



A10 Capital Completes Innovative Financing for Middle Market Residential Rental Homes

New Haven, CT; July 11, 2017 – As part of a new business serving professional landlord owners of single family rental properties, A10 Capital has closed a multi-million loan program to finance a portfolio of 10 or more residential rental properties in the New Haven, CT area.

Following a wave of residential foreclosures triggered by the financial crisis, A10 is taking advantage of a maturing market for rental homes. Today, smaller real estate companies are assembling portfolios of rental homes and generating income for themselves and investment partners.

Aggregating Permanent Loan Facility

In the New Haven transaction, A10 will release a first-round funding of \$830,000 to finance the acquisition of three multi-unit residential homes, as well as the recapitalization of two other residential properties already owned and renovated by the borrower. These five properties represent 13 single-family units serving the local rental market.

Over the next 12 months, A10 expects to finance at least five additional properties for the borrower under A10's Aggregating Permanent Loan facility.

"The single family rental business has changed dramatically over the past seven or eight years," said Shawn Henry, Senior Executive Vice President and head of A10's Single Family Rental (SFR) business unit. "The days of large buyers sweeping up thousands of foreclosed properties across the country is over. A10 understands that there are more local landlord owners who buy and assemble portfolios over time. They need a customized loan product that supports incremental growth through a series of transactions, rather than one large, institutional-style financing."

Stable, Long-term Income

A10 Capital's borrower, Barnett Brodie, Managing Partner of Reichman Brodie Real Estate, LLC, exemplifies this new single family rental business model. Over the past seven years, he has acquired more than 80 properties which now makes up a \$20-million investment portfolio. He shares the annual income of the portfolio with a group of outside investors.

In addition, Mr. Brodie applies web-based technologies and the portfolio's economies of scale to reduce maintenance costs and provide tenants with more responsive service. Given that his tenants are mostly families with two incomes, the business generates long-term, stable cash flow.

"A10's unique ability to customize a loan product is a rarity in this sector," said Mr. Brodie. "The A10 team is smart, supportive and eager to pursue all avenues to assist the borrower. This new loan product will greatly increase my leverage ability, and improve my bottom line."

A10's new Single Family Rental (SFR) program was established last October, offering bridge and non-recourse permanent loans from \$500,000 to over \$20 million for portfolios with a minimum of 5 properties.

A10's SFR team includes originators, underwriters, and in-house counsel who are experienced in single-family rental lending, have owned rental homes themselves, and deliver local knowledge and relationships to assist borrowers as they enhance and manage their properties.

About A10 Capital

Both commercial property and single-family rental home investors rely on A10 Capital as their one-stop balance sheet lender for middle-market commercial mortgages. With loans ranging from \$1 million to \$20 million per commercial property and \$500,000 to \$20 million for single-family rental portfolios, our broad menu of bridge and permanent loans cover the entire life cycle of properties across the United States. Our full service platform incorporates focused origination, speedy underwriting, in-house legal and servicing for the life of the loan. An innovator in the industry with a scalable funding model, A10 is backed by four significant institutions: \$5.4 trillion asset management firm BlackRock, \$131 billion global investment firm KKR, the \$21 billion global private equity firm H.I.G. Capital, and THL Credit, the credit affiliate of Thomas H. Lee Partners. We are based in Boise and Dallas and have regional offices in key markets nationwide.

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