



Mount Street authorised as credit servicer under the EU Secondary Credit Market Directive

-Mount Street is one of the first credit servicers to receive new authorisation, which adds a new layer of regulation and applies to consumer, SME and commercial real estate (CRE) loans-

Mount Street Group ('Mount Street'), a leading global third-party loan servicing and credit asset management firm, announces that Germany's financial regulatory authority, the Federal Financial Supervisory Authority ('BaFin'), has approved the application for its regulated business, Mount Street Portfolio Advisers GmbH ("MSPA"), to be authorised as a credit servicer under the EU Directive on Credit Servicers and Credit Purchasers, implemented in Germany via the Secondary Credit Market Act (Kreditweitmarktgesetz 'KrZwMG').

The Secondary Credit Market Act came into force on 30 December 2023, with the intention to reduce the high level of non-performing loans ('NPLs') on the balance sheet of European institutions and to develop secondary markets for NPLs. An important objective of the new regulation is to create a uniform framework for credit purchasers and credit servicers across the EU, while ensuring a high level of protection for consumers.

For the first time, this directive introduces new rules for the sale of NPLs, spanning the SME, consumer and CRE markets, and places companies that have previously had no contact with the financial regulator under the supervision of BaFin. With the implementation of the regulation, authorised credit service institutions also have the option of operating cross-border with the European passport.

MSPA, a BaFin and FCA regulated investment firm based in Germany with offices in the UK, Ireland and Spain, as well as an SEC regulated subsidiary in the US, is one of the first credit servicers to receive this authorisation, which builds on its proven reputation and established portfolio management, advisory and analytics service track-record. MSPA has a broad sector specialism including corporate and asset-based debt, including infrastructure, CRE, leveraged loans, project finance and transportation.

In 2023, MSPA was appointed as Portfolio Manager of a Luxembourg infrastructure debt fund with institutional investors and in partnership with Germany-based Helaba as originator, which was a landmark transaction for the German market. In January 2024, Dexia appointed MSPA to manage its EUR 17bn bond wind-down portfolio including valuation, portfolio advisory as well as execution of bond sales.

Stephan Plagemann, Chief Financial Officer at Mount Street, commented: *“To be one of the first businesses to be authorised as a credit servicer under this new directive is a testament to the strength of our platform, proven track record and commitment to due diligence.*

“It enables Mount Street to continue to work as trusted partner with debt funds and other institutional investors, leveraging Mount Street’s in-house expertise in underwriting and working out NPL portfolios, which are being put up for sale by European banks looking to clean up their balance sheets. Both Commercial Real Estate and SME debt are areas Mount Street has historically been strong in and where NPL volumes are expected to rise over the coming years.

“At Mount Street, we welcome any regulation that focusses on enhancing the quality of service provided to clients and improves the conduct of business rules for the relationship with borrowers. Similar regulations have applied across the securities and derivatives markets for a number of years, and this new directive will serve to level the playing field and improve the transparency and efficiency of the NPL market.”

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About Mount Street Group

Mount Street is a leading global third-party loan servicing and credit asset management firm with approximately €155 billion of assets under management. Mount Street is recognised as a leading real estate loan servicer and among the fastest-growing companies in Europe. Leveraging its proprietary technology and a global presence across 10 offices in key financial centers worldwide, Mount Street has built an international team of seasoned banking, real estate, infrastructure, shipping, and technology professionals to assist institutional investors in capturing value across the lifecycle of their credit and other investments.

To learn more about Mount Street Group, visit mountstreet.com