

## Bank Pitching Distressed Portfolio

A Chicago bank is offering \$166 million of small-balance distressed assets.

The 565-asset portfolio consists mostly of commercial and residential mortgages, with some foreclosed properties, land loans and other assets mixed in. The collateral is heavily concentrated in Illinois, mostly in Cook County, with the rest in nearby states.

The assets are expected to trade at a steep discount. They are being offered by **Byline Bank**, which was known as North Community Bank until last month.

The bank's advisor, **Mission Capital**, has divided the portfolio into three pools. Investors can bid on any combination. Initial bids are due April 7, and the aim is to close sales by mid-May.

One pool contains the vast majority of the portfolio — 546 distressed loans and 16 foreclosed properties with a combined unpaid balance of \$160 million. Commercial mortgages account for 51% of the balance, followed by residential loans (25.1%), land loans (4.6%) and foreclosed properties (2.8%). The rest consists of commercial-and-industrial loans and other loan types.

Nearly 83% of that pool, by balance, is delinquent by more than four months. The assets have a weighted average origination date of 2006 and a weighted average maturity of 2013.

Another pool contains two nonperforming mortgages totaling \$4 million. The final pool consists of a \$2.1 million performing commercial mortgage.

Byline was formerly owned by Chicago's **Fasseas** family, but bad real estate loans led to a 2013 recapitalization led by former **Banco Popular** chief executive **Roberto Herencia**. A hefty 14.7% of the \$817.2 million commercial-mortgage portfolio of Byline's parent company was nonperforming as of yearend. ❖