

MBA Commercial/Multifamily **NewsLink**

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US Advisor, CB Richard Ellis (CBRE) Investor and RAIT Investment Trust (RAIT), a commercial real estate direct lender, partnered on a \$150 million line of credit bridge loan facility that will fund up to 90 percent of acquisition costs on multi-family and commercial properties and speed the closing process on targeted properties.

US Advisor/CBRE Investors said the bridge loan facility would provide immediate capital for quick closings and the ability to purchase a property quickly in a "competitive acquisition market."

"Most acquisitions utilizing a life insurance company, conduit or agency loan require 60-90 days from start to finish," Kevin Fitzgerald, president of US Advisor said. "We wanted a tool to allow us to close and fund an acquisition within days of completing our due diligence. RAIT gave us exactly what we needed."

"In this business, lack of speed can kill a deal," said Frank Satterfield, founder and principal of Harbor Capital Group, who negotiated the transaction. Satterfield said RAIT "will already be at the closing table" when U.S. Advisor and CBRE are ready to commit to a property. "By using this loan facility, US Advisor and CBRE Investors can concentrate on uncovering the best acquisition opportunities," Satterfield said.

Harbor Capital Group received proposals for similar facilities from several competing lenders, but Satterfield said the Bridge Loan Facility RAIT created for this partnership differed from the rest in that it was not tied to a permanent loan program.

RAIT's bridge loan facility allows U.S. Advisor/ CBRE Investors to use any source of permanent financing as properties exit the facility. Lenders will have to compete to offer the best permanent loan terms and the borrower can choose the best source of capital for each individual property. "Many lenders can provide a bridge loan facility, but oftentimes the lender uses the bridge loans to feed their permanent loan pipeline. If the bridge loans don't convert to permanent loans, the borrower can incur substantial exit fees," Satterfield said. "US Advisor/CBRE Investors have avoided that problem with this facility."