

Monday, March 1, 2010

DebtX to Sell Portfolio While its Joint Venture Will Sell HUD Loans

DebtX will be selling \$105.5 million in primarily nonperforming loans for a regional bank in the western U.S.

The portfolio comprises 71 loans and 33 banking relationships. The collateral includes commercial and residential properties mostly in California, Washington, Oregon and Arizona.

The pool's three biggest loans have a combined principal balance of \$47.6 million. Bids are due by 2 p.m. Eastern Standard time on March 22. The due diligence materials on the pool can now be accessed through www.debtX.com.

"Over the past six months, the number of bids per offering at DebtX has increased an average of 25% due to heightened demand for performing and non-performing loans," said DebtX CEO **Kingsley Greenland**. "A growing number of equity buyers are seeking to re-enter the commercial real estate market by purchasing loans because many distressed properties are in default or are unable to service their debt. Buying the loan is a very effective way to again

own commercial real estate."

Meanwhile, **KDX Ventures** (KDX), a joint venture between DebtX and boutique investment banking firm **KEMA Advisors**, will sell \$306 million in multifamily and healthcare loans for the **Department of Housing and Urban Development** (HUD).

The portfolio comprises 25 multifamily commercial real estate loans and a healthcare loan, ranging from \$1.6 million to \$44.3 million.

The collateral is located in 14 states across the country. Investors might bid on any individual loan or on pre-determined pools of loans.

Bids will be accepted at www.debtX.com from 11:00 a.m. to 1:00 p.m. Eastern Standard time on March 24. Due diligence materials can now be accessed.

"KDX Ventures anticipates robust interest in this HUD portfolio due to pent-up demand for commercial assets in general and multifamily product in particular," Greenland said. "HUD has an excellent reputation in the marketplace, and there is typically active bidding for product offered by the agency."



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