

# DTCC Loan/SERV

3rd Quarter 2011 Newsletter

Welcome to the 11th newsletter update from DTCC Loan/SERV

## Cash on Transfer Live: DTCC & Markit Launch The First DVP Platform for The Syndicated Loan Market

### **ClearPar's Settlement Date Coordination and DTCC's Cash on Transfer services simultaneously transfer cash and legal ownership of the loan on settlement date.**

Historically, secondary loan trading provided no assurance that cash settled simultaneously with the change of loan ownership recorded by agent banks at the time of trade settlement. This left the seller on each trade at risk of losing legal title to the loan at the agent bank without having received the cash payment.

The introduction of Loan/SERV Cash on Transfer links the buyer, seller, agent bank, Markit's ClearPar trade processing platform and cash accounts to allow for payment and legal ownership of the loan to move simultaneously on the agreed trade settlement date. Cash on Transfer also simplifies funding requirements by allowing counterparties to fund all buys and sells with a single payment.

The service went live August 15, 2011 after a four-month pilot that included **BNY Mellon, Citi, J.P. Morgan, MJX Asset Management** and **Sankaty Advisors, LLC**.

The service is a major advance in reducing settlement risk in the loan market.

**BNY Mellon** acts as the global paying agent for Cash on Transfer.

**WebLink:**

<http://www.dtcc.com/news>

## Société Générale Live on Loan/SERV

### **Société Générale is the first French bank to link to the Reconciliation Service in North America.**

Société Générale in North America went live with Loan/SERV Reconciliation Service as both agent bank and lender to help automate and streamline the processing of syndicated loans, enabling the bank to view and reconcile loan positions with thousands of lenders on a daily basis. "As our role in the global syndicated loan market grows, we are dedicated to ensuring that we, as an agent bank, and our lenders agree on loan positions and the accruals that take place during the life of the loan," said Michele Ushkowitz, Head of Financing Operations for **Société Générale Corporate & Investment Banking** in the Americas.

"The Reconciliation Service should provide us with a solution that automates this process on a daily basis, especially in the more liquid and diversified North American market, boosting efficiencies and position accuracy while helping to reduce risk."

**Société Générale** joins the growing list of top tier global agent banks that use the Reconciliation Service to view and reconcile loan positions and accruals. Other agent banks using Loan/SERV are **BNY Mellon, Barclays Capital, Citi, Credit Suisse, Deutsche Bank, Goldman Sachs, J.P. Morgan, The Royal Bank of Scotland** and **Wells Fargo**

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## BNY Mellon and State Street Live on Loan/SERV

### Earlier this year BNY Mellon and State Street linked to Loan/SERV to provide automated uploading of loan data on behalf of clients for reconciliation.

An additional 11 Trustees, Custodians and third party Vendors and Administrators have also linked on a read-only basis to Loan/SERV.

**MJX Asset Management**, a New York-based specialized asset management company with experience in investing in the leveraged loan market, is the first **BNY Mellon** client to have gone live with the new data reconciliation service.

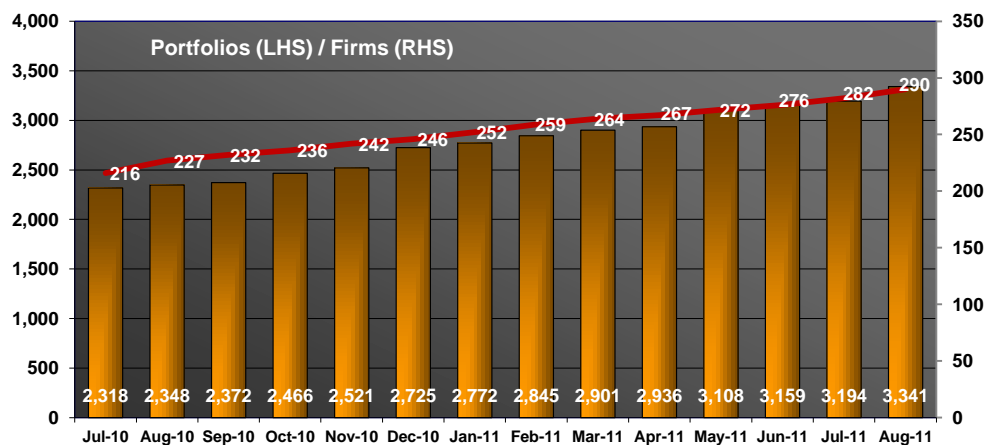
"We believe this end-to-end service will significantly reduce our administrative burden and increase the accuracy of a very important but usually labor-intensive process that is crucial to effective risk management," said Pierre Batrouni, managing director at **MJX Asset Management**. "We are delighted to have participated in piloting this innovation that brings much-needed change to the industry."

Web Link: <http://bnymellon.mediaroom.com>

### Loan/SERV exceeds 6,300 facilities, and signs the 3,000th lender

#### Lender Update

Lender adoption of Loan/SERV Reconciliation continues as firms increasingly recognize the benefits of the service. In August 2011, 3,341 lending portfolios from 290 firms had access to Loan/SERV. Lenders come from over 45 jurisdictions, with approximately 50% domiciled outside the United States.



### Global Facility Update – over 6,300 facilities hosted

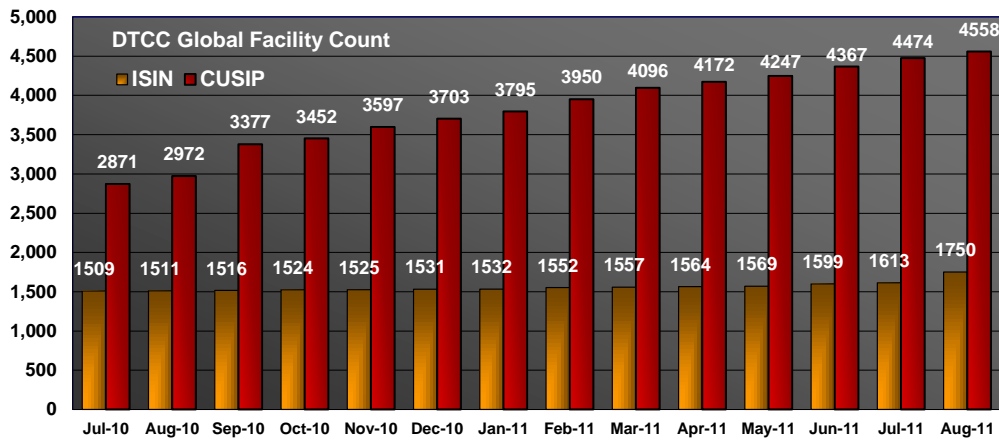
We continue to see growth of posted facilities onto Loan/SERV Reconciliation, from both **Wells Fargo** and **Société Générale** in North America and a number of agent banks in Europe. Combined global facilities exceeded 6,300 in August, with 4,558 US facilities and another 1,750 European facilities.

#### CURRENT STATISTICS

- **6,308 total facilities**
- **1,750 ISIN facilities hosted**
- **290 Institutions connected globally**
- **3,341 lending entities represented**
- **Lenders from 45 countries**
- **13 Custodians, Trustees & 3<sup>rd</sup> Party Administrators connected**
- **Facilities from 20+ countries**
- **Over 3,681,000 positions posted**
- **1,947,205 transactions processed since 2009**

#### SAVE THE DATES:

- **September 15<sup>th</sup> LMA Annual Conference - London**
- **November 2<sup>nd</sup> LSTA Annual Conference**



**Finally:**

Thank you for your continued support as we move forward with these initiatives.

Chris Childs, Mathew Keshav Lewis, Eugene Kotlyarevskiy, Dave Perry & Rita Virdee

**DEMONSTRATIONS:**

- Reconciliation & Cash on Transfer
- Scheduled every week. Contact us for details:
- [LoanSERV@dtcc.com](mailto:LoanSERV@dtcc.com)
- [www.dtcc.com/loanserv](http://www.dtcc.com/loanserv)

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