

BRIDGE LENDING

When used optimally, bridge loans help organizations forge through difficult times and reach more permanent financing options. But with their utility comes risk at a time when companies can ill afford to take even one false step. The attorneys of Ballard Spahr's national Finance Department have the background, dexterity, and business acumen to help guide your organization.

Ballard Spahr has been at the forefront of assisting numerous mortgage banking and life insurance companies in developing bridge loan platforms to finance multifamily assets that are not yet ready for a GSE loan execution. Led by Siobhan M. O'Donnell, our bridge loan team routinely represents lenders in connection with bridge loan transactions for multifamily housing, retail, and office properties. In the case of multifamily assets, our bridge loan team successfully leverages the knowledge of our housing finance lawyers to carry each bridge loan asset closer to ultimate compliance with applicable GSE requirements.

■ OUR SERVICES INCLUDE:

- Bridge loan origination
- Bridge loan servicing, workouts, and foreclosures
- Complex and large portfolio deals
- Debt financing in capital markets
- Development of form loans and programmatic requirements
- Leveraging bridge loans
- Senior housing projects and multifamily assets
- Securitization through CLOs

■ REPRESENTATIVE MATTERS:

- Representation of a national finance company in its balance sheet and bridge lending program, including the following representative transactions:
 - The origination of a \$21.7 million bridge mortgage loan secured by a near vacant office building in suburban Maryland intended to reposition to a medical office and services building during the term of the bridge loan. The transaction also included complicated zoning and impact issues.
 - Representation in a cross collateralized and cross defaulted \$112 million bridge loan financing transaction, secured by seven properties located in Texas, and subsequent transfer of the loans to the client's repurchase facility line. The representation also included the documentation of a \$3 million mezzanine loan, secured by a pledge of the membership interests in each of the mortgage loan borrowers.

- Representation in an equity bridge lending for FHA-insured LIHTC transactions that bridge LIHTC equity investments during the construction period of multifamily housing projects throughout the United States.
- The origination of a \$37 million bridge loan to finance the purchase of a non-performing construction loan secured by a failed high-rise luxury condominium project in Berkeley, California. The financing was structured to allow the note-purchaser to subsequently obtain title to the property by foreclosure or deed-in-lieu of foreclosure, complete construction of the project, and convert the project to a luxury multifamily rental project.
- Representation of a life insurance company in its balance sheet and national bridge lending program covering a variety of commercial real estate types.

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