

SCOOS Special Questions on the Provision of Warehouse Financing Facilities for Collateralized Loan Obligations

Recent market commentaries have highlighted concerns about the credit quality of some types of collateral underlying collateralized loan obligations (CLOs).

In these special questions, we ask about your institution's provision of warehouse financing facilities for CLOs and the changes in demand for such financing over the past 12 months. Questions 81 through 87 ask about financing for CLOs backed by broadly syndicated loans (BSL CLOs). Questions 88 through 94 ask about financing for CLOs backed largely by private credit collateral (private credit CLOs).¹ For the purpose of these questions, warehouse financing refers to secured financing facilities provided by your institution for funding of loans on an interim basis to allow the accumulation of assets for eventual securitization into CLOs.

BSL CLOs

Is your institution currently active in the provision of warehouse financing facilities for BSL CLOs (CLOs backed primarily by broadly syndicated loans)? [Yes/No] (skip-switch for Questions 81–87)

81. Over the past 12 months, how has your institution's provision of warehouse financing facilities for BSL CLOs changed?

- A. Increased considerably
- B. Increased somewhat
- C. Remained basically unchanged
- D. Decreased somewhat
- E. Decreased considerably

82. Over the past 12 months, how have the price or nonprice terms of warehouse financing facilities you provide for BSL CLOs changed?

- A. Tightened considerably
- B. Tightened somewhat
- C. Remained basically unchanged
- D. Eased somewhat
- E. Eased considerably

83. To the extent that the terms of warehouse financing facilities for BSL CLOs have tightened or eased (as reflected in your response to question 82) how important are the following reasons for the change? [Skip logic: Respondents will complete question 83.A if they reported tightening in question 82 and will complete question 83.B if they reported easing in question 82]

83.A. Possible reasons for tightening

¹ Private credit CLOs, also referred to as middle market CLOs, are those backed primarily by non-syndicated middle market loans or directly originated loans.

	Very important	Important	Somewhat important	Not important
Deterioration in credit quality of underlying collateral				
Increased uncertainty about collateral valuation practices				
Reduced willingness of your institution to take on risk				
Diminished availability of balance sheet or capital at your institution				
Less aggressive competition from other institutions				
Other reasons (please specify)				

83.B. Possible reasons for easing

	Very important	Important	Somewhat important	Not important
Improvement in credit quality of underlying collateral				
Reduced uncertainty about collateral valuation practices				
Increased willingness of your institution to take on risk				
Increased availability of balance sheet or capital at your institution				
More aggressive competition from other institutions				
Other reasons (please specify)				

84. Over the past 12 months, how has demand from your clients for warehouse financing facilities for BSL CLOs changed?
- Increased considerably
 - Increased somewhat
 - Remained basically unchanged
 - Decreased somewhat
 - Decreased considerably

85. To the extent that demand from your clients for warehouse financing facilities for BSL CLOs has increased or decreased (as reflected in your response to question 84), how important are the following reasons for the change? [Skip logic: Respondents will complete question 85.A if they reported an increase in question 85 and will complete question 85.B if they reported a decrease in question 84.]

85.A. Possible reasons for an increase

	Very important	Important	Somewhat important	Not important
Increased supply of BSL collateral				

Increased demand for CLO equity tranches				
Increased demand for CLO mezzanine debt tranches				
Increased demand for CLO senior debt tranches				
Diminished availability of warehouse financing facilities from other providers				
Other reasons (please specify)				

85.B. Possible reasons for a decrease

	Very important	Important	Somewhat important	Not important
Decreased supply of BSL collateral				
Decreased demand for CLO equity tranches				
Decreased demand for CLO mezzanine debt tranches				
Decreased demand for CLO senior debt tranches				
Increased availability of warehouse financing facilities from other providers				
Other reasons (please specify)				

86. Over the next 12 months, how do you expect demand from your clients for warehouse financing facilities for BSL CLOs to change?

- A. Increase considerably
- B. Increase somewhat
- C. Remain basically unchanged
- D. Decrease somewhat
- E. Decrease considerably

87. Over the next 12 months, how do you expect your institution's capacity to provide warehouse financing facilities for BSL CLOs to change?

- A. Increase considerably
- B. Increase somewhat
- C. Remain basically unchanged
- D. Decrease somewhat
- E. Decrease considerably

Private Credit CLOs

Is your institution currently active in the provision of warehouse financing facilities for private credit CLOs (CLOs backed primarily by non-syndicated middle market loans or directly originated loans)? [Yes/No] (skip-switch for Questions 88–94)

88. Over the past 12 months, how has your institution's provision of warehouse financing facilities for private credit CLOs changed?

- A. Increased considerably
- B. Increased somewhat
- C. Remained basically unchanged
- D. Decreased somewhat
- E. Decreased considerably

89. Over the past 12 months, how have the price or nonprice terms of warehouse financing facilities you provide for private credit CLOs changed?

- A. Tightened considerably
- B. Tightened somewhat
- C. Remained basically unchanged
- D. Eased somewhat
- E. Eased considerably

90. To the extent that the terms of warehouse financing facilities for private credit CLOs have tightened or eased (as reflected in your response to question 89) how important are the following reasons for the change? [Skip logic: Respondents will complete question 90.A if they reported tightening in question 89 and will complete question 90.B if they reported easing in question 89]

90.A. Possible reasons for tightening

	Very important	Important	Somewhat important	Not important
Deterioration in credit quality of underlying collateral				
Increased uncertainty about collateral valuation practices				
Reduced willingness of your institution to take on risk				
Diminished availability of balance sheet or capital at your institution				
Less aggressive competition from other institutions				
Other reasons (please specify)				

90.B. Possible reasons for easing

	Very important	Important	Somewhat important	Not important
Improvement in credit quality of underlying collateral				
Reduced uncertainty about collateral valuation practices				
Increased willingness of your institution to take on risk				
Increased availability of balance sheet or capital at your institution				

More aggressive competition from other institutions				
Other reasons (please specify)				

91. Over the past 12 months, how has demand from your clients for warehouse financing facilities for private credit CLOs changed?

- A. Increased considerably
- B. Increased somewhat
- C. Remained basically unchanged
- D. Decreased somewhat
- E. Decreased considerably

92. To the extent that demand from your clients for warehouse financing facilities for private credit CLOs has increased or decreased (as reflected in your response to question 91), how important are the following reasons for the change? [Skip logic: Respondents will complete question 92.A if they reported an increase in question 91 and will complete question 92.B if they reported a decrease in question 91.]

92.A. Possible reasons for an increase

	Very important	Important	Somewhat important	Not important
Increased supply of private credit collateral				
Increased demand for CLO equity tranches				
Increased demand for CLO mezzanine debt tranches				
Increased demand for CLO senior debt tranches				
Diminished availability of warehouse financing facilities from other providers				
Other reasons (please specify)				

92.B. Possible reasons for a decrease

	Very important	Important	Somewhat important	Not important
Decreased supply of private credit collateral				
Decreased demand for CLO equity tranches				
Decreased demand for CLO mezzanine debt tranches				
Decreased demand for CLO senior debt tranches				
Increased availability of warehouse financing facilities from other providers				
Other reasons (please specify)				

93. Over the next 12 months, how do you expect demand from your clients for warehouse financing facilities for private credit CLOs to change?
- A. Increase considerably
 - B. Increase somewhat
 - C. Remain basically unchanged
 - D. Decrease somewhat
 - E. Decrease considerably
94. Over the next 12 months, how do you expect your institution's capacity to provide warehouse financing facilities for private credit CLOs to change?
- A. Increase considerably
 - B. Increase somewhat
 - C. Remain basically unchanged
 - D. Decrease somewhat
 - E. Decrease considerably