

Fund Finance Friday



Thanks for Joining WFF US: Second Annual Charlotte Fall Networking Event

October 27, 2023



Thanks to all those who joined the Women in Fund Finance second annual Charlotte Fall Networking event last week!

This oversubscribed event (with a lengthy waiting list) was quite the hot ticket and had great turnout with a standing room only crowd for the event.

The panel consisted of April Frazier, Chief Financial Officer for CIB Banking at Wells Fargo; Jeff Johnson, Co-Head of Fund Finance at EverBank, Caroline Pedlow, Director at Barings, and Corey Rose, a partner at Dechert LLP, who leads the firm's bank regulatory practice. The panel was moderated by Erin Goldstein, Director at Wells Fargo and Cadwalader Fund Finance Partner Leah Edelboim.

The topic for the panel discussion was the potential changes to large bank capital requirements that would implement the final components of the Basel III agreement, also known as the Basel III endgame. At the end of July of this year federal banking regulators issued proposals which, among other things, would change the capital requirements that banks must meet. These proposals, if adopted in their current form, could have a significant impact on banks in the fund finance industry and on the US banking industry as a whole. The excellent and accomplished panel made the rather dense and technical proposals – which consist of a document in excess of 1000 pages – into a lively discussion on the topic. Corey Rose provided a history of regulatory capital requirements and an overview of the proposed changes and highlighted the changes that are most impactful for fund finance transactions. April Frazier and Jeff Johnston each gave their perspective about the impacts of these changes and how institutions are already getting ready to comply with the proposed changes. Caroline Pedlow weighed in with a real estate angle. This substantial and substantive conversation made sense of this very technical topic in a way that was entertaining and educational for the audience and highlighted the expertise of the members of the panel.

Cadwalader was honored to sponsor and support this event. We were so glad to see so much excitement and support for Women in Fund Finance in the Queen City. Co-Sponsors included Barings, who provided the beautiful space for the event, Dechert, and Fitch Ratings. The planning committee consisted of Christen Cohen, Director at Bank of America; Erin Goldstein, Director at Wells Fargo; Holly Loftis, partner at Haynes Boone, Caitlin Woolford, counsel at Mayer Brown, Michele Simons, and Cadwalader Fund Finance partners Danyeale Chung and Leah Edelboim.

Comments on these proposals are due at the end of November. It is possible that the proposal could change quite a bit before it is finalized. We will be watching the process by which these proposals will be approved and implemented closely. As discussed during the panel discussion, these proposals can have serious consequences for fund finance transactions given that the amount of capital that a financial institution is required to maintain is a crucial factor in determining the profitability of a particular product.