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**Loan Sale Corp markets USD 42m in commercial real estate loans**

Scottsdale, Arizona-based Loan Sale Corporation is marketing USD 42m in commercial real estate loans, according to Barry Smith, president.

The advisor is offering 10 loans on a mix of mostly sub- and non-performing retail and condo properties. The loans are backed by properties located in California, Arizona, New York and Washington.

Sellers are mostly regional and community banks and pricing is negotiated on a loan-by-loan basis. "A lot of banks want to test the water and see what they can get. If a reasonable price isn't garnered, then the institution isn't forced to sell," Smith said.

Offerings include a USD 11m REO loan on a mixed-use development in Glendale, California. Construction is 65% complete on the 25 multifamily units and 3,600 square feet of retail space. Additional REO involving condos in San Diego and land in Los Angeles is also being offered.

Also being marketed is a USD 3.5m loan on a 12-unit condo project in Phoenix. The units were converted to rentals and the property is fully leased. "There is good cash flow coming from it and the loan is still current... [but] it's coming due in November and the current setup won't be able to sustain [the loan amount]," Smith said.

The advisor had previously offered USD 33m in loans from banks that have since been taken into receivership by the FDIC. Offers had been placed on the loans, pre-FDIC, but none were accepted, Smith said. "Now, they can only sell to a borrower at a discounted payoff, sell to a participant bank if [the loan is] a participation, or they can wait for DebtX or First Financial Network to auction it," he noted.

Smith expects to see loan sale activity pick up in the fourth quarter. "People are posturing to be ready in a month or so to hit the market," Smith said, chalking up the activity to seasonal year-end sales and banks that have 'gotten their arms around their exposure.' He noted that a gap between the bid/ask spread is still prevalent.

Loan detail is available on the advisor's website, [www.loansalecorp.com](http://www.loansalecorp.com).

By Sarika Gangar

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