

Connection

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Summer 2016

In this issue:

New leaders	1
Loan agency solutions	3
Money Fund Reform	3
Investing in technology	5
Pivot increases efficiency	6
Document Custody Services	7
Audit confirmation process	8

New leaders respond to emerging markets

This past spring, Terry McRoberts retired from his long-standing career leading the Corporate and Municipal department of U.S. Bank Global Corporate Trust Services, creating new opportunities for leadership within the business unit. Joe Giordano, former manager of the Collateralized Debt Obligation (CDO) department, welcomed the role of leading the Corporate and Municipal department, and Herb Schofield, former senior relationship manager, replaced Joe as leader of the CDO department.

With more than 35 years of experience in corporate trust and the financial services industry, Joe has helped lead the CDO team to 60 percent market share* in just over four years. Prior to joining U.S. Bank, Giordano served in senior roles at J.P. Morgan Chase, where he managed CDO, asset-backed securities, mortgage-backed securities, and corporate and municipal business.

Excited for the opportunity to lead the successful and respected Corporate and Municipal team, Joe plans to continue keeping the lines of communication open to hear what our associates, clients and market trends are telling us, and respond proactively to stay ahead.

“Finding ways to continually enhance our service solution to add value for our clients has always been important to me.”

- Joe Giordano, Senior Vice President

“We will be looking at our current operating model between our account managers, trust review and Trust Financial Management to see where we can work more closely together, improving our processes to provide consistent, superior service to our clients,” Joe said.

*Asset-Backed Alert, June 2016



Joe Giordano
Senior Vice President

Joe has already started an end-to-end review of the escrow product, including the business development coverage, the onboarding process and the cash processing procedures for this specialized product. He is also looking forward to working on upcoming technology enhancements planned for the Corporate and Municipal department, including CTAO, an application that has significantly improved our control over the front end new deal onboarding process, and Pivot, our online client portal.

As Joe transitions to his new role, he leaves behind a management team with an average of more than 20 years of direct CDO industry experience. Senior Vice President Herb Schofield, who has been tapped to lead the group, has been with U.S. Bank Global Corporate Trust Services since 2011. Herb has over 20 years of experience in the financial industry, with much focus in client-facing relationship management and business development roles, as well as direct operational management of business lines.

“With a strong, experienced and dedicated team, moving into the business head role makes the transition very simple from where I sit.” Herb said.



Herb Schofield
Senior Vice President

“It’s an exciting opportunity, and I look forward to leading our team through an ever-changing market.”

- Herb Schofield, Senior Vice President

In the last few years, the CDO group has significantly increased its marketshare, going from 8 percent in 2011 to 49 percent year end 2015. According to Herb, the CDO team can attribute this success to its focus on superior service, demonstrated through the investment U.S. Bank has made in talent and technology. While the industry has seen many financial institutions reducing offices and personnel as an expense management tool, U.S. Bank Global Corporate Trust Services continues to increase staffing levels to ensure appropriate support for our clients. Our senior management team also continues to show its commitment to the business by funding further enhancements to our client-facing technology.

“We are excited about the rollout of new technology solutions in the coming months,” Herb said. “With successful client beta tests, our new tool will enhance client experiences across the board.”

We look forward to the expertise and leadership Joe and Herb bring to our Global Corporate Trust Services teams as we continue to enhance our innovative solutions while providing our clients with the best possible service and technology. ■

Extended loan agency solutions

From the simple to the complex, U.S. Bank Global Corporate Trust Services is continually extending our loan administration and expertise to deliver diverse loan agency services. Our flexible service model allows us to adapt to client needs ranging from successor agency services for syndicated loans to a white label offering, including full back-office agency services for direct lending platforms.

In addition to our continued work on traditional syndicated loans, we are leveraging our systems and processes to provide paying agent services and collateral services to complex post-restructuring transactions and high volume paying agency engagements.

The flexibility of our payment and agency system, Solvas, allows us to easily handle broad and diverse groups of lenders and borrowers. Through our detailed recordkeeping and the ability to generate large volumes of payments and notices, we support our clients' growth.

By extending our loan administration expertise, our loan agency service offering provides an additional way to deliver value to our clients' loan investment and direct lending platforms. The customized nature of our offering, competitive pricing and efficiency allows us to design a service to help our clients achieve success. ■

For more information on our loan agency services, contact Suzanne Lane at suzanne.lane@usbank.com or 212.951.8577.



Money Fund Reform: Do you know where your funds are invested?

With less than two months remaining until the final pieces of Money Fund Reform (MFR) are fully implemented by fund families, it is crucial that investment managers are prepared. Having a conversation with your account manager about which investment vehicles are available and permitted under the trust indenture or other agreements will help you navigate the amended rules of the MFR.

As you know, the Securities and Exchange Commission (SEC) amended the rules that govern the operation of registered money market funds (MMFs). Money market funds must be in compliance with these rules by October 14, 2016. The amended rules may affect the pricing, liquidity (availability) and fee structure for certain types of MMFs. Our clients will now have three major categories of MMFs from which to choose:

- Institutional - includes floating NAV prime and tax-free MMFs
- Retail - includes fixed \$1.00 NAV prime and tax-free MMFs
- Government - includes both Government and Treasury MMFs



In addition, MFR has created two major types of investors: institutional and retail. A retail investor (defined broadly as a person having a social security number) may invest in all three major categories of funds mentioned above; however, an institutional investor may only invest in institutional and government MMFs. A vast majority of our clients are institutional and are not eligible to invest in retail money market funds.

Some key changes under the MFR include:

Stable or floating NAV - Institutional prime and tax-free MMFs will be required to price and transact in their shares at a floating NAV reflecting current market-based values of their portfolio securities. The floating NAV will need to be rounded to four decimal places (e.g., \$1.0001 or \$0.9999) and may result in a gain (or loss) on the market value of your original investment.

Redemption gates and liquidity fees - Institutional prime and tax-free MMFs must adopt policies and procedures enabling them to impose a liquidity fee (up to 2 percent) on redemptions and/or implement a redemption gate (up to 10 days over a 90 day period) in the event that the MMF's weekly liquid assets fall below a designated threshold, subject to the actions of the MMF's board of directors. If implemented, a redemption gate will prevent clients from accessing their funds. Meanwhile, liquidity fees, if implemented, may prevent clients from accessing the full amount of their investment holdings.

These changes are critical because they may impact your ability to pay bondholders and investors on time or make payment on scheduled disbursements when the amount you were expecting to redeem is unavailable or has been reduced.

"As expected, MFR has caused many investment managers to shift their investment strategy away from prime and tax-free MMFs and into government MMFs," said President of U.S. Bank Global Corporate Trust Services Bryan Calder. "Investment managers have also considered permitted investment vehicles that offer daily liquidity and rates that are competitive with MMFs, such as the [U.S. Bank Money Market Deposit Account](#)." ■

If you have questions or concerns about how your investments in money market funds will be affected by these amended MFR rules, please contact your account manager.



Investing in technology to enhance your experience

We have committed more than \$5 million to capital investment projects in the last two years to increase the automation of various systems.

At Global Corporate Trust Services, we set ourselves apart by combining superior service, in-depth expertise and continuous technology innovations to produce results that meet our clients' real-time demands. We invest in long-term relationships and are always looking to leverage the power of technology to enhance and improve the way we do business.

We have committed more than \$5 million to capital investment projects in the last two years to increase the automation of various systems. Some of these projects included implementing imaging and optical character recognition for certain processes. In addition to our internal Global Corporate Trust Services' investments, our corporate parent, U.S. Bank, continues to provide vast resources for both technology initiatives and staffing resources to meet the needs of our clients and help ensure each business line continues to be highly secure and competitive from a technology and talent standpoint.

The investments in both internal and client-facing systems provide our customers and our staff with comprehensive, transparent and accurate access to the data they need to efficiently run their business. For example, recent updates to our internal technology have allowed us to improve report delivery via our platform for tax lien customers and expand reporting efficiencies for our document custody users.

Learn more about our technology enhancements in the following articles. ■■



U.S. Bank Pivot increases efficiency and security for bond and escrow client interaction

U.S. Bank recently enhanced our industry-leading client application, Pivot, creating a new experience designed specifically for bond and escrow clients. Maximizing efficiency, accuracy and security, Pivot provides digital tools that give clients the information they need to make strategic and operational decisions to achieve success. Features delivered include an account dashboard; detailed cash, holdings and payment views; consolidated reporting; and account grouping tools that streamline daily and monthly processes. Additionally, centralized document management, a compliance module and custom alert features help remove risk and inefficiencies of going back and forth over email. More exciting features will be delivered later this year and into 2017, including account statements, self-serve reporting and enhanced file automation.

The bond and escrow client experience was created using the same user-centered design process that proved successful for our CDO client experience that launched in 2014, focusing heavily on client research and prototype testing to drive insights that make daily tasks easier and more secure. Pivot has contributed to continued, rapid growth for U.S. Bank in the corporate trustee space, making us an industry leader in market share across structured products in 2015. We are committed to investing in technology to help institutions manage and administer their bond, escrow and structured product accounts, and will continue to make enhancements to improve our clients' experiences. ■

[Click here to learn more about U.S. Bank Pivot, or contact our team of professionals to schedule a live demonstration.](#)

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U.S. Bank Document Custody Services goes live with TIMS

Our Document Custody Services (DCS) Tax Lien Services group continues to invest in technology to support the growth of the tax lien product while continuing to deliver remarkable service to our clients. We are excited to announce the successful installation of our new tax lien custody platform, TIMS, which was implemented in April. TIMS provides users with the efficiency and security they need to carry out their tax lien transactions.

Enhanced reporting capabilities

With the new TIMS platform, purchasers, lenders and servicers receive enhanced reporting capabilities and increased report extract flexibility.

- Detail and summary reports are reconcilable to each other using the sort options available within the report.
- Additional reports are available in multiple formats, including CSV, XLS and PDF.
- New “user defined” fields are allowed, permitting the client to add eight more pieces of information about their collateral that they would like to see on future reports for use by them, their auditors or their lenders.

Improved report delivery

TIMS improves delivery and retention of critical information on the U.S. Bank Trust Investor Reporting (TIR) information hub. Using TIR instead of email delivery increases security, convenience and efficiency.

- Once uploaded, clients can access reports on the TIR site at their convenience.
- Since reports are stored on the TIR site indefinitely, clients do not need to store or save their own reports.
- Clients will no longer be overwhelmed with an entire reporting package in their email inbox, as they can pull the reports as needed from TIR.

The U.S. Bank Tax Lien Services group has more than 20 years of experience providing customized services to our clients and has acted in the capacity of custodian on 4 million tax lien collateral records that have an original principal face value of \$11 billion. With services that include custodian, collateral agent, trustee, waterfall distribution agent and escrow agent, we are here to help ensure each transaction is handled with precision and accuracy. ■

For more information on our
tax lien services, contact
Nick Caramanico at
nick.caramanico@usbank.com.

Audit confirmation process improves security and efficiency

In an effort to provide our clients with the best solutions and service in the marketplace and continue to be on the forefront of new technologies in the accounting profession, U.S. Bank Global Corporate Trust Services partnered with Capital Confirmation (Confirmation.com). Through this partnership, we offer clients and their auditors a simple, online solution to process account audit confirmations.

For more
information about
Confirmation.com,
please contact your
account manager.

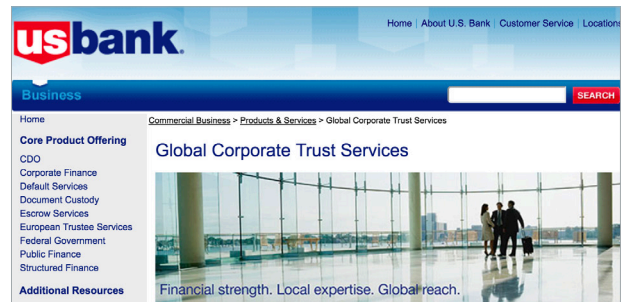
All departments within U.S. Bank Global Corporate Trust Services now request that audit confirmations be submitted through Confirmation.com. By eliminating any misdirected mail, we can decrease turnaround times and help to ensure a more secure and reliable process to reduce the risk of audit confirmation fraud.

To begin using this service for your account audit confirmation requests, you must first register by visiting Confirmation.com. ■



Visit our new website

We are excited to announce a refresh of our U.S. Bank Global Corporate Trust Services website, offering users improved navigation, enhanced design and concise content about our solutions.



Visit us online at usbank.com/corporatetrust to learn more about the service offerings provided by Global Corporate Trust Services. ■

usbank.com/corporatetrust



Deposit products offered by U.S. Bank National Association. Member FDIC.
Investment products and services are:

NOT A DEPOSIT	NOT FDIC INSURED	MAY LOSE VALUE	NOT BANK GUARANTEED	NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY
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