

Commercial Mortgage

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THE WEEKLY UPDATE ON REAL ESTATE FINANCE AND SECURITIZATION

ALERT

2 Banks Shop Distressed Portfolios

Two banks are separately marketing portfolios totaling \$55.7 million.

PrivateBank of Chicago is offering a \$27.6 million package that encompasses nine distressed commercial mortgages and a foreclosed retail property. The loans are either defaulted or subperforming. The balances range from \$1 million to \$3 million. The retail property originally backed a \$10.1 million loan, according to marketing materials. Bids are due June 15.

Seacoast National Bank of Stuart, Fla., will take bids June 22 on six loans and one foreclosed hotel, totaling \$28.1 million. The portfolio includes a performing \$11 million note on an office property in Daytona Beach, Fla., as well as distressed loans on luxury homes, oceanfront land and an office building in South Florida.

Mission Capital Advisors of New York is handling both auctions. To expedite the offerings, each will have only one round of bidding. Both banks are pushing to close sales by June 30, presumably to meet the deadline for quarterly financial statements.

At yearend, PrivateBank's parent held \$4.6 billion of commercial real estate loans, including \$2.7 billion of commercial mortgages. Six percent of its commercial real estate loans were nonperforming.

Seacoast's parent held \$744.7 million of commercial real estate loans, including \$542.6 million of commercial mortgages. Eleven percent of its commercial real estate loans were nonperforming. ❖

