used as credit enhancement. At the time DECO 2011-CSPK was priced the pricing benefit for subordinating the Class X bond was significant and so the Class X cashflows were subordinated in certain situations most notably upon an event of default of the loan.

### *Appraisal Reduction for Liquidity Facility*

The appraisal reduction process has been removed from the sizing of the liquidity facility. Many market participants had complained that appraisal reduction was not an appropriate method for reducing the liquidity facility amount.

The liquidity facility for DECO 2011-CSPK may be drawn to the extent, based upon a recent valuation, there is insufficient value in the properties to pay the following:

- all outstanding expenses on the loan;
- all amounts in priority to reimbursement of the liquidity facility in the CMBS waterfall;
- all amounts due on the liquidity facility; and
- 150 per cent. of the undrawn amounts under the liquidity facility.

### *Sequential Trigger Event*

In DECO 2011-CSPK, as with most European CMBS transactions, prepayment amounts are paid pro rata until the occurrence of a sequential trigger event. Not all CMBS transactions were clear as to when the sequential trigger occurs. In particular, while a sequential trigger is typicall tied to a loan default (such as a non payment at maturity of the loan), if an extension occurs the default no longer exists. The DECO 2011-CSPK transaction has taken the position that the sequential trigger should be determined based upon the original terms of the loan, and not any subsequent modifications.

### *No Downgrade Letter*

Explicit instructions are given in DECO 2011-CSPK to the transaction parties as to how to handle situations where, although a rating agency no-downgrade letter is required for a particular change, it cannot be obtained. This is an increasingly frequent occurrence as rating agencies are increasingly reluctant to provide such approvals (meaning that they do not disapprove but simply will not provide a formal no-downgrade letter).

### *Correction of Payments to Bonds*

In many instances, mistakes have been made in payment applications in the waterfall for particular transactions. The DECO 2011-CSPK transaction authorises the cash manager to remedy incorrect payments to bondholders by reallocation of future payments.

### *Control Valuation Process*

The process for control valuations has been simplified. In particular, desktop valuations can be utilised for a control valuation.

## INVESTOR DISCLOSURE

In structuring and documenting DECO 2011-CSPK, Deutsche Bank has been particularly cognisant of the often expressed requests by investors for additional disclosure. Additionally, the new regulatory environment for securitisation more generally is also clearly moving towards enhanced disclosure requirements for ABS (not least the requirements in the Capital Requirements Directive for regulated investors to establish that they have carried out proper due diligence and monitor their investments continually over the lives of the transactions).

DECO 2011-CSPK contains the following improvements to disclosure:

- Improved loan and intercreditor disclosure, with the offering circular containing 72 pages of disclosure on the borrowers, the properties and the loan and intercreditor documents.
- After closing and for the duration of the transaction, the CMBS transaction documents will be publicly available on the paying agent's website.
- If the loan becomes specially serviced, the special servicer will produce an asset status report and, except for parts that would hinder the recovery effort, it will be made available to investors.

## CONCLUSION

As the first public European CMBS in four years, DECO 2011-CSPK is an important transaction. It is the first CMBS transaction in Europe that attempts to address re-established CMBS product in Europe. Numerous other banks are also reported to be awaiting the completion of DECO 2011-CSPK before re-starting their programmes.

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*If you have any questions concerning these developing issues, please do not hesitate to contact either of the following Paul Hastings London lawyers:*

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[1] Charles Roberts and Conor Downey are Partners with Paul Hastings London specialising in CMBS and structured real estate finance.

[2] Directive 2006/48/EC as amended by Commission Directive 2010/16/EU.