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According to Thomson Reuters LPC's year-end survey, the majority of buyside and sellside institutions surveyed estimated that roughly 40% of managers had a Risk Retention solution in place. Maybe not quite put the structure and funding in place but as we approach December 24th, managers have not just been evaluating the various solutions out there, they are committing to one. Out of the various paths to choose from (CMA, MOA, C-MOA), there are can be a lot of reasons why certain avenues make the most sense for various institutions with capital efficiency, ongoing access and availability to capital as top priorities.

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The various solutions have both benefits and frictions with some carrying more prohibitive costs than others. Meanwhile, sources say Risk Retention is shaping the M&A landscape in CLO-land. Reflecting this sentiment, one third of CLO managers, arrangers, and investors surveyed recently by Thomson Reuters LPC said the CLO manager universe will shrink by 40% or more by the end of 2017. Consolidation is just one of the shifts we are seeing in the manager landscape as managers adjust to the new reality. Meanwhile, some investors are evaluating both their ongoing CLO investment and/or investing in new structures, but even here, there are lots of unknowns and many say it is in the hands of lawyers and accountants to iron out some of the kinks.

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