

Real Estate Lending

Why Choose Schnader?

Schnader's Real Estate Lending Team is an interdisciplinary group of attorneys who bring to the table the knowledge and the experience required to represent banks and other institutional lenders in all aspects of loan transactions in which real estate is the primary collateral. Comprised of members of our Real Estate and Financial Services Practice Groups, the Real Estate Lending Team provides not only the sophisticated legal counsel demanded by lenders, but extensive knowledge of our clients' business objectives as well as industry practices.

This integrated perspective enables us to provide what our clients need the most - the ability to close loans quickly and efficiently, while at the same time affording our clients maximum downside protection in the event of a borrower default.

What Distinguishes Schnader's Practice?

We represent a broad spectrum of lenders, with some relationships going back to the 1960s. From the small, local savings and loan association to the fourth largest national bank in the country to a large, national Small Business Administration lender, Schnader has established close working relationships between attorneys and lending professionals.

We are equally capable and comfortable representing the lender in the small, local loan, and the multibank syndicate providing hundreds of millions of secured revolving credit to the real estate investment trust owning apartments and shopping centers in seven states or the homebuilder operating in ten. Each transaction receives the detailed legal knowledge and attention to practical, cost-effective lawyering that our clients and their customers demand.

Who Are Schnader's Clients?

If the loan involves real estate security, there is a Schnader lawyer who has handled a similar transaction. We work daily representing banks making construction loans to corporations, partnerships, limited liability companies and real estate investment trusts that are developing a wide range of properties, including:

- single and multifamily housing;
- local and regional shopping centers;
- suburban office parks;
- high-rise CBD office towers; and
- owner-occupied industrial facilities.

We also have closed numerous leasehold mortgage loans and tax-free industrial development and 501(c)(3) loans. Not a week goes by in which members of the Real Estate Lending Team are not involved in a mortgage loan somewhere around the country that will be sold in the conduit market.

Counseling to Achieve Client Goals

Because we are recognized as counselors rather than mere scriveners, our clients request our advice at the earliest stages of the loan process, seeking guidance on the structuring of a potential transaction and soliciting our suggestions on possible alternatives. With our extensive experience in the real estate world, it is not at all unusual for clients to ask our opinion of the reputation of a borrower seeking to establish a relationship with the lender. Nationally known for our real estate lending capabilities, we are often called upon by major law firms around the country to provide assistance to them as local counsel in one or more of the jurisdictions in which we practice.

Representative Transactions

Representative transactions closed in recent years include:

- A series of mortgage loans aggregating more than \$200 million to a major pension fund investor, secured by apartment projects and office buildings located in Florida, Minnesota, New York, Pennsylvania, South Carolina, Tennessee, Texas and Wisconsin.
- \$120 million secured residential construction line of credit to a major homebuilder operating in Florida and Pennsylvania.
- \$150 million syndicated revolving credit facility to NYSE real estate investment trust, secured by properties in seven states.
- \$15.2 million hotel construction loan in Montgomery County, Pennsylvania.

- \$43 million term loan and \$7 million working capital line of credit secured by 11 shopping centers located in Florida, Pennsylvania, Ohio, Georgia and South Carolina.
- A series of construction loans totaling in excess of \$42 million for the construction of an office/retail shopping center in Anne Arundel County, Maryland.
- \$39.8 million construction loan for the renovation of an historic office building in Philadelphia, Pennsylvania, and the purchase of historic tax credits by an affiliate of the lender.
- \$225 million syndicated, unsecured revolving credit facility to a private real estate investment trust.

Our Philosophy - An Integrated Approach

The Schnader Real Estate Lending Team believes it is possible to provide to lenders the high quality legal services they require in a manner that results in transactions being closed quickly, efficiently and at a reasonable cost. By anticipating and solving problems before they take on a life of their own, we are able to bring transactions to completion in a manner that enhances the win-win nature of real estate lending. Because the members of the team are experienced not only with real estate security but also personal property and other UCC collateral, we are able to handle transactions entirely within the team, thus reducing the high costs that can result from numerous hands being involved in the deal.

We recognize, of course, that not every loan will perform as and when required and that a single bad loan can drag down an entire portfolio. Therefore, while our goal is to close loans quickly and efficiently, maximum protection of the lender in a default situation is of primary importance. Several team members have practiced through a number of the real estate booms and downturns of the past four decades and, working with the skilled practitioners of Schnader's Bankruptcy, Workout and Business Reorganization Team, we know how to maximize the likelihood of a favorable result should the loan go into default.

Contacts

Melissa S. Blanton - Chair
215-751-2409