



Western Independent Bankers: Troubled Asset Forum

A Panel Presentation: Loan Sales – What Options Do You Have?

Panel Members:

Paul O’Rear, Bridger Commercial Funding

Michael MacDonald, Keefe, Bruyette & Woods

Jeff Cantor, The Debt Exchange, Inc.

Stephen Trauner, Beltway Capital Management



Paul O'Rear, SVP, Underwriting, Bridger Commercial Funding

- The BankXchange platform
- Indicators signaling a potential troubled asset or portfolio risk
- Tools banks use to develop and implement resolution strategies for troubled assets
- Options for managing CRE portfolio risk
- Timing outcomes of different resolution options
- BankXchange observations on the loan sale market
 - Market liquidity
 - Yield requirements





Michael MacDonald, SVP, Loan Portfolio Sales Group, Keefe, Bruyette & Woods

- Introduction - Who Is KBW ?
- How do we differ from the other panel participants?
 - KBW is a full-service investment bank with a singular focus on the financial services industry
 - As such, our Loan Portfolio Sales Group tends to have a broader view/involvement with bank portfolios
- 3 Constituent Clients:
 - Direct LPSG clients in the private sector (i.e., banks); bid-ask spread still an impediment to sales
 - FDIC; KBW heavily involved in both asset sales and valuation work
 - KBW Investment Banking; both capital raises (especially) and mergers require portfolio analysis
 - Market Value
 - Cumulative loss & timing of the losses – how much capital is needed?
 - Risk-based capital
 - De-leveraging strategies
 - Mergers: purchase accounting treatment



KEEFE, BRUYETTE & WOODS
Specialists in Financial Services



Jeff Cantor, Western Regional Manager, The Debt Exchange, Inc.

- Introduction - Who Is DebtX?
- Pricing Trends-is a market developing where buyers and sellers are closer on price? (question submitted)
- Pricing levels by asset class (land, SFR, Retail, Office, Industrial, MF) (question submitted)
- Sell Side Trends
- Buy Side Trends
- Factors affecting price other than collateral
- Note Sale Roadmap



Steve Trauner, Principal, Beltway Capital Management

- Introduction – Who Is Beltway Capital?
- The Sales Process – A Buyer’s Perspective
- Commitment to Sell
- Choosing a Loan Sale Advisor
- Reserve Price vs. Market Price – Bridging the Gap
- Choosing a Sale Process
- What should be included with the loan information
- Non Disclosure Agreements, Purchase & Sale Agreements



QUESTIONS?