

WHAT IS DEFEASANCE?

Defeasance is a substitution of collateral in which a borrower is released from the obligations associated with a loan through the purchase of a portfolio of U.S. Government or Agency Securities. These securities serve as replacement collateral to secure the loan and generate the cash flows required to repay the loan through the scheduled maturity or earlier optional prepayment date.

Defeasance is not a payoff of the loan. The note actually remains in place and debt-service payments are made as scheduled to the loan's maturity date. The process generally takes about 20-30 days and involves several parties, including attorneys, an accountant, a loan servicer and possibly rating agencies.

WHAT WE DO FOR YOU

As your defeasance consultant, NorthMarq Capital will manage the entire defeasance process so that you can focus on the sale or refinance and have confidence that the defeasance will be ready to close at the same time. We will notify the loan servicer on your behalf, work with a securities trader to assemble the most cost effective securities portfolio, set up the custodial account where the securities are held for the remaining term of the loan, order the Accountant Verification Report and coordinate with the successor borrower and all parties involved to meet the closing timeframe. We will always act in your best interest and will explore residual sharing opportunities with you when applicable. Our goal is great customer service with 100% transparency.

THE NORTHMARQ CAPITAL ADVANTAGE

-  ***One-stop shop***
By providing both mortgage banking and defeasance services, NorthMarq Capital provides a more seamless and efficient process.
-  ***Lower overhead = Lower fees***
Our full service model allows us to keep overhead costs down and charge lower fees for our defeasance services.
-  ***Extension of our trusted relationship***
You've placed your trust in us to handle your new loan, and our in-house defeasance services allow you to maintain that same trusted relationship.
-  ***Better synergy***
As your mortgage banker, we already have our finger on the pulse of the timeline to make sure everything happens exactly how and when it should.

*To learn more about what NorthMarq Capital can do for you,
contact our experts at defease@northmarq.com*

ABOUT NORTHMARQ CAPITAL

NorthMarq Capital, the largest privately held commercial real estate financial intermediary in the U.S., provides commercial real estate mortgage banking and commercial loan servicing in offices coast-to-coast. With more than \$13 billion in annual production volume and servicing a loan portfolio of more than \$50 billion, the company offers a variety of finance solutions in both debt and equity. NorthMarq has a long track record of multifamily financing as a Freddie Mac Seller-Servicer and as a Fannie Mae DUS lender. In addition, we maintain proven, trusted loan production and loan servicing relationships with more than 50 life companies, 20+ CMBS platforms and hundreds of local, regional and national banks. For more information, please visit www.northmarq.com.

OUR EXPERTS



Paul Cairns

SENIOR VICE PRESIDENT | DEFEASANCE CONSULTANT

952.356.0083 | defease@northmarq.com

Paul Cairns oversees the company's defeasance services program. Cairns joined NorthMarq Capital in 1998 after working in the title insurance industry. He is a graduate of the University of Minnesota Law School and earned an undergraduate degree from the University of Minnesota – Morris.



Chris Hall

VICE PRESIDENT | DEFEASANCE CONSULTANT

952.356.0081 | defease@northmarq.com

Chris Hall is the vice president of NorthMarq Capital's defeasance services program. Hall was instrumental in launching the program and has been involved in more than \$1 billion of defeasance transactions. He joined NorthMarq Capital in 1996 following his graduation from the University of St. Thomas. He has also worked in NorthMarq Capital's servicing and production departments.

WHAT OUR CLIENTS SAY

"I appreciate your efforts on this transaction and I won't hesitate to use NorthMarq Capital defeasance again in the future. The assistance provided by the entire NorthMarq Capital team was extraordinary and was instrumental in streamlining a very complex transaction."

DANIEL ELLER

ELLER CAPITAL PARTNERS

"You have been very helpful and made the process much easier than I could have anticipated."

MITCH KOBERNICK

MIKOB PROPERTIES

"Thank you for handling this transaction as it was a seamless process from the borrower's point of view."

Don Kinder

TOIBB ENTERPRISES

"Thank you, NorthMarq Capital, for all your work! You made this a lot easier than I thought it would be."

Beth Hochwarth

HERITAGE PROPERTIES, INC.

"Thank you! Another smooth transaction with NorthMarq Capital."

Chandler Wonderly

OLYMPUS PROPERTY

CORPORATE OFFICE

3500 AMERICAN BLVD W
SUITE 500
MINNEAPOLIS, MN 55431

