

Debt Advisory Services

PROPERTY

Redevelopment

LOCATION

San Francisco Bay Area, CA

LOAN TYPE

Portfolio Lender

First Mortgage

SITUATION

- The property is a mixed-use office - retail project. The business plan to expand and improve cashflow for the property was delayed by economic conditions. The project needed to be recapitalized and the loan had been in default for several months. While the borrower had attempted to keep the loan current, the property cashflow was insufficient to pay debt service and was not likely to make its balloon payment at maturity.

RESOLUTION

- The borrower was advised in approaching the lender regarding the default and likely inability to refinance. The borrower was able to gain a forbearance agreement from the lender to allow the borrower time to secure new capital and to develop an alternative business plan. The interest rate was preserved and a cashflow sweep was established.