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UpClose with

By Erika Morphy
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Mission Capital Advisors' William David Tobin

NEW YORK CITY—Since its inception in 2002, boutique investment banking firm Mission Capital Advisors has advised a variety of financial institutions on more than \$11 billion of transactions. But it is hard to think of a time when the firm, which specializes in residential, commercial and consumer loan sale advisory activities, among other areas, has been as busy as it is now. Simply put, whole loan sales activity is on an upswing – and Mission Capital is following that trajectory, says William David Tobin in an interview with GlobeSt.com.

GlobeSt.com: So how busy are you right now?

Tobin: Business is up year over year in the neighborhood of 80 to 90%. Of course you have to take that statistic with a grain of salt – business may have more than doubled but prices have tumbled.

GlobeSt.com: Give me a sense of what type of deals you are working on now.

Tobin: We are selling a lot of bankruptcy claims in the Lehman Bros. case. We are also doing a tremendous amount of single-family loans, especially agency business where we help financial institutions sell the loans. We're also hiring right now.

GlobeSt.com: Tell me more about the whole loan sales activity right now. What's different from a few months ago?

Tobin: February/March was considered the bottom of the market. Investor sentiment has increased since then and become more



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positive. We've seen a growing supply of commercial mortgages on the market that are actually trading. Last year there were a lot of commercial mortgages on the market, but nothing was trading.

GlobeSt.com: What was the turning point?

Tobin: There were a lot of factors, but a major one was the stress tests. We've achieved some semblance of balance at banks and financial institutions – it has become clear who is going to fail and not fail among the big banks. Now banks have been given some latitude to sell assets and take losses. They also understand the rules better by which the government is playing.

GlobeSt.com: Do you think the relaxation of mark to market rules played a role?

Tobin: That too. Some in the industry adhere to the theory that we have to mark to market everything and banks need to take their medicine. But that is not realistic. It is a slash and burn approach to fixing the financial system. If we mark to market every loan the entire system would be under water right now.

GlobeSt.com: What about the other government initiatives in this area—FDIC's activities and the Treasury Department's PPIP initiative?

Tobin: Those are going well. FDIC in particular has been aggressive about closing banks and going to markets to sell assets. People like to beat up the government and say that assets are being sold at fire sale prices. But the prices FDIC has been generating are very good – they are not anywhere close to fire sale. Also more recently, FDIC has been



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moving to set up partnerships for these assets – selling portfolios of loans in which they will keep some ownership. They will benefit from the upswing on prices because the way the partnerships are set up the government will participate in the appreciation.

GlobeSt.com: Is it fair to say that the increase in whole loans coming and trading on market is at least in part due to the government's various actions in this respect?

Tobin: I would say so. The rules, whether written or unwritten by which regulators are playing have been clarified since last year. That has helped the most.