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Bank Cleans Balance Sheet

Los Angeles-based Nara Bank has unloaded \$61.1 million of problem real estate loans, its holding company Nara Bancorp announced last week.

After loan sale advisor fees and a steep discount on the troubled assets, the bank recouped about \$38.8 million from the sale. The total discount amounted to \$17.3 million.

Investment bank Keefe, Bruyette & Woods Inc. served as the advisor for the bulk sale, and Zuber & Taillieu attorney Michael Zerman represented the bank in the sale.

"While people have been expecting a lot of bank portfolios to have been changing hands, not many have," Zerman said. "So this is one of the more significant private loan portfolios to have been traded since the credit crisis began."

Zerman would not disclose who bought the loans, but said there was a single buyer.

The real estate loans were backed by hospitality, retail and mixed-use properties, nearly half of which are in California.

Tony Rossi, a spokesman for the bank said the loans were primarily for real estate outside of Nara Bank's core business area of major metropolitan centers. Rossi said some of the properties had gone into non-performing status, while the rest were headed in that direction.

"Following this sale, we have significantly reduced our exposure to areas that have experienced the most economic weakness," Alvin Kang, president and chief executive officer of Nara Bancorp, said in a statement.

— **Carla Pineda, Jason W. Armstrong and Richle Duchon**

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