

# Castlelake 2021-1 upgraded

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Two notes issued by Castlelake Aircraft Structured Trust 2021-1 (Castlelake 2021-1) have been upgraded due to deleveraging following a paydown, mostly from proceeds received from aircraft dispositions, Moody's Ratings indicates.

The Class A and B notes have been paid down by 89.5% and 97.5%, respectively, since closing. As a result, Moody's assessed cumulative loan-to-value (CLTV) ratio of the notes, excluding projected end of lease (EOL) payments, has "improved significantly."

As of the June 2025 payment date, the Class A notes CLTV is 28% and the Class B notes CLTV is 29.6%, based on Moody's assessed value (MAV) of \$179 million.

Castlelake Aviation is the servicer of the underlying assets and related leases in Castlelake 2021-1.

The complete rating actions:

Issuer: Castlelake Aircraft Structured Trust 2021-1

Class A Notes, Upgraded to Aa2 (sf); previously on Feb 7, 2024 upgraded to A2 (sf)

Class B Notes, Upgraded to A2 (sf); previously on Feb 7, 2024 upgraded to Baa2 (sf)

The debt service coverage ratio (DSCR) is at 1.09, which is below the cash trap trigger of 1.20 and rapid amortisation trigger of 1.15, and as such has triggered a senior rapid amortisation event.

Moody's also took into account the pool's increased concentration to a small number of lessees, the servicer's flexibility in managing the aircraft portfolio, the negative outlook for the global commercial aviation industry and existing lessee credit quality.

The portfolio has 11 aircraft leased to six airlines compared with 27 aircraft leased to 11 airlines at close, with the top three lessee concentration at 70.3% of the reported adjusted base value.

In addition, Moody's also considered structural features such as liquidity facilities and reserve funds, as well as the subordination of the Class B notes principal payments during the occurrence and continuation of a senior rapid amortisation event.

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