

Cortland Adjusts System for TALF

Cortland Capital Market Services, which helps clients track their bond and loan holdings, is upgrading its back-office system to accommodate the **Federal Reserve's** new lending program.

Cortland's servicing and administration system is being tweaked to accept information feeds from the custodial bank for the Fed's Term Asset-Backed Securities Loan Facility. The TALF program, which got under way last month, will soon be expanded to finance buyers of commercial MBS.

"We want to stay in front of the curve here so that TALF-financed assets fit neatly into our clients' existing portfolio reporting and reconciliation parameters," said Cortland co-founder **Russ Goldenberg**. "We are addressing the administrative issues surrounding this program now so that they don't have to worry about them tomorrow."

Cortland, which was formed last year, provides custodial, administrative and other services to a mix of investors, including fund operators, pension advisors and CDO managers. When a Cortland client buys a bond, for example, Cortland takes custody of it, monitors coupon payments and gathers information regarding potential shortfalls or prepayments. The company provides corollary services for mortgages, gathering servicer reports and monitoring interest payments.

But bonds acquired under the TALF program will be held by a custodian bank appointed by the Fed. So Cortland is adapting its system to receive bond and loan data from the custodian. **Bank of New York** was named custodian for consumer-oriented paper purchased with TALF financing, but



the Fed has yet to name a custodian for CMBS.

Goldenberg and Cortland's other co-founder, **Doug Hart**, are former executives of **LaSalle Bank's** trustee operation. ❖