

Computershare Wins Certificate Administrator Race First Time Out

Computershare topped the league table for certificate administrators of CMBS deals last year, solidifying its command of the market in the first full year since it purchased the business from **Wells Fargo**.

Computershare served as certificate administrator for \$62.9 billion of deals, picking up market share compared with what it and Wells had together in 2021 for a whopping 89.6%, according to **Commercial Mortgage Alert's** CMBS Database. **Citigroup** remained in second place at \$6.7 billion but saw its market share plunge to 9.5%. **U.S. Bank** was a distant third with \$667 million.

Market players had predicted that Computershare, an Australia-based financial-services company that hadn't previously competed in the CMBS space, would dominate the market after it absorbed 2,000 staffers from Wells' trustee unit.

"It's fair to say that Computershare has demonstrated its leadership position in the CMBS market," said **Ron Feldman**, a former longtime Wells staffer who is now a senior vice president in Computershare's corporate-trust division. "The numbers speak for themselves. We have stayed on track with our platform, and ... integration [of the businesses] ... is going very smoothly."

In the less lucrative category of trustees for private-label CMBS deals, **Wilmington Trust** remained in front as it continued to build market share to a dominant 77.4%, up from 57.5% the year before. Computershare was second with a 21.6% market share, while U.S. Bank was a distant third.

In the CRE CLO market, Computershare also commanded a dominant share of the certificate-administrator business at 70.4%, though U.S. Bank stole a bit of market share at 29.6%, up from 26.5% the year before.

Feldman attributed the drop in market share to the fact that many CRE CLOs that were teed up last year — and that had named Computershare as certificate administrator — never priced due to dislocation in the capital markets.

U.S. Bank continued to dominate the agency market, placing



first in both the certificate-administrator and trustee businesses by grabbing about a third of the **Freddie Mac** assignments and most **Ginnie Mae** offerings. It received league-table credit for \$37.5 billion of certificate-administrator assignments, with its market share slipping a bit to 43.2%. Citi was second in both categories, improving its market share to 22.2% in the certificate-administrator category, followed by Computershare

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RANKINGS

Trust-Administration Providers In 2022

CMBS

Certificate Administrators		2022 Issuance (\$Mil.)	No. of Deals	Market Share (%)	2021 Issuance (\$Mil.)	No. of Deals	Market Share (%)	'21-'22 % Chg.
1	Computershare	\$62,898.1	72	89.6	\$15,207.1	24	13.8	313.6
2	Citigroup	6,665.8	6	9.5	21,467.6	18	19.4	-68.9
3	U.S. Bank	667.2	3	1.0	952.1	3	0.9	-29.9
	Wells Fargo	0.0	0	0.0	72,929.9	97	66.0	-100.0
TOTAL		70,231.1	81	100.0	110,556.7	142	100.0	-36.5

Trustees		2022 Issuance (\$Mil.)	No. of Deals	Market Share (%)	2021 Issuance (\$Mil.)	No. of Deals	Market Share (%)	'21-'22 % Chg.
1	Wilmington Trust	\$54,387.1	58	77.4	\$63,557.7	69	57.5	-14.4
2	Computershare	15,176.8	20	21.6	6,386.8	9	5.8	137.6
3	U.S. Bank	667.2	3	1.0	952.1	3	0.9	-29.9
	Wells Fargo	0.0	0	0.0	39,435.0	60	35.7	-100.0
	Citigroup	0.0	0	0.0	225.0	1	0.2	-100.0
TOTAL		70,231.1	81	100.0	110,556.7	142	100.0	-36.5

CRE CLOs

Certificate Administrators		2022 Issuance (\$Mil.)	No. of Deals	Market Share (%)	2021 Issuance (\$Mil.)	No. of Deals	Market Share (%)	'21-'22 % Chg.
1	Computershare	\$21,334.1	22	70.4	\$3,810.0	5	8.4	459.9
2	U.S. Bank	8,967.4	8	29.6	12,043.6	14	26.5	-25.5
	Wells Fargo	0.0	0	0.0	29,583.1	32	65.1	-100.0
TOTAL		30,301.5	30	100.0	45,436.7	51	100.0	-33.3

Trustees		2022 Issuance (\$Mil.)	No. of Deals	Market Share (%)	2021 Issuance (\$Mil.)	No. of Deals	Market Share (%)	'21-'22 % Chg.
1	Wilmington Trust	\$21,334.1	22	70.4	\$31,639.7	34	69.6	-32.6
2	U.S. Bank	8,967.4	8	29.6	12,043.6	14	26.5	-25.5
	Wells Fargo	0.0	0	0.0	1,753.4	3	3.9	-100.0
TOTAL		30,301.5	30	100.0	45,436.7	51	100.0	-33.3

RANKINGS

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(18.1%), **Fannie Mae** (10.8%) and **BNY Mellon** (4.9%).

From the time of the global financial crisis to the sale of the business in November 2021, Wells had been the leading provider of trust-administration services to private-label CMBS issuers. Computershare managed the handoff despite a 36.5% drop in issuance volume last year to \$70.23 billion.

The trustee of a securitization represents the interests of bondholders, but the certificate administrator — while technically subordinate to the trustee — handles most of the work and earns the bulk of the fees. Its duties include serving as custodian of deal documents and helping to funnel bond payments and accounting information to investors. Thus, the ranking of certificate administrators is a better gauge of corporate-trust shops' standing in the CMBS market.

While a single shop often takes both the trustee and certificate-administrator roles, a bank can't be the trustee of a transaction if it is the deal's master or special servicer. That may help explain why Computershare was able to nearly quadruple its market share of CMBS trustee assignments last year, since Wells is one of the "big three" in servicing and Computershare doesn't participate in the business.

A servicing institution still can take the certificate-administrator role while handing off the trustee assignment to another provider, which effectively would have a passive role. Wilmington specializes in taking those "nominal" trustee assignments.

Computershare paid \$750 million for Wells' trustee business. Because it isn't a depository institution, Computershare needs to open accounts and perform some ratings-dependent functions via Wells or other bank relationships. ❖

Trust-Administration Providers In 2022**Agency CMBS**

Certificate Administrators		Fannie Issuance (\$Mil.)	Freddie Issuance (\$Mil.)	Ginnie Issuance (\$Mil.)	2022 Total (\$Mil.)	2022 No. of Deals	Market Share (%)	2021 Total (\$Mil.)	2021 No. of Deals	Market Share (%)	'21-'22 % Chg.
1	U.S. Bank	\$0.0	\$17,476.6	\$20,002.7	\$37,479.3	106	43.2	\$63,052.5	126	48.6	-40.6
2	Citigroup	0.0	19,251.8	0.0	19,251.8	21	22.2	25,938.4	27	20.0	-25.8
3	Computershare	0.0	15,705.9	0.0	15,705.9	21	18.1	2,844.8	4	2.2	452.1
4	Fannie Mae	9,369.0	0.0	0.0	9,369.0	16	10.8	13,727.5	27	10.6	-31.8
5	BNY Mellon	0.0	0.0	4,283.2	4,283.2	15	4.9	11,293.3	25	8.7	-62.1
6	Freddie Mac	0.0	760.4	0.0	760.4	3	0.9	1,019.7	6	0.8	-25.4
	Wells Fargo	0.0	0.0	0.0	0.0	0	0.0	11,763.8	14	9.1	-100.0
	TOTAL	9,369.0	53,194.7	24,286.0	86,849.6	182	100.0	129,640.2	229	100.0	-33.0

Trustees		Fannie Issuance (\$Mil.)	Freddie Issuance (\$Mil.)	Ginnie Issuance (\$Mil.)	2022 Total (\$Mil.)	2022 No. of Deals	Market Share (%)	2021 Total (\$Mil.)	2021 No. of Deals	Market Share (%)	'21-'22 % Chg.
1	U.S. Bank	\$0.0	\$17,476.6	\$20,002.7	\$37,479.3	106	43.2	\$63,052.5	126	48.6	-40.6
2	Citigroup	0.0	18,631.4	0.0	18,631.4	20	21.5	21,276.3	22	16.4	-12.4
3	Wilmington Trust	0.0	9,614.3	0.0	9,614.3	11	11.1	14,939.1	19	11.5	-35.6
4	Fannie Mae	9,369.0	0.0	0.0	9,369.0	16	10.8	13,727.5	27	10.6	-31.8
5	Computershare	0.0	6,712.0	0.0	6,712.0	11	7.7	0.0	0	0.0	
6	BNY Mellon	0.0	0.0	4,283.2	4,283.2	15	4.9	11,293.3	25	8.7	-62.1
7	Freddie Mac	0.0	760.4	0.0	760.4	3	0.9	1,019.7	6	0.8	-25.4
	Wells Fargo	0.0	0.0	0.0	0.0	0	0.0	4,331.6	4	3.3	-100.0
	TOTAL	9,369.0	53,194.7	24,286.0	86,849.6	182	100.0	129,640.2	229	100.0	-33.0