

Case Study

Transaction Advisory

Client Profile

One of the top marketplace lenders in the US with a niche focus on student loans and personal loans

Transaction Snapshot

Size - \$120 million
Jurisdiction - US
Asset Type – Student Loan
Asset-Backed Securities (SLABS)

About Oxane Partners

Oxane Partners provides bespoke solutions to alternative investment firms throughout their investment lifecycle. Since inception, Oxane has supported more than 40 financial institutions of all sizes including hedge funds, private equity funds, asset managers and investment banks across all major asset classes and jurisdictions.

To talk about our expertise and solutions offering, please reach us at: info@oxanepartners.com

Background

The market place lender was planning to come up with its first securitization deal to raise additional capital. The client wanted support from an analytical partner who understood the space well and could help them launch the deal.

Oxane's Approach

Oxane's team took a collaborative approach in managing the transaction and successfully supporting the client in their first such deal. The transaction approach and scope of deliverables were agreed upon with the client and the team supported the client throughout the deal working closely with their in-house team. The deal eventually went live and was successfully launched helping the client raise the required capital.

Oxane supported the client under the following areas :

Pool Selection

- Came up with the proposed loan pool for securitization by optimizing key variables such as Interest Rate, Income, school CDR, FICO, etc. on a refinanced student loan portfolio

Pool Stratification

- Created required collateral stratifications and charts to incorporate in transaction offering circular

Historical Analysis

- Historical analysis of loan portfolio to come up with the base case and stress case assumptions for CDR, CPR in line with rating agencies applied stresses

Waterfall Modelling

- Developed a flexible cash flow model of the assets and the liability waterfall incorporating deal's structural characteristics - priority of payments, loss allocation, credit enhancements and triggers etc.

Rating Agency Runs

- Performed rating agency stresses (DBRS and Moody) to suggest an indicative optimal capital structure for the deal