GlobalCapital

Financing a Digital Future: Opportunity, Risk and Reward in the US

OCTOBER 2025

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Breaking ground for data center finance in the US

Registering data center deals with the SEC, adding facilities nearing completion to ABS deal collateral and improving tenant disclosure got 10 capital markets experts talking. *GlobalCapital*'s senior securitization reporter **Chadwick Van Estrop** led the conversation

Roundtable participants

Andrew Butville, CFA, director asset-backed securities, MetLife Investment Management

Moderator: **Chadwick Van Estrop**, senior reporter, US securitization, GlobalCapital

Melissa Niu, portfolio manager, Insight Investment

Sang Han, head of ABS, BBVA

Maria Paula Moreno, managing director regional group head, Americas, structured finance, Fitch Ratings

Kelly Mellecker, partner, Kirkland & Ellis

Tom Yanagi, managing director, head of debt capital markets, DigitalBridge

Johnny Wijaya, head of structured finance solutions, BNY

Valentina Burger-Jimenez, vice president, DigitalBridge

Neenad Dave, vice president of capital markets, Switch

Marcus Gibson, vice president, Stream Data Centers

How will the US data center boom be financed? That is the question *GlobalCapital* — with investors, issuers and representatives from BBVA, Fitch, law firm Kirkland & Ellis and corporate trustee BNY — set out to answer in a discussion in September in New York.

In 2025, a record year for data center ABS issuance in the US, \$11.5bn of paper from the sector has hit the market across 23 series of notes. Another \$7.14bn of data center paper was issued in the CMBS market.

The issuance tally could double in 2026 as Bank of America predicts the data center ABS and CMBS markets could collectively top \$35bn across new issues and refinancings.

Fueling issuance is huge capital expenditure from hyperscalers. Amazon, Apple, Google, Meta, Microsoft and Oracle, collectively, are due to spend \$382bn on capex this year, \$432bn next year and \$539bn in 2029, according to Citi.

How will the securitization market rise to meet that need? How will it innovate and how will it meet the financial needs of a digital future?

GETTING TO KNOW THE DATA CENTER OPERATORS

***GlobalCapital*: Let's start with an overview of issuance through the lens of the companies involved. Neenad, could you summarize Switch's issuance, outline where its data centers are and where the firm is building data centers?**

Neenad Dave, Switch: Much of the development pipeline feeds our ABS and CMBS platform. We have five campuses across the US. We like to scale up in those locations to capture efficiencies. To date, we have issued \$5.2bn in this securitization market: \$2.8bn in ABS and \$2.4bn from our inaugural CMBS in February this year. ABS, particularly through the

Key takeaways

- Registering data center securitizations with the SEC would open new pockets of capital but deal size a hurdle (page 4)
- Investor appetite for 10-year data center paper (page 9)
- Risk of hyperscalers taking data center building in-house (page 8)
- Fitch makes triple-A rating available to ABS data center issuers (page 6)
- Beyond the ABS master trust: how to break up equity in a securitization (page 6)
- Apollo backed Stream Data Centers' path to the ABS market (page 10)
- The next frontier for data center construction, liquid cooling (page 12)
- ABS data center master trusts nowhere near leverage level considered "too deep", according to DigitalBridge, owner of issuers DataBank, Switch, Vantage and Landmark (page 3)
- As ABS deal sizes grow, issuers consider amortization (page 9)
- Issuers placing more emphasis on debt service coverage ratio than loan-to-value ratio (page 3)
- Credit enhancement on a data center securitization should be more than just a consideration of the weight-average lease term (page 3)

master trust structure, is an efficient tool for us. It has allowed us to tap the market quickly after the inaugural issuance. It also allows us to incorporate investor feedback and introduce structural elements the market accepts. That enables us to improve and innovate over time while maintaining a long-term solution for our development pipeline. So there's ways to improve, change and innovate over time while continuing to have a solution for your development pipeline in the long run. CMBS is a strong complement to that. I wouldn't say we prefer one tool over the other. We always consider both markets as assets approach stabilization.

***GlobalCapital*: Tom, DigitalBridge also owns data center securitization issuers Vantage and DataBank. What does the issuance look like for those firms?**

Tom Yanagi, DigitalBridge: The securitization market is an important part of the overall lifecycle of financing for data center businesses, providing a path to recycling development capital once assets are more mature. These markets provide capital that is a fundamental part of the financing ecosystem, enhancing our ability to continue funding the growth that you're seeing in data centers (see map on page five).

Vantage pioneered the data center ABS market eight years ago and has since become a regular issuer, having this year tapped into the CMBS market as well. Since 2018, it has closed 16 ABS deals globally and has slightly more than $6bn of ABS paper currently outstanding. Vantage is a hyperscale data center business. When Vantage did the first ever data center securitization, we started out using S&P's credit-tenant lease methodology and while the applicable rating methodologies have evolved, the analysis is largely based on long-term contracts with a handful of credit worthy tenants, often with built-to-suit contracts with very high utilization.

Data Bank is an enterprise data center provider. Where Vantage might have around 15 customers, DataBank has about 2,400; often smaller deployments of data center space, shorter contracts, a greater diversity of tenant credit quality from triple-A rated enterprises to unrated but creditworthy ones. Fundamentally, Vantage and DataBank are providing space, power, cooling and connectivity, but the credit look through is a little bit different and so the structures are a little bit different.

***GlobalCapital*: Valentina, how do you consider ABS issuance against CMBS for data centers in terms of market conditions and deal collateral?**

Valentina Burger-Jimenez, DigitalBridge: We've been more comfortable with the ABS market than the CMBS market; that's where we started and where, to date, have taken out close to $15bn of issuance across our different data center portfolio companies. There are nonetheless many investors that play only in the CMBS market and who may not have yet transitioned to participate in the ABS market. We see this as an opportunity both to bring those investors into the digital infrastructure ABS market and as a separate pool of capital that we would like to tap under specific circumstances.

***GlobalCapital*: Is there a crossover with investors in the CMBS and ABS data center market?**

Burger-Jimenez, DigitalBridge: It may be a product of where we focus, but the investors we tend to prefer are those in the ABS market, but there is a clear overlap between the two of them. There are some that play in both markets.

Yanagi, DigitalBridge: There's benefit in diversifying our pools of capital and availability. Some investment firms have different desks for ABS and CMBS, which may provide access to different pools of liquidity.

Dave, Switch: With our inaugural CMBS deal we saw some crossover, but there's a meaningful split. Sometimes it's the same desk across these markets, while at others it's split across separate teams. In the separated scenario, those teams tend to evaluate the investment

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Valentina Burger-Jimenez, DigitalBridge differently and run different mandates and strategies.

***GlobalCapital*: Marcus, how are you keeping investors interested? There's such a volume of money that needs to come through this sector, but there has also been record issuance this year.**

Marcus Gibson, Stream: We are asking investors as we talk to them: 'Are you bumping up against allocation limits?' And it seems, for now, they haven't. At a certain point to actually feed the scale of our business we're going to need to go to the securitization market.

***GlobalCapital*: Neenad, what does the maturity wall for your securitizations look like and did the September rate cut change your mind on your issuance timeline?**

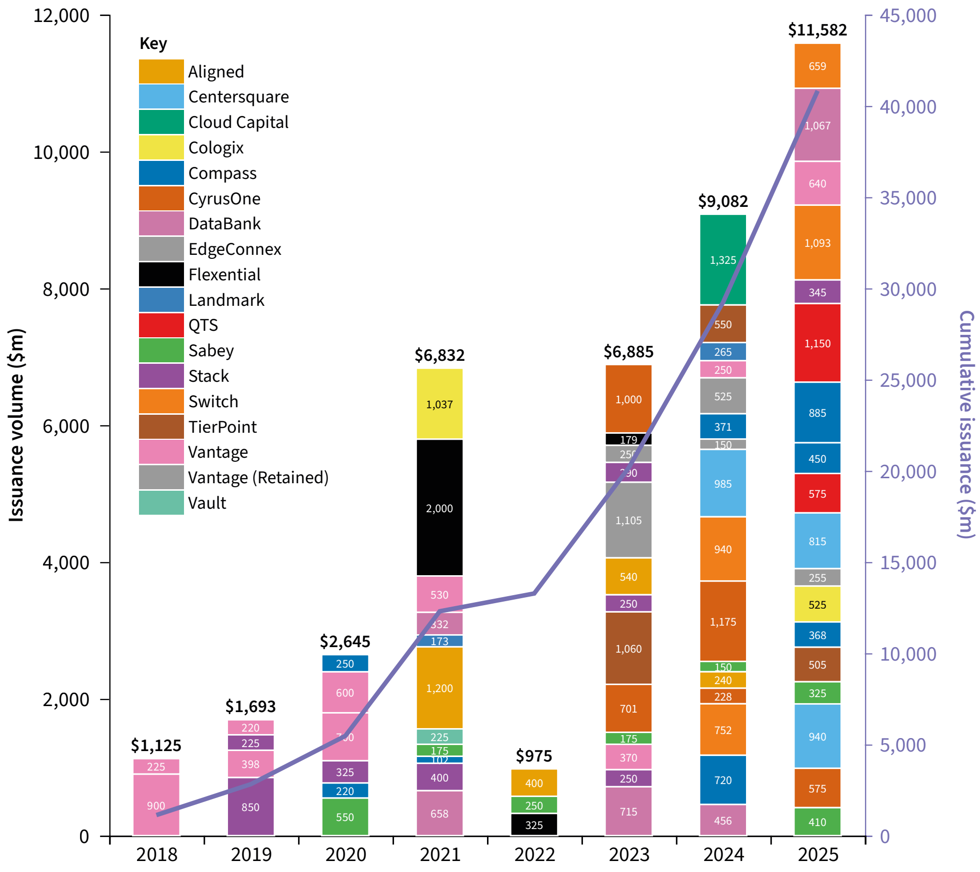
Dave, Switch: The rate cut is probably not as front of mind in influencing our strategy for refinancing or new issuance. As we plan for refinancing, we may also consider diversifying our master trust to mitigate the onus we're placing on investors evaluating the same asset pool. We're a fairly new issuer; our inaugural issuance was at the beginning of last year. We have time to assess market conditions.

***GlobalCapital*: Neenad, do you have a target loan-to-value (LTV) ratio that you look to issue your CMBS or ABS deals at?**

Dave, Switch: Our capital structure is broader than that, including construction finance. We may see more diversity that can come in the future on the stabilized finance side. The LTV is a small piece of that broader puzzle. There's much more at play. Candidly, in the current environment, it hasn't been front of mind. Our focus has been the debt service coverage ratio (DSCR). It's about assessing DSCR sensitivity and the quality of net operating income in your asset pool relative to interest rate movements and our ability to protect against them. I'm sure LTV will again be front of mind, much as it was in 2020 and 2021, but we're not there today.

***GlobalCapital*: I've seen data center ABS deals with DSCRs**

Data center ABS issuance — 144A market



Data as of October 2025 including Switch deal at initial price thoughts at time of publishing *Source: BofA, MUFG, KBRA, S&P*

at 1.4 times. Is that the range you're looking to issue at?

Dave, Switch: The quality of the pool allows us to push the boundaries. We do a lot on both the enterprise side and on the hyperscale-tenant side, and the overlap is investment grade customers. Our investment grade customer percentage has grown with every issuance.

Another metric that has improved between issuances is our DSCR. In our trust, given the nature of the enterprise business, DSCR improves as net operating income organically grows. That was a key educational step leading up to our inaugural deal, when we went to market saying: 'Sure, everybody's used to looking at the weighted average lease term (WALT) and the typical metrics, but that doesn't tell the full story'. There's significant opportunity for credit enhancement when you look beyond WALT.

We have strong customer diversity, a high investment grade percentage, long-tenured customers, and we can use the tail of smaller customers to drive growth in our portfolio. We've spoken with investors, gathered their feedback and they understand that story.

***GlobalCapital*: Tom, how do you consider DSCR against LTV? Is one more front of mind for Vantage as opposed to DataBank?**

Yanagi, DigitalBridge: We are guided by the ratings criteria and what investors will be comfortable with. Digital infrastructure, including data centers, are very stable, predictable assets with long-term cash flows. We as equity holders are very comfortable that those will continue into the long term. There's certainly a leverage level that we'd say is too deep, but we're not anywhere near there.

I think it does come back to how comfortable investors are with the stability and predictability of cash flows and the potential growth, including lease escalators. On the hyperscale side, leases are generally long term and utilization approaches 100%, so DSCR may be a less

"SEC registration on data center deals would open up some additional pockets of capital for us. Some third-party accounts we manage are limited to SEC registered securities. The deal may be index eligible if it's SEC registered, which then would open up another pocket of money to come into the deal, and also additional liquidity"

Andrew Butville, MetLife Investment Management

relevant monitoring tool. On the enterprise side, utilization in those securitized facilities is typically less than 100% and contracts are shorter providing opportunity for additional leasing as well as re-pricing that would influence DSCR over time.

TAPPING NEW CAPITAL WITH SEC REGISTRATION

***GlobalCapital*: Kelly, on Securitites and Exchange Commission registration. Has there been much appetite to seek that designation on the data center securitized deals you've worked on? And what's the benefit to issuers for attaining that designation?**

Kelly Mellecker, Kirkland & Ellis: No, is the answer. These bonds are mostly 144A or 4(a)(2) bonds. Typically, we mainly see SEC registration in ABS for public shelves for flow assets. I'd love to hear from the investors if that would be beneficial.

Andrew Butville, MetLife Investment Management: I think SEC registration on data center deals would open up some additional pockets of capital for us. There are some third-party accounts that we manage that are limited to SEC registered securities. In addition, it may be index eligible if it's SEC registered, which then would open up another pocket of money to come into the deal and also additional liquidity. I think SEC registration would bring more investors and much more liquid securities to this sector.

Melissa Niu, Insight Investments: SEC registration does open up additional pockets of money for us. Additionally, because we manage European capital, EU risk retention would open up further pockets of capital.

***GlobalCapital*: Kelly, how does the process to register a securitization with the SEC work? Would the issuer go into a queue?**

Mellecker, Kirkland & Ellis: Yes, your disclosure is given to the SEC there's a comment period. So your speed to market may be affected. As you go through the SEC process, you're at the whims of whoever is reviewing your transaction. There are utility securitizations via rate reduction bonds that are SEC registered. Those, typically, can go into ABS indices, but they can also go into corporate bond indices. I want to say you have to have tranches of at least $500m to get in the corporate bond indices. As these deals grow in size, SEC registration might be something to think about.

***GlobalCapital*: Is deal size a qualifier for SEC registration?**

Mellecker, Kirkland & Ellis: No, but it is for the bond indexes.

Butville, MetLife: I think that size is definitely a factor in whether the additional cost to go through that registration process makes sense.

Mellecker, Kirkland & Ellis: It would be interesting. We haven't seen data center securitizations publicly registered [with the SEC], so I would suspect the first ones might get a little bit of scrutiny as the SEC gets familiar with the asset class and disclosure. After a certain amount of volume, SEC registration for this asset class could become more cookie-cutter.

***GlobalCapital*: Are you encouraging your issuer clients to consider SEC registration?**

Mellecker, Kirkland & Ellis: It's really a question for the banks that are syndicating the transactions. If they're hearing from the investor market about features like SEC registration or Solvency II compliant structures or preference for inclusion in the corporate bond indices, these are things that can end up in the deal documents. There is so much capex being spent that as assets become stabilized and cash flowing, it's almost whack-a-mole trying to put the debt into different stabilized financing markets. Whether that's SEC registered, 144A or 4(a)(2), any and all options are on the table.

The next step that we're starting to think about is — as these operators' footprints get very large — a subset of facilities may need to be equity financed differently through yieldcos, joint ventures, Reits, etc. But once these assets are locked into CMBS facilities or ABS trusts, how do you break them apart again to bring in new equity owners? It's a puzzle to fit data centers into the financing markets on both sides, the equity and the debt.

***GlobalCapital*: How would an issuer compress the timeline for SEC registration?**

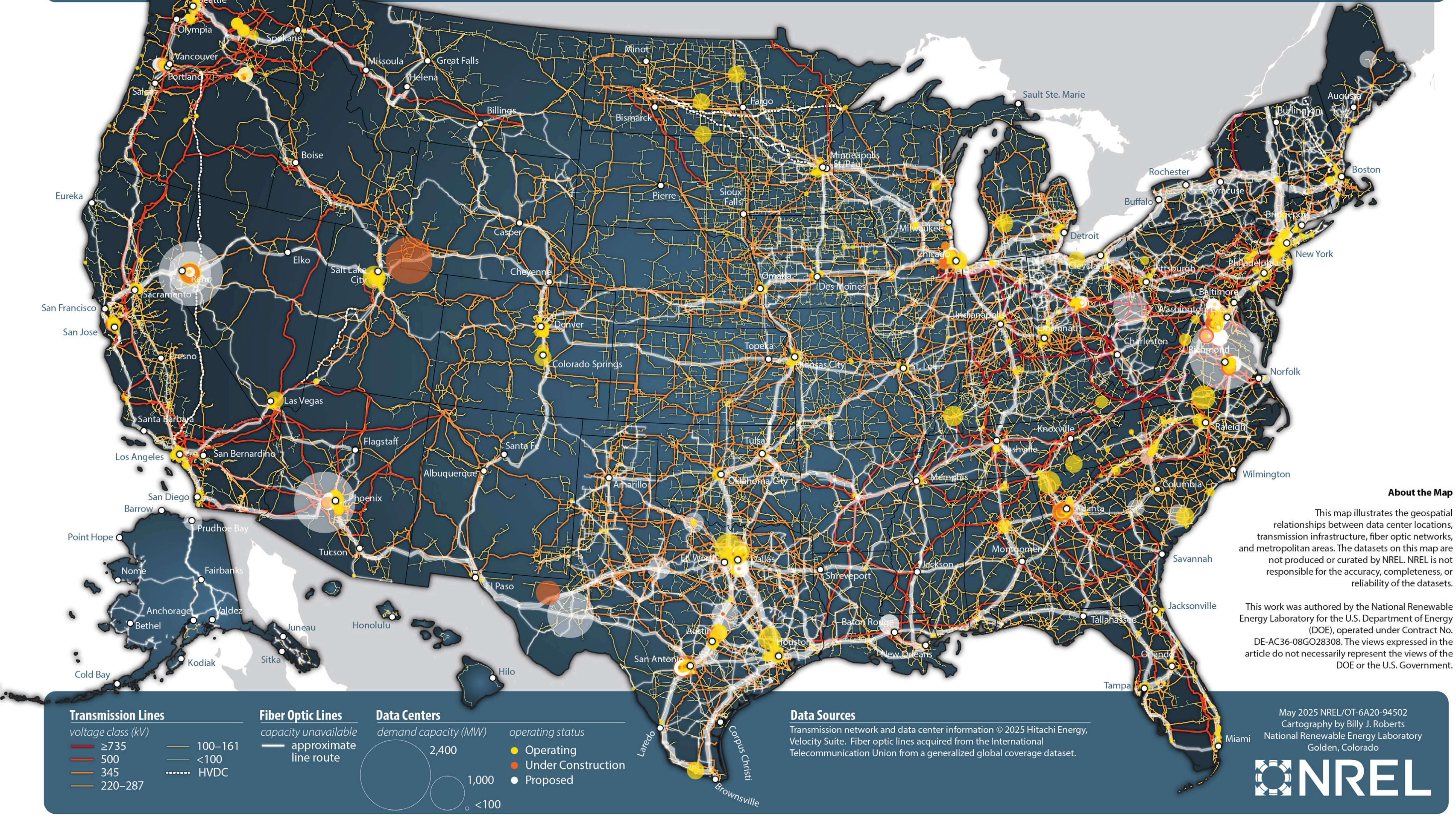
Mellecker, Kirkland & Ellis: I think there are certain long poles in the tent of setting up any ABS. SEC registration is maybe not the longest of them. For a new issuer that would probably be the ratings process.

Maria Paula Moreno, Fitch Ratings: Especially if it's a new issuer or a new master trust, the ratings process could take up to eight weeks. But a repeat issuer should be simpler.

***GlobalCapital*: Is there a checklist issuers can have that will facilitate quicker SEC registration?**

Mellecker, Kirkland & Ellis: You're better off having your diligence for the rating agency ready to start the ABS process. With the SEC, you give them your disclosure and they comment on it. So that part should be easy enough. The more beneficial thing that issuers can do is as they're signing leases and building facilities make sure the leases are separable; make sure there's no cross-defaults; make sure you look at confidentiality so that you can share with potential lenders — not just your project finance lender but eventually a rating agency and your prospective investors.

Data Center Infrastructure in the United States, 2025



About the Map

This map illustrates the geospatial relationships between data center locations, transmission infrastructure, fiber optic networks, and metropolitan areas. The datasets on this map are not produced or curated by NREL. NREL is not responsible for the accuracy, completeness, or reliability of the datasets.

This work was authored by the National Renewable Energy Laboratory for the U.S. Department of Energy (DOE), operated under Contract No. DE-AC36-08GO28308. The views expressed in the article do not necessarily represent the views of the DOE or the U.S. Government.

Data Sources

Transmission network and data center information © 2025 Hitachi Energy, Velocity Suite. Fiber optic lines acquired from the International Telecommunication Union from a generalized global coverage dataset.

May 2025 NREL/OT-6A20-94502
Cartography by Billy J. Roberts
National Renewable Energy Laboratory
Golden, Colorado

They also need to set up their organization so that it is governed by an operating company and then you have all of your different facilities, to the extent they are maximally divisible, in their own property companies. That way things are easier to move into securitizations and other steps needed for financing. I think what's exciting about this space is it's changing so quickly, but these facilities being built now will become stabilized years into the future, meaning we have to be thinking now about how do you set it up correctly, legally, to give yourself the maximum flexibility.

VIEWS OF THE INVESTORS

***GlobalCapital*: Bringing in the investors: Melissa and Andrew, how full is your book of data center paper at the moment?**

Butville, MetLife: We've been very active in data centers for a while now and it has gotten to the point where it's now one of the single largest sector exposures in our ABS book. So we have started to become a little bit more thoughtful about where we deploy capital in the sector. We still like the fundamentals overall for the sector, but spreads have really tightened. It used to look great when you could get single-A rated paper at 200 basis points over the I-curve, now at 130s not as much. It's a combination of credit and spread. We are taking a closer look at both of those as we pick and choose where we want to play.

Niu, Insight: We started looking at this sector in 2019 and have accumulated a reasonable allocation. OK, spreads are getting very tight and as [construction] projects financed by bank lending are coming into the permanent financing stage for refinance, we expect to see a lot of supply. The question is: whether the spread is going to be there to attract broader investor base into the space?

***GlobalCapital*: How do you diversify in this asset class? There are different issuers but five or six hyperscalers that are leasing space across all these issuers. Does that make you want to invest in data center securitizations that are backed by co-location or carrier hotel collateral?**

Niu, Insight: The concentration to big tech is high. It's not just the ABS, CMBS or securitization problem. It's across the broader US economy. As investors, we still need to manage this concentration risk. With co-location you could find hundreds of tenant names in a transaction, including large S&P 500 enterprises, with no single name dominating the pool. While co-location may be perceived as slightly higher risk than hyperscaler deals due to shorter leases — two to three years, rather than 10 or 15-year leases like what is found with hyperscalers — not all co-locations are created equal. A subset of co-location issuers build their business models around the carrier hotels and interconnection hubs. These facilities tend to be mission critical with higher barriers to entry that support tenant stickiness and long-term occupancy.

***GlobalCapital*: Andrew, an investor told me recently that some money they had earmarked for data center securitization was being invested in fiber securitization given spreads are so tight, particularly hyperscale ABS. How have you tried to pick up spread in digital infrastructure ABS?**

Butville, MetLife: You can definitely get more spread in fiber than you can get with hyperscale data center issuers right now. We don't allocate dollars to specific asset classes. But we do see some opportunities to sell occasionally where we want to take profits or manage our issuer exposure. We are more active in the new issue market for fiber.

***GlobalCapital*: Melissa, in digital infrastructure where are you finding relative value?**

Niu, Insight: Spreads are pretty tight across the board, including hyperscale data centers and cell tower ABS. There is slightly more spread in fiber. Co-location data centers tend to offer a bit more yield as well. That said, we remain cautious on certain credits within digital infrastructure. In data centers, technology risk continues to be a key consideration in our mind, so we focus more than ever on the credit to make sure deals are diversified, backed by high-quality assets and well structured to mitigate downside risks.

FITCH'S UPDATE OF DATA CENTER RATINGS CRITERIA

***GlobalCapital*: Maria Paula, Fitch updated its ratings criteria for data centers recently. Could you summarize what's happened with the criteria?**

Moreno, Fitch: We consolidated both our CMBS and ABS criteria approach to data centers. It is basically saying we'll look at the assets in the same manner no matter if you're seeking capital via project finance, ABS or CMBS. Then we'll consider what the liability structure is because it's the same type of contracts and same type of assets, it's just the liability that changes.

In data center ABS, you generally have a five-year structure with only interest payment and an ARD [anticipated repayment date]. In CMBS, you have a five-year structure with a refinance risk at that point. Data center CMBS is generally a triple-A market. We're seeing larger issuances coming out of CMBS because of the last dollar with triple-A at the top.

We can achieve triple-A on an ABS data center deal with our new criteria. However, we would require some of the same guardrails that you have in CMBS with regards to liquidity, the ability to dispose of the asset in a timely manner, generally an

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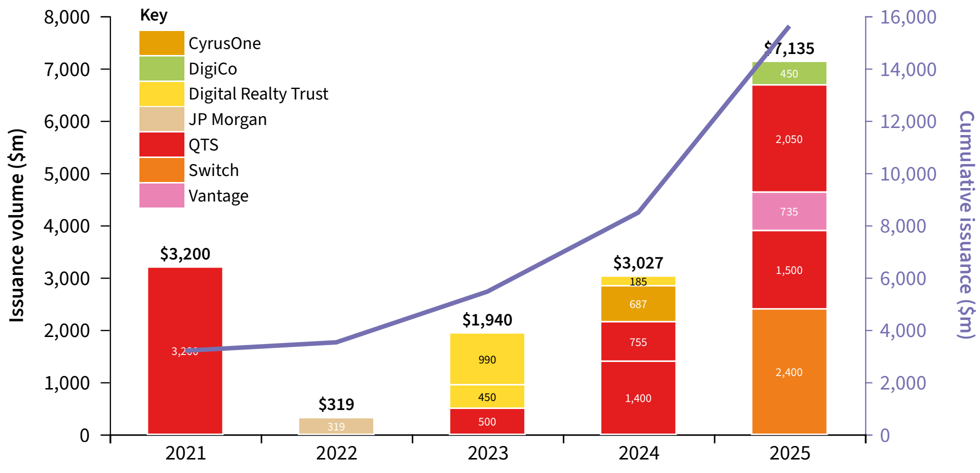
Kelly Mellecker, Kirkland & Ellis

Data center CMBS issuance — 144A market



Data as of October 2025

Source: BofA, MUFG, KBRA, S&P

ARD or a structure with enough tail or time to actually sell the asset and be able to repay without a default.

Given how the market has grown, we also changed our leverage points. Generally, for ABS you could leverage on a top-tier asset in the top tier market of anywhere between 10.2 times leverage to 11.3 times, which is different from what we had before. What we're seeing with an ABS transaction at the A level is that it can have higher leverage than a CMBS deal at the same rating level. However, the last dollar in CMBS is higher just because you go all through the capital stack.

***GlobalCapital*: How are you looking at liquidation value on these deals now?**

Moreno, Fitch: What we're looking at — and our revised criteria puts a lot of emphasis on this — is a commercial real estate property where you can, at the time the loan matures, dispose of your asset. And that's what we talk about LTVs. On an LTV basis, we're talking about a 4.5%-45% leverage for a triple-A, at this point.

***GlobalCapital*: Do you get enough clarity on tenant and specific usage of data centers from issuers seeking a Fitch rating?**

Moreno, Fitch: Yes, we do.

***GlobalCapital*: The scale of financing needed is immense in this sector, but as issuers return to the market how are the Fitch criteria protecting investors?**

Moreno, Fitch: When we determine the net cash flow, we're taking into consideration who is the tenant, what are the contract characteristics. Do you have a 10 year or 15-year contract? Do you have extensions? What's the type of tenant? What is the data center being used for? Where is it located? Is it located somewhere, that if there's an issue with the tenant, someone else will use it? Or is it located somewhere with low latency where the chance of re-lease is high. These are the types of things that we're looking into.

RISKS TO THE INDUSTRY

***GlobalCapital*: Tom, how can you be confident that the companies you oversee will continue to be preferred by the hyperscalers to build data centers, and that the hyperscalers won't take this work entirely in house?**

Yanagi, DigitalBridge: To begin with, infrastructure is generally in the lower risk and lower reward part of the ecosystem and so the target ROIC [return on invested capital] for the hyperscalers is generally higher than what infrastructure investments provide. While many of the hyperscalers own and manage some of their data center facilities, and have bespoke reasons for doing so, we are confident that outsourcing of infrastructure will remain an important part of the ecosystem. When you think through this decision making process, I don't perceive this as a risk.

In terms of being "preferred" by our customers, data center tenants are locating operations that are mission critical to their businesses. The efficient, consistent and reliable operation of their data centers is of the utmost importance. The trust and confidence that our companies have built with their customers over the long term is the source of confidence that they will continue to benefit from those relationships.

***GlobalCapital*: Marcus, can you quantify how much more demand there is than supply of data center space at the moment? What wait times are you seeing?**

Gibson, Stream: To the point around self-building. There's not only the capital allocation point, but also data center development companies are faster at this, because we've acquired land, procured power and conducted the horizontal development work enabling us to deliver capacity in 18 months. We've seen power supply for data centers two years down the road gobbled up almost as quickly as you can put it out. On the leasing side of the market, we've seen an unquenchable demand.

***GlobalCapital*: Neenad, how long is Switch looking into the future when building data centers?**

Dave, Switch: Whenever firms like CBRE or JLL publish their commercial real estate reports, data center vacancies are at all-time lows across every major market.

"There are some cases, particularly for extremely large and long-term deals, where a certain level of amortization may be a consideration"

Tom Yanagi, DigitalBridge

With demand outpacing supply, the competitive dynamics are intense. We want to do what's best for our business while also being a good partner to our customers. That makes decision making challenging because we're putting the pieces of the puzzle together until the last moment to ensure we're as efficient as possible.

DATA CENTER DEAL STRUCTURES AND FEATURES

***GlobalCapital*: Tom, looking at deal structures. Do you prefer issuing deals that amortize or those with bullet maturities?**

Yanagi, DigitalBridge: We haven't issued amortizing paper into the structured finance market. Data centers are success-based growth capital-consuming businesses. The ability to continue to use free cash flow, generated from our existing assets, to help to support growth of the business has been a more attractive use of capital than paying down debt. There are some cases, particularly for extremely large and long-term deals, where a certain level of amortization may be a consideration.

***GlobalCapital*: Is there a certain size of deal where you will consider issuing with amortizing paper?**

Yanagi, DigitalBridge: We're now seeing data centers deals in the $20bn-plus size range. For all of the questions people ask around length of contract, weighted average life, maturity wall etc., chipping away the size of financing over time may be a consideration. We haven't made a clear delineation, but it's certainly a part of the dialog that wasn't as prominent a year ago.

***GlobalCapital*: Andrew, the tenure of data center paper tends to be five or seven years at the moment. What's your view on the potential for 10-year paper?**

Butville, MetLife: It depends on the underlying assets. As an insurance asset manager, we generally have longer dated liabilities that we're trying to match with longer duration assets. There's not a lot of long duration you can get in the ABS

Data center ABS: historical pricings

HYPER 2025-1 — **September 11, 2025**

Class	Bal ($mm)	WAL	Rating (S/M)	Type	Spread	Coupon	Yield	ARD
A1	25		A-/A3		Not offered			September 2027
A2	975	5.01	A-/A3	Fixed	165	5.18%	5.23%	September 2030
B	92	5.01	BBB- / NR	Fixed	215	5.699%	5.737%	September 2030
Total	**1067**							

VDCR 2025-1 — **August 20, 2025**

Class	Bal ($mm)	WAL	Rating (S/M)	Type	Spread	Coupon	Yield	ARD
A-2	235	4.95	A-	Fixed	135	5.09%	5.15%	August 2030
B	20	4.95	BBB-	Fixed	220	5.73%	5.80%	August 2030
Total	**255**							

VDC 2025-1 — **August, 7 2025**

Class	Bal ($mm)	WAL	Rating (S/M)	Type	Spread	Coupon	Yield	ARD
A2	640	4.94	A-	Fixed	140	5.132%	5.187%	August 2030

TPDC 2025-1/2 — **January 4, 2025**

Class	Bal ($mm)	WAL	Rating (S/M)	Type	Spread	Coupon	Yield	ARD
25-1 A2	245	4.05	A-	Fixed	240	6.15	6.275	N/A
25-2 A2	240	7.05	A-	Fixed	265	6.40	6.675	N/A
25-2 B	15	7.05	BBB-	Fixed	Preplaced	6.45		
Total	**500**							

SWTCH 2025-1 — **March 7, 2025**

Class	Bal ($mm)	WAL	Rating (S/M)	Type	Spread	Coupon	Yield	ARD
A-2	957.125	5.03	A (low)	Fixed	200	5.036%	6.080%	March 2030
B	135.925	5.03	BBB(low)	Fixed	255	6.485%	6.630%	March 2030
Total	**1093.05**							

VDCR 2024-1 — **September 10, 2024**

Class	Bal ($mm)	WAL	Rating (S/M)	Type	Spread	Coupon	Yield	ARD
A-2	425	5.00	A-	Fixed	160	4.992%	5.044%	5 years
B	100	5.00	BBB-	Fixed	240	5.775%	5.844%	5 years
Total	**525**							

CMPDC 2024-2 — **August 22, 2024**

Class	Bal ($mm)	WAL	Rating (S/M)	Type	Spread	Coupon	Yield	ARD
A-1	300	4.99	AAA	Fixed	135	5.022%	5.074%	5 years
B-1	33	4.99	A	Fixed	235	5.999%	6.074%	5 years
B-2	38	4.99	A(L)	Fixed	260	5.999%	6.324%	5 years
Total	**371**							

SWTCH 2024-2 — **June 6, 2024**

Class	Bal ($mm)	WAL	Rating (S/M)	Type	Spread	Coupon	Yield	ARD
A-2	671.450	5.02	A (Low)	Fixed	210	5.436%	6.395%	5 years
B	94.825	5.02	BBB (Low)	Fixed	285	6.200%	7.145%	5 years
C	174	5.02	BB (Low)	Fixed	595	10.033%	10.245%	5 years
Total	**940.275**							

CYRUS 2024-2/3 — **May, 1 2024**

Class	Bal ($mm)	WAL	Rating (S/M)	Type	Spread	Coupon	Yield	ARD
2024-2 A-2	690	5.00	A-	Fixed	225	4.500%	6.932%	5 years
2024-3 A-2	485	7.00	A-	Fixed	235	4.650%	7.021%	5 years
Total	**1175**							

SDCP 2024-1 — **April 24, 2024**

Class	Bal ($mm)	WAL	Rating (S/M)	Type	Spread	Coupon	Yield	ARD
A-2	150	4.97	A+	Fixed	170	6.000%	6.361%	5 years
Total	**150**							

SIDC 2024-1 — **March 15, 2024**

Class	Bal ($mm)	WAL	Rating (S/M)	Type	Spread	Coupon	Yield	ARD
A-2	240	5.01	A-	Fixed	180	5.900%	6.128%	5 years
Total	**240**							

ADC 2023-2 — **November 15, 2023**

Class	Bal ($mm)	WAL	Rating (S/M)	Type	Spread	Coupon	Yield	ARD
A-2	300	5.00	A-	Fixed	250	6.500%	7.024%	5 years
Total	**300**							

SIDC 2023-3 — **November 8, 2023**

Class	Bal ($mm)	WAL	Rating (S/M)	Type	Spread	Coupon	Yield	ARD
A-2	290	4.95	A-	Fixed	245	5.900%	6.967%	5 years
Total	**290**							

VDCR 2023-1 — **September 15, 2023**

Class	Bal ($mm)	WAL	Rating (S/M)	Type	Spread	Coupon	Yield	ARD
23-1 A-1	50	-	A-	Privately Placed				
23-1 A2a	776	4.97	A-	Fixed	285	5.000%	7.286%	5 years
23-1 A2b	380 (C)	4.97	A-	Fixed	-	5.250%	8.100%	5 years
23-1 B	43	4.97	BBB-	Fixed	400	5.750%	8.436%	5 years
23-2 A2a	250	6.97	A-	Fixed	295	5.050%	7.344%	7 years
Total	**1,355**							

Source: BofA, MUFG and GlobalCapital

"We can achieve triple-A on an ABS data center deal with our new criteria. However, we would require some of the same guardrails that you have in CMBS with regards to liquidity, ability to dispose of the asset in a timely manner, generally an ARD or a structure with enough tail or time to actually sell the asset and be able to repay without a default"

Maria Paula Moreno, Fitch Ratings

space. If data center paper was going out to 10 years, that might fill a need for us if the assets can justify that. If you have five-year weighted average lease maturity with no renewal options and not a lot of visibility on what's the likelihood of renewing or releasing that space, then it would be difficult to get comfortable with a 10 year term there. That might be a situation where paper that amortizes might make more sense. But if you've got contracted cash flows for the full 10 years, good visibility on the use of that data center, you know who the tenant is, and there's good credit, I think that's something that we could look at.

***GlobalCapital*: Melissa, are you happy with the disclosure you are getting about the underlying tenants that are supporting a data center securitization? It seems to be that in 2018 and 2019 investors were getting a better look at the underlying tenants, and now that's been chipped away progressively.**

Niu, Insight: I wish the disclosure was a little bit better. Generally, in private transactions and project finance, you expect to get more information. But on 144A types of transactions, issuers tend not to disclose the tenant names upfront. As part of our due diligence, we make sure to get the market cap and corporate rating to assess tenant credit quality.

In an ideal world, we'd also like to know what workloads and use case they are running at the data centers because that matters when evaluating the stickiness of the tenancy. It's particularly important today as we begin to see AI deployment added to these facilities. So we want to know whether it's used for AI inferences or AI training or any other purposes. Disclosure practices currently vary across ABS issuers.

Even though the deals may have a five-year ARD, our time horizon actually goes way beyond that, because there's no scheduled amortization built into these transactions. We want to make sure the deals can be successfully refinanced at ARD, which means my time horizon has to go beyond five years to 10 years or even longer

Mellecker, Kirkland & Ellis: On information sharing with 4(a)(2) market deals, you're able to share information more easily. A lot of these leases have really strict confidentiality provisions in them. So when you have a lease where you can only share with a certain amount of people, the 4(a)(2) market might be a good place to go. As far as distribution, the 4(a)(2) market also allows for delayed settlement not available in the 144A market. So maybe you're pricing a deal because the market is hot, but you know you're going to finish construction in five, six months, you could price the deal but then close once certain milestones were hit. In the 144A market we do also have the flexibility of pre-funding and delayed draws. There's a lot of different mechanics that the ABS market can integrate into these deals.

***GlobalCapital*: Neenad, switching to the speed of refinancing. From first issuance of a project finance loan to a securitization, is that timeframe still sitting around 18-24 months? And do you see that accelerating at all?**

Dave, Switch: Eighteen to 24 months is a general market standard. It varies by what and where you're building. The construction financing market for data centers has evolved quickly. You no longer have to wait until you sign a lease to pursue project financing, which changes the timing for when you take assets to the securitization market. That allows issuers to be more deliberate about when they tap the market, rather than forcing deals into a window simply because they have to.

Speed matters too. In data centers, depending on a developer's experience and customer mix, you can get deep into construction and have a building that isn't formally complete but is essentially done. That dynamic matters for financing. If we're one or two quarters away from ready for service (RFS) and the customer is already testing in the data center, by the time you tap the securitization market with that asset, the RFS will be done, or a quarter away. I think there's still room for the ABS market to evolve in how it views collateral for data centers. A broader issuance window that allows near-completion collateral to be added to the pool would help everybody.

STREAM AND ITS APOLLO PARTNERSHIP

***GlobalCapital*: Marcus, how will the partnership with Apollo Global Management allow you to access more capital to build out Stream's data centers in Chicago, Atlanta and Dallas.**

Gibson, Stream: There are multiple pockets of capital available within the Apollo sphere and we're excited to tap all the different parts of that, whether that be annuity provider

"In an ideal world, we'd like to know what workloads and use case they are running at the data centers because that matters when evaluating the stickiness of the tenancy. We want to know whether it's used for AI inferences, AI training or any other purposes"

Melissa Niu, Insight Investment

Athene's balance sheet with some insurance eligible contracts all the way down to just your standard 15-year modified gross leases. The partnership with Principal Financial Group will continue and we still have a long runway there with some assets that are stabilizing in the near future, and then some future development pipeline there.

"I think there's still room for the ABS market to evolve in how it views collateral for data centers. A broader issuance window that allows near-completion collateral to be added to the pool would help everybody"

Neenad Dave, Switch

***GlobalCapital*: Stream has land available to scale from about one to three gigawatts of data center capacity?**

Gibson, Stream: We think we've built a pretty unique mouse trap of being able to secure 4GW of pipeline through a subsidiary. We're working on it with Apollo and all of it is in the contiguous US.

***GlobalCapital*: What are you considering as you think about coming to the securitization market? Is there a time frame? Are you considering ABS or CMBS? Do you have a preference?**

Gibson, Stream: We've been much more focused on considering the ABS because of the efficiencies, especially as we continue to scale. The pricing has been pretty compelling. There are a handful of assets we're making decisions on right now around whether to utilize an existing lender or to go forward with issuing into the ABS market. You could see us coming to the market anywhere in the next six to 12 months.

***GlobalCapital*: As you go out to investors to get them familiar with the platform, what sort of questions have they been asking you?**

Gibson, Stream: The first one is always what is the underlying tenant? Stream being heavily focused on the top investment grade hyperscalers and that has been positively received. They're interested in the durability of the cash flow. We have historically been more conservative on our LTV levels because of some of the guardrails we have with certain LPs. We actually fit quite nicely into the leverage levels seen in the ABS market.

***GlobalCapital*: On an LTV basis, what guardrails do you operate in usually? And would you come to the securitization market with an LTV in that range?**

Gibson, Stream: We're anywhere from 50 to low 60s. That's a pretty comfortable region for us. We are exploring more efficient ways to finance these assets.

***GlobalCapital*: There may be two more Federal Reserve rate cuts this year. Does that increase Stream's likelihood of coming to the ABS market this year? Could we see a December issuance?**

Gibson, Stream: I doubt December. The earliest would be first quarter 2026.

BUILDING THE ABS BUSINESS AT BBVA

***GlobalCapital*: Sang, you're building out BBVA's ABS business. Can you talk about that and what stage your data center lending is at?**

Sang Han, BBVA: BBVA is one of the largest infrastructure and data center lenders globally. At BBVA I am employee number one for the ABS business buildout. We are going to be developing a strong team over the course of the next few months, so that we can fully service our clients in their borrowing and capital markets needs. Given that data centers are a very strong focus for BBVA, that is where we will logically gravitate towards first.

BBVA will have a full suite of sales and trading as well and be in a position, in the next few months, to be able to start pitching our full capabilities and providing thoughtful and constructive advice in regards to issuing and navigating through this dynamic market. With SMBC being an early adopter in terms of data center financing, it helped me get involved in a lot of these transactions, including as structuring lead. Everyone at BBVA is very supportive and very aware of the fact that this is an industry that is going to continue to grow exponentially and we have to be involved.

***GlobalCapital*: Do you have a pool of capital set aside for project finance in data centers? And what pitch do you want to send to the market?**

Han, BBVA: BBVA is aware of its clients' needs, and we want to know what the needs of our future clients are going to be. BBVA has actively been providing financing in the data center space and continues to remain active on providing balance sheet. BBVA is not just a bank that lends money, we want to build partnerships with our clients, we want to help the growth of your business and we want to be able to help you successfully navigate the capital markets.

***GlobalCapital*: Is there a timeline for when BBVA is targeting being a co-lead or a left lead on a data center securitization?**

"We think we've built a unique mouse trap of being able to secure 4GW of pipeline through a subsidiary. You could see us coming to the ABS market anywhere in the next six to 12 months"

Marcus Gibson, Stream

> *"BBVA is one of the largest infrastructure and data center lenders globally. At BBVA I am employee number one for the ABS business buildout. We are going to be developing a strong team over the course of the next few months"*
>
> **Sang Han, BBVA**

Han, BBVA: We're going to be in a good place in a few months as we build out the business and trust with our partners. We will need to build towards showing the markets and clients we have a strategy to structure and distribute the ABS product into the market effectively and efficiently. We want to provide other qualitative aspects of client coverage, which include engaging and communicating with rating agencies frequently, keeping up with regulatory and legal changes, and many of the other factors that go into successfully covering our important data center partners.

ROLE OF THE CORPORATE TRUSTEE

***GlobalCapital*: Johnny, bringing you in to explain the role of the corporate trustee as a sort of police officer of the industry, in some ways. Can you explain what the market should be considering when they look for a corporate trustee?**

Johnny Wijaya, BNY: Ultimately, we are the neutral party sitting between issuers and investors. Our role is twofold: to help issuers execute their deals and to help safeguard investors by managing and overseeing the operating vehicles once they are set up.

When we speak with issuers and sponsors, their priorities are clear: they want to work with a scaled service provider that delivers integrated solutions. They value quality, consistency and a secure, resilient operating environment — underpinned by continuous investment in talent, technology and cyber resilience.

To give a sense of our scale, every quarter, about $14tr of debt is serviced through our global platform, and we oversee $1tr in structured notes across ABS, MBS, asset-backed commercial paper, and CLOs. What does that mean in practice? We handle compliance, waterfall calculations, investor reporting, and ensure that interest and principal are distributed to noteholders on time. For data center transactions, we support everything from project finance to ABS and CMBS.

The reason we can do all this at scale is that we combine deep expertise, a global operating model and smart technology — rather than relying on the email chains and spreadsheets that still dominate this industry. This is also where we see AI as a true game-changer in three ways: scaling expertise, creating capacity and enhancing quality. Ultimately, this provides resilient infrastructure for the securitization industry to grow, while facilitating consistent delivery, driving quality and giving investors' confidence.

***GlobalCapital*: How far away do you think the industry is from tokenization using a blockchain?**

Wijaya, BNY: It's still early days. There are pockets of progress within the industry, but the effort remains fragmented. As the infrastructure provider, it's our job to help shape industry standards for widespread adoption and to ensure interoperability between traditional and on-chain rails.

> *"To give a sense of our scale, every quarter, about $14tr of debt is serviced through our global platform, and we oversee $1tr in structured notes across ABS, MBS, asset-backed commercial paper and CLOs"*
>
> **Johnny Wijaya, BNY**

LIGHTNING ROUND OF QUESTIONS

***GlobalCapital*: Marcus, what city do you think will emerge as the next US hotspot for data center supply?**

Gibson, Stream: Markets where the utilities don't require a massive amount of collateral to supply power. So that could be somewhere like Oklahoma.

***GlobalCapital*: Tom, what is the next iteration in data center finance?**

Yanagi, DigitalBridge: I think it's evolutionary rather than revolutionary, whether it be private placement or CMBS. I was taking notes as we were talking about SEC-registered vehicles, and I was thinking: 'Why would I do *that*?' But if it will open up additional pockets of capital, we have to give it some consideration. Structuring will continue to follow the need to meet capital where it lives.

***GlobalCapital*: Maria, when does data center ABS become a flow asset with regular and predictable issuance?**

Moreno, Fitch: It already is. We actually just did a restructuring internally and moved it to traditional ABS because we feel it is a more established asset class.

***GlobalCapital*: Neenad, how far away is wholesale liquid to the chip cooling?**

Dave, Switch: We've already delivered that technology to some customers and are rolling out entire data centers with it. The industry is heading in a very clear direction. There's a need for it. The ecosystem — cooling, power, GPUs and developers — needs to work more closely together over time. GC

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