

PERFORMING COMMERCIAL & MULTIFAMILY LOAN SALES



TRANSACTION	TRADE THEME	SUMMARY
Small Regional West Coast Bank CRE Loans, Performing	Premium to Par, Gain on Book Value	\$23mm total UPB, recently originated, traded at 100.85% . High demand from secondary market.
Large National Commercial Bank Lender CRE Loans, Performing	Premium to Par, Gain on Book Value	\$11.6mm total UPB, traded at 100.11% . Bids ranged from 90% of par to 100.11%. High demand from secondary market, market accustomed to asset type.
GSE Lender Healthcare & Multifamily/Student Housing, Performing	Gain on Book Value, Portfolio Risk Management	\$194mm total UPB, traded at 91% . Government Seller. High demand from secondary market.
Private Equity CRE Loans, Performing	Gain on Book Value, Harvest Gains	\$12.3mm total UPB, traded for 89% . Portfolio made up of non-seller originated loans previously acquired on the secondary market. High demand from secondary market.

KEY FACTORS FOR UPSIDE PRICING

- At or above market coupon
- Strong cash flow and payment history
- LTV < 70%; DSCR > 1.3x; Maturity < 5 yrs
- Average asset size > \$2.5mm
- Variable rate or limited remaining fixed rate term
- Reasonable floor on variable rate portion of term
- Prepayment protection
- Full recourse / Personal guarantees
- Credit tenant
- No lease hangout on single tenant loans
- "Full doc" / in compliance with financial reporting requirements**
- Recent appraisals

TRADE IDEAS

- Re-Performing with Gain on Book Value
- Shorter maturity, above market rate
- Multi-tenant office, industrial, retail
- Self storage
- Mobile home parks
- High Coupon Legacy Performing

ASSET SALE PROCESS OVERVIEW / SAMPLE TIME LINE

45-60 days, depending on number of assets and relative complexity of pool

Pools offered for the purchase of (a) any loan individually, (b) any combination of loans, or (c) the entire Portfolio, which attracts the broadest universe of buyers and allows "mix and match" to achieve overall best execution

Typically a two-round process: Indicative (25-35 days) & Final Bid Rounds

Online due diligence, potentially property tours when possible and warranted

TYPES OF INVESTORS

Banks

Insurance Companies

Mortgage REITs

Structured Finance Buyers

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