



# BOND STREET CAPITAL NEWS

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## Emails From the Trenches

To: [jforman@bondstreetcapital.com](mailto:jforman@bondstreetcapital.com)

Hi Joe,

Long time no talk. I just got back from my one year sabbatical to study the ancient Wacko tribe in eastern Klotsut. Interesting folks although the beheading custom for kissing in public was hard to watch. I lived for a full year with no form of communication, no running water, minimal food and the worst thing of all, no TIVO.

Now I am back and it's time to make some money. What a shock. My residential loan business is dead. So, I got to thinking that it's finally a good time to do commercial loans.

Are you guys still in the business and doing well? Can I make money doing commercial deals? Do you guys still have money? Any advice for your old buddy Bob?

Thanks, Bob

*Bob "the Boy Wonder"*

*Worldwide Lending, Insurance, Title, Escrow, and VCR Repair Corp.*

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PS. Are you hiring these days?

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Dear Bob,

Thanks for your note.

How is it going you ask? Well, for some folks it's pretty tough. The investment banking guys are getting walloped. Just last week I called my investment banker buddy on his cell phone. You know, Fred, the guy I did all of my conduit deals with. For the last 5 years I have been kidding him by starting every call with "are you still employed? Have they taken away the executive wash room key yet?" We always laughed together about this. Well my timing was terrible. This time, it was

true. Fred was let go after 8 years at the same investment bank. Eight years. Boy did I feel like a jerk!

Should you do commercial? Well it's challenging to learn my side of the business and to get lenders to pay attention to you. I know lenders that won't accept loans from brokers who don't know traditional commercial underwriting criteria. Of course we will always accept loans from you.

If you decide to focus on commercial, please do not send us deals you get from other brokers. We don't do daisy chain deals. Also, recognize the commercial compensation has traditionally been one point to the broker. Now small deals or hard money pays more but excessive fees kill deals. Finally, don't mass email your deal to every lender on the planet. Send a short email with the basics and pick the best horse from the responses.

As to how we are doing, well we are very busy. The good news for us is that we represent multiple investors and capital sources so we are definitely getting deals done. I think the fact that we have been around a while and we have a good track record and reputation helps customers to trust us. They know we are committed to giving them straight answers. What is interesting is that folks that were going straight to Wall Street are finding us because they need viable alternatives and we have them. I think we are going to have a great year.

Our biggest challenge is that we need to re-educate our borrowers and brokers that the wild days of Wall Street financing are over. Its back to lending 1996 style. It's like the old days. Deals have to underwrite and institutions are limited by their capital issues and the regulators.

For example, I have one client that called me on an office building deal. Nice property. He wanted a high leverage loan with ten years of interest only and was sure he should get pricing in the low 5% range. I gave him a real world 6% quote, two years of interest only, 75% LTV. He was sure he could do better. He came back after he figured out that our quote was great in this market.

You asked if we were hiring these days. Yes, we are bringing on new originators for markets we do not currently have coverage in. Send in your resume. Your tribal study experience will certainly bring value.

Sorry, got to go now. Nancy has dinner ready and you know how she gets if I am late to the table!

Joe

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Thanks Joe,

You have been helpful. By the way are you still playing golf?

Shot a 116 the other day on the muni course. Best round since I have been back. Those six shots trying to get out of the sand were a killer though. I probably should stop using my putter in the traps. The folks behind us were getting pretty

annoyed though. I don't understand why they were upset when we finished in just under six hours. That's fast for my group.

Bob

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**Coming Soon!**