

A10 Capital bringing white-glove service to middle-market deals

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A **10 Capital** is hoping to provide a sophisticated, white-glove lending alternative to middle market commercial borrowers who might have traditionally gone to the commercial mortgage-backed securities market.

Conduits have been a big source of permanent loan financing for middle market borrowers over the past few years, especially in times of low liquidity in the lending market. “Conduits solved the liquidity problem and created product appeal when there weren’t a lot of alternatives,” said **Tom MacManus**, president of strategic accounts. “But if you ask the borrower if they love the [CMBS] experience, they say no.” Borrowers have frequently complained that the complex structure of the CMBS universe makes loan modifications difficult.

Because A10 operates outside of the regulated lending space, it’s able to finance loans with characteristics that would make them a difficult sell in the traditional bank lending market. “We’re not regulated and not public, [so] we have the ability to do things more quickly because we’re not subject to the regulatory strangulation that the banks complain about,” MacManus said. “We have the ability to create loan terms that don’t fit on a bank’s balance sheet.”

A10’s loans include non-recourse balance sheet loans across all asset types that range from \$1m to \$20m, but the company has the ability to lend up to \$200m for loan portfolios. In addition to offering permanent and bridge loans, the group also has a bridge-to-perm product, which can help stabilize properties and enhance

values, especially for those with existing maturity challenges relative to the market. “[For example], we could be a provider for loans that are maturing and need bridge loans as a consequence of rates moving up in the future,” said MacManus.

The firm recently hired MacManus, a veteran of **ARA Finance**, to focus on business development opportunities. “My primary responsibility will be to enhance existing relationships with institutional brokers and bankers and help build a network of new customers and partners who can bring us many more business opportunities,” said MacManus.



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