



# **Acquisition of \$152 Million Performing Loan Portfolio**

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March 10, 2011



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## **PERFORMING MULTI-FAMILY LOAN PORTFOLIO ACQUISITION**

### **Summary**

Seller:	Citibank, NA
Principal Balance:	\$ 152.4 million
Number of Loans:	466
Average Rate:	6.13%
Average Yield:	6.90%
Average Loan Balance:	\$ 327,000
Average Loan / Unit:	\$ 38,620
Average Current Credit Score:	748
Estimated Portfolio LTV:	74% (based on updated appraisals and estimated current valuations)
Loans Past Due 30-89:	None
Closing Date:	March 10, 2011



## **PERFORMING MULTI-FAMILY LOAN PORTFOLIO ACQUISITION**

### **Concentrations**

#### Loan Balance Distribution

\$500,000+	93 Loans	42% of principal balance
\$250,000 to \$499,000	170 Loans	39% of principal balance
Under \$250,000	203 Loans	19% of principal balance

Largest Single Borrower Exposure    4 Loans    \$2.2 million

Geographic Distribution                  Chicago Metropolitan Market Area



## **PERFORMING MULTI-FAMILY LOAN PORTFOLIO ACQUISITION**

### **Due Diligence / Risk Assessment**

#### 1. Borrower / Co-Borrower Information

- Obtained Updated Credit Scores on All Borrowers / Co-Borrowers
- Obtained Updated Judgment / Public Records Searches on All Borrower / Co-Borrowers

#### 2. Collateral Information

##### *Collateral Risk Factors: Valuation & Condition*

- 153 New Exterior-Only Appraisals –56% of Total Portfolio – 100% of All Loans \$500,000 or Larger
- 141 Independent Exterior Inspections – 26% of Total Portfolio
- BFIN Commercial Bankers conducted external field inspections on 100% of collateral

## **PERFORMING MULTI-FAMILY LOAN PORTFOLIO ACQUISITION**

### **Due Diligence / Risk Assessment (continued)**

#### 2. Collateral Information (continued)

*Collateral Risk Factors: Insurance & Environmental*

- Obtained Updated Environmental Data Reports on All Collateral
- Verified Flood Insurance Status & Flood Insurance Placement on All Collateral
- Verified Property & Casualty Insurance Status on All Collateral

*Collateral Risk Factors: Legal & Title*

- Obtained Updated Tract Searches on All Collateral
- Conducted On-Site review of all loan documents to verify original documents.
- Verified 100% origination of loans by Seller or affiliate of Seller.

#### 3. Cash Flow Information

Seller loan files contained very limited information on current rent rolls and property operating statements; accordingly, greatest weight was placed on borrower current credit standing and loan payment history.



## **PERFORMING MULTI-FAMILY LOAN PORTFOLIO ACQUISITION**

### **Interest Rate Risk Profile**

Weighted Average to Repricing	2.9 years
Weighted Average to Maturity	18.6 years
Principal Balance Repricing in 2011	\$ 39.6 million
Principal Balance Repricing in 2012	\$ 18.6 million