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## Private lending continues to capture a larger share of market

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Guilford, CT According to the Financial Times, the capital markets are awash in money looking for access to private lending. Michael Mackenzie and Eric Platt reported in October 2020 that there are 520 asset managers, including blue-bloods like Goldman Sachs, pitching private lending as an investable opportunity (read full article “Asset managers in \$300bn drive to build private lending funds” online).

What is giving rise to this expansion of alternative capital and private lending?

The dynamics creating the rush to private lending are in place on both the supply and demand side. From a supply perspective, traditional credit products like investment grade bonds and treasuries simply cannot provide the yield sought by most capital allocators. Equities, while having performed strongly for many years, are still volatile place to park capital. Given these options, alternative credit has become an attractive area to achieve higher returns than traditional lending while maintaining the security of debt investing.

On the demand front, traditional lenders continue to be squeezed by regulatory uncertainty and a lack of appetite for what would once have been considered attractive lending opportunities. Further, as discussed by the Financial Times, many borrowers are seeking more customized credit solutions that better fit their business models. Traditional bank lenders are not equipped to offer complex repayment or renewal terms that many borrowers require. Every business is different, and private lenders offer the only solution that reflects the unique needs and constraints of each borrower on a case-by-case basis.

Accessing private lending for your business

When a bank is presented the opportunity to lend to a borrower, the key considerations will be collateral, ability to repay, and any existing debt in place. Banks, driven by regulation and conservatism, will judge ability to repay solely from a previously filed tax return. The question of existing debt is easy; if there is any, they will not fund the loan. Any business owners reading this

know that is non-sensical set of criteria that does not reflect underlying business reality.

Private lenders, unburdened by regulation and bureaucracy, can assess the whole borrower, looking at the loan request from a wide range of perspectives in the hopes of providing the necessary capital. The presence of existing debt merely provides an opportunity to customize an alternative financing solution that meets the borrower's needs.

While the Financial Times discusses private lending by Wall Street institutions, the same customized, high-touch, and flexible alternative financing is available to small businesses and real estate investors/developers across the Northeast. Worth Avenue Capital, LLC (WAC) has been actively funding private loans and providing alternative capital solutions for over a decade.

Michael Ciaburri of Worth Avenue Capital, has experience funding loans ranging from \$50,000 to \$9 million. He has negotiated payment terms that afford incredible flexibility to his borrowers, and he can easily loan atop another lender with a second mortgage.

Should your business be looking for customizable and high-touch private lending, please contact them today. Their experts can understand your situation and work to provide a financing solution that can keep your business operating and growing.

WAC specializes in arranging debt financing for both small businesses and real estate developers/investors and also handles bank workouts for those same clients.

WAC maintains offices in both Guilford and Greenwich, Conn. as well as Palm Beach, Florida.

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