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CRE, Residential & Consumer

**Maximize Loan Value
Strict Confidentiality
Competitive Bidding**

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Charge-offs & Impairments

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- Industrial / Office Bldgs

Why Sell Loans?

- Increase liquidity
- Improve asset quality ratios
- Eliminate management distractions
- Reduce default management expenses
- Redeploy capital to maximize returns

GlassRatner Advisory & Capital Group, LLC



Nautilus Capital enjoys a close working relationship with GlassRatner Advisory & Capital Group. Over the years we have collaborated with them on a number of projects, including several FDIC engagements. We would like to take this opportunity to formally introduce them to our clients and friends.

GlassRatner is a national specialty financial advisory services firm. Headquartered in Atlanta, GA, GlassRatner maintains regional offices throughout the United States. The firm applies a unique mix of skill sets and experience to address matters of critical importance to an enterprise, such as managing through a business crisis or bankruptcy, planning and executing a major acquisition or divestiture, pursuing a fraud investigation or corporate litigation, and other top-level business challenges. Its core practice areas include:

- Bankruptcy & Restructuring Services (including trustee and receivership services)
- Real Estate Advisory Services (including foreclosure management, stabilizations and liquidations)
- Forensic & Litigation Accounting (including valuations and fraud investigations)
- Merger & Acquisition Consulting (valuation, due diligence and transaction advisory services)

The firm also provides real estate management services. In the past several years GlassRatner has managed in excess of \$2 billion of real estate assets in approximately a dozen states. Their experience covers a broad spectrum of real estate sectors including multifamily, office, retail, hotel and resort, mixed-use and fractured condominium projects. In addition, the firm has acted as restructuring advisor related to debt in excess of \$20 billion, on behalf of both lenders and borrowers. They have been ranked as a top crisis management firm on multiple occasions by both Bankruptcy Insider and Deal.com.

If you would like to learn more about the services provided by GlassRatner, or to speak with them directly about a specific project, please contact Nautilus. We would be pleased to arrange an introduction for you.

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To Fix Sour Property Deals, Lenders 'Extend and Pretend'



Some banks have a special technique for dealing with business borrowers who can't repay loans coming due: Give them more time, hoping things improve and they can repay later.

Banks call it a wise strategy. Skeptics call it "extend and pretend."

Nautilus Advisory Services

Portfolio & CRE Property Reports

-XTRA Loan Level Valuation
-Single CRE Property Reports

- Identify problem loans
- Validate loan loss reserves
- Determine M&A asset values
- Verify collateral value

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x22 [Steven Cohen](#) x25

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Our mascot's name is: **Nauti**

I'm not a bottom feeder!
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A big push by banks in recent months to modify such loans by stretching out maturities or allowing below-market interest rates has slowed a spike in defaults. It also has helped preserve banks' capital, by keeping some dicey loans classified as "performing" and thus minimizing the amount of cash banks must set aside in reserves for future losses.

Restructurings of nonresidential loans stood at \$23.9 billion at the end of the first quarter, more than three times the level a year earlier and seven times the level two years earlier. While not all were for commercial real estate, the total makes clear that large numbers of commercial-property borrowers got some leeway.

But the practice is creating uncertainties about the health of both the commercial-property market and some banks. The concern is that rampant modification of souring loans masks the true scope of the commercial property market weakness, as well as the damage ultimately in store for bank balance sheets.

Regulators helped spur banks' recent approach to commercial real estate by crafting new guidelines last October. They gave banks a variety of ways to restructure loans. And they allowed banks to record loans still operating under the original terms as "performing" even if the value of the underlying property had fallen below the loan amount which is an ominous sign for ultimate repayment. Although regulators say banks shouldn't take the guidelines as a signal to cut borrowers more slack, it appears some did.

Banks hold some \$176 billion of souring commercial-real-estate loans, according to an estimate by research firm Foresight Analytics. About two-thirds of bank commercial real-estate loans maturing between now and 2014 are underwater, meaning the property is worth less than the loan on it. Foresight data show. U.S. commercial-real-estate values remain 42% below their October 2007 peak and only slightly above the low they hit in October 2009, according to Moody's Investors Service.



In the first quarter, 9.1% of commercial-property loans held by banks were delinquent, compared with 7% a year earlier and just 1.5% in the first quarter of 2007, according to Foresight.

Holding off on foreclosing is often good business, says Mark Tenhundfeld, senior vice president at the American Bankers Association. "It can be better for a bank to extend a loan and increase the chance that the bank will be repaid in full rather than call the loan due now and dump more property on an already-depressed market," he says.

But continuing to extend loans and otherwise modify them, rather than foreclosing, amounts to a bet that the economy will rebound enough to enable clients to find new demand for the plethora of offices, hotels, condos and other property on which they borrowed. If it doesn't work out this way, the banks will end up having to write off the loans anyway.

[Source: Wall Street Journal](#)

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GSE Repurchase Demands Accelerate

Fannie Mae and Freddie Mac are forcing lenders to repurchase a significantly higher volume of troubled mortgages, as the cash-strapped GSEs try to minimize the losses they suffer and invariably

pass onto American taxpayers. The pair reported a combined \$3.1 billion in lender repurchases during the first quarter, with Fannie reporting \$1.8 billion and Freddie \$1.3 billion...

Mortgage buyers are finding new reasons to make the originators buy back home loans, ensuring that repurchases will remain a burden for lenders for the next few years.

Two of the most common justifications today are the discovery that the borrower has debts that were not disclosed to the buyer and problems with appraisals. Buyers are also putting tougher language into their contracts for loans being sold today.

"Repurchase requests are becoming more and more onerous," said Michael Pfeifer, a managing partner at the law firm Pfeifer & DeLaMora LLP, in Orange, Calif., which represents mortgage lenders and banks. "Investors are building more reps and warrants into their guidelines, and most of these contracts are in favor of the investor" buying the loan.

[Source: Inside Mortgage Finance](#)

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Puns for fun..

Those who jump off a bridge in Paris are in Seine.

Practice safe eating - always use condiments.

Shotgun wedding - A case of wife or death.

A man needs a mistress just to break the monogamy.

Condoms should be used on every conceivable occasion.

Reading while sunbathing makes you well red.

When two egotists meet, it's an I for an I.

A bicycle can't stand on its own because it is two tired.

In democracy your vote counts. In feudalism your count votes.

A chicken crossing the road is poultry in motion.

If you don't pay your exorcist, you get repossessed

The man who fell into an upholstery machine is fully recovered.

You feel stuck with your debt if you can't budge it.

A lot of money is tainted - Taint yours and taint mine.

A boiled egg in the morning is hard to beat.

Bakers trade bread recipes on a knead-to-know basis.

Santa's helpers are subordinate clauses.

Acupuncture is a job well done.

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