

Last updated: May 8, 2009 04:15pm

A10 Has \$100M for 'Almost Bankable'

By [Brian K. Miller](#)

BOISE, ID-A10 Capital, a locally headquartered commercial real estate lender says it has \$100 million available to lend at rates that fall between conventional- and hard money rates. Founded by former Bank of the West executive Jerry Dunn, the company plans to announce on Monday its new lending group, which is looking to place short-term debt in increments of between \$2 million and \$10 million.

Dunn tells GlobeSt.com A10 recently funded a \$3 million loan on a retail building that was owned for over 15 years by two partners. "The majority of the proceeds were used to refinance a maturing loan at a national bank," he says. "A portion of the proceeds were also used to buyout one of the partners."

A10's \$100 Million is backed by committed funding facilities "from a large institution and well-known family office," Dunn says. The money was raised two years ago "in anticipation of the current credit crisis." The firm is now offering alternative funding for situations that conventional lenders typically avoid such as lower-than-market occupancy, a lease-up situation, or a turnaround situation.

"In today's credit-challenged markets, many loans that were bankable two years ago no longer qualify because banks and life insurance lenders have tightened their underwriting guidelines, and the CMBS markets are shut down," A10 CEO Jerry Dunn says. "These loans are considered 'almost bankable' for a variety of reasons and that's where A10 steps in. Because we take more risk than a conventional lender, our loan pricing is slightly higher than conventional commercial real estate loans—but still less expensive than hard money loans."

Generally speaking, conventional loans come in below 8% and hard money lenders generally charge in excess of 10%. "Some clients refer to us as a 'warm money' or 'firm money' lender," says A10 EVP Ken Wilson, previously a loan producer for a unit of PNC Bank.

Dunn founded A10 with Wilson and Dale Conder. Conder, the company's chief operating and risk officer, previously managed workouts for KeyBank.

In addition to filling the gap in terms of refinancing needs, the company also has a solutions group offering workout expertise to banks and other owners of distressed and potentially distressed real estate loans. A10 also is providing financing to buyers of distressed debt.

Next week, Dunn says his firm will close on \$5 million of financing that has kick-started a distressed debt fund. "The fund is acquiring a multi-family loan with a face amount of \$20 million for approximately \$10 million," he says.

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