



FOR IMMEDIATE RELEASE

### **D.C. District Court Disappoints with Risk Retention Ruling**

*December 22, 2016, New York, NY* – The federal District Court for the District of Columbia ruled today against a risk retention solution for collateralized loan obligations (CLOs). The LSTA strongly believes that the court erred and that the agencies inappropriately applied the risk retention rule to CLO managers. CLOS performed extraordinarily well before, during and after the financial crisis; they are not the product that the Dodd-Frank law intended to fix. The risk retention rules will reduce the availability and increase the cost of credit for job-creating American employers that rely on the financing CLOs provide, and the LSTA seeks a resolution that will work for all constituencies.

The LSTA will consider all options over the coming days, including appealing the decision to the federal Court of Appeals for the D.C. Circuit.

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About the LSTA

The Loan Syndications and Trading Association is the trade association for the corporate loan market, dedicated to advancing the interests of the overall marketplace and promoting the highest degree of confidence for investors in corporate loans. Founded in 1995, the LSTA undertakes a wide variety of activities to develop policies and market practices designed to promote a liquid and transparent marketplace and to encourage cooperation and coordination among the parties which facilitate transactions in loans and related claims. For more information, please visit <http://www.lsta.org>.