

# Cypress Creek Consulting Intro

October 2024



# Cypress Creek Consulting

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Overview

# Company Overview

## Our Firm:

A boutique consulting & advisory firm specializing in full-lifecycle support of **finance and capital markets** initiatives across multiple industries and asset classes. Offering **full-service** transaction buildout and **flex support** for new and existing issuers.

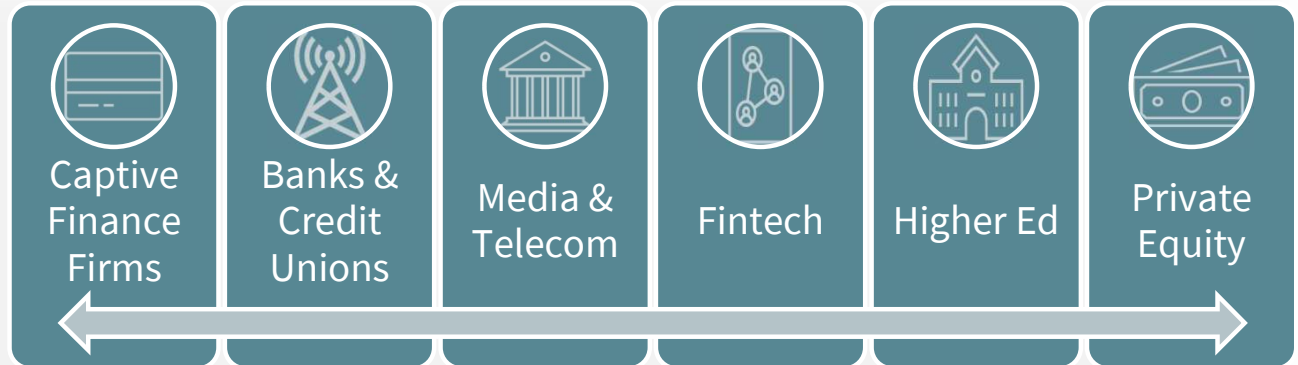
## Our Experience:

**50+ years** of combined experience leading finance and operational teams at U.S. and multi-national organizations through the execution of **\$200+ billion** of capital markets transactions.

## Our Network:

Deep connections with institutional investors, lenders, loan servicers, trustees, law firms and 3<sup>rd</sup> party vendors to deliver **top-tier pricing and execution** for our clients.

## Who We Serve:



## Our Solutions:

|                            |   |
|----------------------------|---|
| Transaction Services       | Obtain end-to-end capital markets support for term securitization, revolving debt facilities, term loans, forward flow, and other financing arrangements. |
| Data Management & Analysis | Prepare your institutional data for strategic transactions through full-scale data cleansing, mapping, testing, modeling, analysis, and reporting.        |
| Due Diligence & Compliance | Manage upfront and ongoing due diligence, audits, financing covenants, representations, warranties, and investor reporting requirements.                  |
| Strategy & Transformation  | Gain insights on emerging capital sources, capital-raising opportunities, and efficiencies within existing operational and funding processes.             |



# Testimonials

## Proven Expertise

We have led over \$200 billion of financial transactions at some of the largest U.S. and international organizations.

*“Charter hired Cypress Creek Consulting to help structure and launch our inaugural securitization financing facility. They provided hands-on support throughout the lifecycle of the transaction, including internal preparedness, data mapping, lender negotiations, structuring, and operational buildout. They helped us navigate the intricacies of our portfolio and delivered sound strategy and efficient execution. The Cypress Creek team are true subject matter experts.”*



**Scott Schwartz**

GVP Corporate Finance & Treasurer  
at Charter Communications

## Trusted Advocacy

We advocate for our clients and deliver best-in-class pricing and execution on their capital markets initiatives.

*“Cypress Creek Consulting did a super job advising a mutual client on their first-time securitization warehouse facility. Nick and Mark recommended an overall strategy to the client that would maximize the number of potential lenders interested in the transaction, they helped solicit the lenders and created a situation in which the lenders were competing against each other for the deal to give our client the maximum bargaining leverage. Nick is a very talented securitization advisor, and I'd gladly recommend Nick and Mark to my other clients. He's particularly valuable to clients who are working on their first securitization transaction.”*



**Stuart Litwin**

Partner and Co-Head, Global  
Finance Practice at Mayer  
Brown LLP

## Partnership

We partner with stakeholders across our clients' organization to educate and build the required support model.

*“Funding U hired Nick through his company, Cypress Creek Consulting, to help structure and implement a new financing facility. He provided an extensive review of our operating agreements with detailed advice on how to create efficiencies in funding our growing portfolio. He provided strong analytical skills and an eye for detail in gathering and interpreting data. I'd highly recommend Nick and the Cypress Creek team for anyone looking for hands-on support from experienced SMEs.”*



**Brandon McBride, CFA**

Chief Operating Officer at  
Funding U



CYPRESS CREEK CONSULTING  
A Better Consulting Experience

# Our Leadership Team



**Nicholas Schrider**

Founding Partner

[nicholas.schrider@cypresscreekconsult.com](mailto:nicholas.schrider@cypresscreekconsult.com)

Mr. Schrider is a finance and capital markets leader with 20 years of experience at captive finance companies, GSEs, telecommunication companies, and fintech firms. He has extensive knowledge in program management and asset-finance, having structured and issued over \$200 billion of asset-backed financings throughout his career. He spent 15 years at Sallie Mae and Navient directing their asset-backed securitization program, liquidity facilities, and whole loan sales. He also led re-performing and non-performing loan transactions at Freddie Mac where he managed underwriters, investors, rating agencies, diligence vendors, and 3rd party loan servicers. Recently, he launched the inaugural securitization facility for Charter Communications against their portfolio of mobile handset receivables. He specializes in structured finance, treasury operations, data governance, underwriting, loan servicing, and due diligence.



**Mark Daly**

Founding Partner

[mark.daly@cypresscreekconsult.com](mailto:mark.daly@cypresscreekconsult.com)

Mr. Daly is an experienced executive with over 30 years of experience in financial services, capital markets and advisory. He spent 14 years with Sallie Mae as Senior Vice President of Treasury and Corporate Finance where he led asset-backed securitization and structured finance initiatives for the organization. Additionally, Mr. Daly spent 9 years with KPMG and has extensive experience in internal audit, internal control testing, operational and enterprise risk management, CCAR data origination and report production, data governance, project and change management, financial and regulatory compliance, capital markets, securities valuation, and model validation. Most recently, he oversaw the internal due diligence, data validation, and compliance testing for a first-time securitization issuer in the telecommunications sector.



# Value Proposition

## Our Approach:

- We strive to add **tangible value** to your organization through a comprehensive approach:

- ✓ **40% savings** vs. traditional consulting engagements.
- ✓ Maximize **bargaining power** with lenders and investors.
- ✓ **Flexible structures** allow you to experience the difference before engaging.

- ✓ **Full lifecycle support** from SMEs with market-facing experience.
- ✓ We **educate and guide** internal stakeholders to build your desired end-state support model.



- ✓ Conduct **extensive internal assessments** of data and operational readiness before external disclosure.
- ✓ **Leverage our knowledge** to manage risk in your disclosures, compliance, and transaction audits.

- ✓ Technology enabled solutions allow us to execute up to **50% faster** than traditional support models.
- ✓ Proven history of closing transactions **9+ months sooner** than our peers.



# SME Support Services

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Overview

# SME Support Services

## Capital Markets:

- Execution and management of term securitization, warehouse/conduit, forward flow loan sales, mezzanine debt, unsecured debt, derivatives, and esoteric structures.
- Deep network of bank partners, investors, legal counsel, rating agencies, tax/accounting, counterparties, trustees and other 3<sup>rd</sup> party vendors.

## Compliance & Reporting:

- Ensure compliance with facility and trust requirements, notices, and investor reporting.
- Build and support near and long-term reporting infrastructure to support debt facilities.
- Develop and support investor, rating agency and board presentations.

## Financial Modeling:

- Develop and test financial and credit models for existing and new products.
- Test capital models to address capital adequacy, capital distribution, and the capital planning process under base and stress economic scenarios.



## Strategy & Transformation:

- Insights on opportunities outside of existing funding structures, emerging capital sources, and equity opportunities.
- Develop efficiencies and cost savings to current operating and funding models.
- Partner with legal, compliance, product, credit, and finance teams drive successful capital market initiatives.

## Data Management:

- Assess data governance framework for compliance with industry best practices.
- Perform data lineage analysis detailing data sources, data mapping, and data definitions.

## Data Analysis:

- Evaluate internal and external data sources, analytical tools and processes utilized to analyze and display existing and potential borrower behavior.
- Evaluate alternative data sources and tools to improve accuracy, timing and cost efficiencies.





# Transaction Support

## Transaction Lifecycle Management:

- We support capital markets transactions through **3 distinct lifecycle phases**.
- The **upfront preparedness** phase entails a **full buildout of client data and internal operations**.

### Asset Classes:

Auto Receivables

Student Loans

MBS/CMBS

Personal Loans

Credit Cards

Mobile Device Plans

Other Esoteric

### Structures:

Forward Flow Sales

Debt Facilities

Term Securitization

Esoteric Structures



### Upfront Preparedness

- ✓ Diligence & compliance
- ✓ Data validation & testing
- ✓ Build historical asset performance data
- ✓ Treasury & cash management readiness
- ✓ Build the accounting model
- ✓ Build the technology model
- ✓ Integrate investor reporting
- ✓ Document internal policies & procedures
- ✓ Internal audit & SOX
- ✓ Solicit lender terms



### Transaction Structuring

- ✓ Select lead lender / underwriter
- ✓ Model transaction cashflows
- ✓ Structure facility terms and conditions
- ✓ Execute hedges with counterparty
- ✓ Form the SPV & borrower
- ✓ Pricing and syndication
- ✓ Draft transaction legal documents
- ✓ Conduct lender due diligence
- ✓ Execute the initial sale and funding event



### Post-Closing Activity

- ✓ Fundings of newly originated receivables
- ✓ Manage transaction reps & warranties.
- ✓ Prepare monthly settlement reports
- ✓ Review ongoing monthly valuations
- ✓ Lead annual transaction audits
- ✓ Conduct annual facility rolls with lenders.
- ✓ Maintain and update asset performance data



# Due Diligence & Compliance Support

## Lender & Asset Purchaser Requirements:

- Lenders & asset purchasers require a **comprehensive due diligence** process for asset-backed transactions and forward flow agreements.
- Cypress Creek has **extensive experience** guiding companies through this robust diligence process.

### Collateral Review:

- ✓ The types of collateral underlying the portfolio are reviewed to ensure limited exposure to high-risk collateral.
- ✓ The Seller's historical performance data is reviewed to assess the volatility of losses.
- ✓ The portfolio's current and historical composition is reviewed for concentrated risks.

### Underwriting Review:

- ✓ Underwriting policies are reviewed to ensure consistency and controls.
- ✓ Review lending strategies, origination channels and processes used in underwriting new contracts.
- ✓ Assess underwriting policies, controls and portfolio performance.

### Servicer Review:

- ✓ Evaluation of the servicer's collections infrastructure, including the ability to process payments and direct cash to a facility in a timely manner.
- ✓ Credit and collections policies and procedures are reviewed to evaluate the servicer's ability to resolve delinquent and defaulted accounts.

### Originator Review:

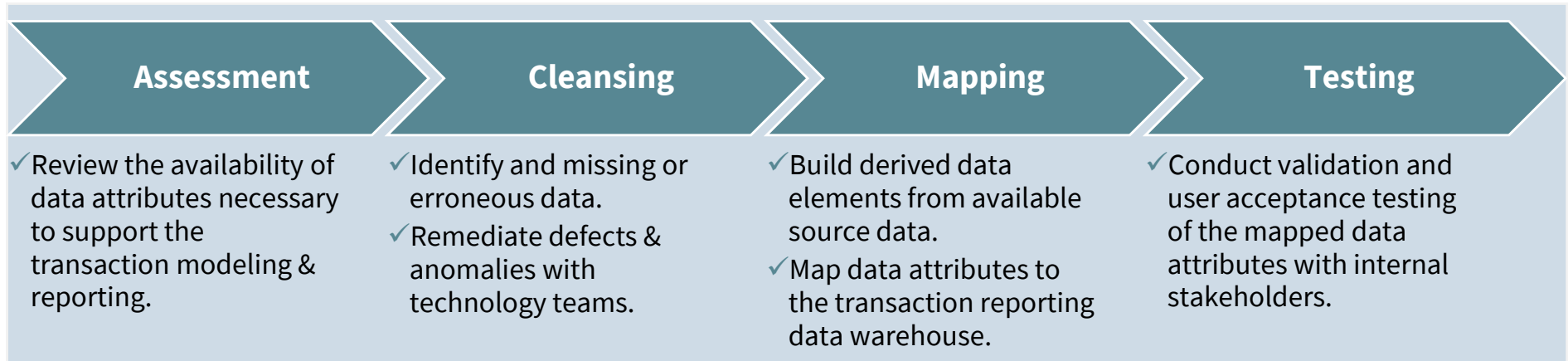
- ✓ Validation of licensing and compliance of the originating entities.
- ✓ Audited financial statements are reviewed to assess the originator's financial strength.
- ✓ The management team and organizational structure is evaluated to determine its experience and stability, risk tolerance, growth strategies, and succession plans.



# Data Management Support

## Overview:

- We prepare the data needed to support transaction **modeling, operations, and reporting**.
- A typical transaction requires large amounts of data attributes to be **mapped and validated**.



## Obligor Data

- Customer information captured at origination, including credit scoring, geography, customer tenure, and other key underwriting metrics.
- Non-traditional and bespoke scoring models are proxied to more traditional credit underwriting scoring models.

## Receivable Data

- Origination data including asset type, purchase price, financed amount, and other valuation metrics.
- Lifecycle data including payments, delinquency, deferments, modifications, charge-offs, and other billing data.

## Performance Data

- Historical performance metrics on the receivables, including delinquencies, charge-offs, and prepayments.
- Monthly origination cohorts for discrete pool tracking and to assess seasonality risks.



# Operating Model Support

## Cross-Functional Support:

- An organization must be prepared to support the **cross-functional** requirements of a transaction.
- We help **educate** your internal stakeholders and **build** the required transaction operating model.

