

CMBS: Tahiti Restructuring Unusually Investor-Friendly

The restructuring of the **Tahiti Finance** CMBS was unusually transparent and considerate towards noteholders, according Bank of America Merrill Lynch analysts, who suggested that this might have to do with the appointment of a third-party adviser, Brookland partners.

Brookland acted as financial advisors to the servicer, Capita Asset Services, and as consent solicitation agent on the Tahiti Finance for this GBP535m CMBS restructuring.

BAML analysts listed in their weekly report seven "benefits" delivered by the restructuring to the noteholders -- all of this without requesting, in exchange, the extension of the CMBS notes.

"These amendments involved amendments to the loan documents, the note documents and the hedging documents. Importantly, these amendments were made holistically so that the changes to the loan and the swap achieved the intended benefits for the notes. This level of transparency is not always present in CMBS structures or restructurings," BAML noted.

They went on to say they were not aware of another restructurings that awarded all these concessions to noteholders. In their view, the key is the "involvement of a third party advisor" that "contributed to the success of the Tahiti restructuring". Brookland Partners, they recalled, worked on behalf of the noteholders and the other creditors. "This contrasts with other restructurings such as [Mall Funding], in which noteholders have been asked to extend legal final but have not appointed a third party to advise them".

Nassar Hussain, managing partner of Brookland Partners, said: "The successful restructuring of Tahiti Finance plc involved securing the agreement of noteholders across three different asset classes, often with competing priorities, and negotiating the key issues with the sponsors and a range of junior investors. The economic benefits that were secured for noteholders compare favourably with other transactions we have seen in the market."