

MORTGAGE OBSERVER WEEKLY

Q+A

Stuart Bruck

Director of Mortgage Brokerage Services at Time Equities



Stuart Bruck

The Mortgage Observer Weekly: How did you get your start in the industry?

Stuart Bruck: I started my career as a city planner with the New York City Department of Planning. I then moved over to the New York City Department of Housing, Preservation and Development, where I was the director of a loan program which provided low-interest loans to owners to rehabilitate buildings in target areas. I've been the director of funding and the director of mortgage brokerage services for Time Equities since 1986.

What is the mortgage brokerage services department strategy?

We are known for our integrity and creative solutions to difficult problems. As problems with loans for our clients arise, I have access to the principal and president of Time Equities, who have great experience and offer realistic solutions. Since working at Time Equities, I have placed hundreds of mortgages, lines of credit, construction loans, mezzanine loans, loans secured by mortgage receivables, etc., totaling approximately \$5 billion dollars.

What property types are you busiest arranging financing for at the moment?

We are busy with shopping centers, especially with smaller strip shopping centers without anchors across the country, apartment buildings and office buildings around the country.

Any recent New York-area deals you can mention?

I'm working on a bunch of New York

apartment buildings. They are highly in demand, and interest rates are very low. I'm seeing a lot of borrowers who want to refinance their mortgages to take advantage of the low interest rates, even if they have prepayment penalties on existing mortgages, because the lower interest rates more than compensate for the penalty cost required to get out of the existing loans.

Any specific New York examples of this trend?

Sure, I recently refinanced an apartment building on which the existing mortgage had a 6.8 percent interest rate. The borrower had a 3 percent prepayment penalty [to get out of the previous mortgage]. However, he was able to obtain a new loan for 2.95 percent, and therefore in one year, his savings was equal to the prepayment penalty, with 3 percent savings [a year] thereafter.

Can you mention some of the creative ways you have come up with to get the best rates for mortgages for your clients?

As part of a large organization like Time Equities, which owns approximately 20 million square feet of real estate throughout the United States, Canada and Germany, I get to interface with traditional lenders such as savings banks and commercial banks, as well as pension funds, insurance companies, investment banks, etc. I am then able to allow the mortgage brokerage clients access to all these lenders.

What is your forecast for 2013?

At the moment it is a great time to be a borrower.

Lenders are aggressively competing to make loans. I have started to see loan-to-value ratios increase. At the same time, interest rates remains near historic lows. I see these trends continuing for the rest of 2013.

So far this year, have you noticed any new trends in the New York market?

It's the beginning of the year; all lenders seem to have a lot of cash at hand and they have targets for the amount of money they want to lend. There are a lot of lenders in the market. There are a couple of new lenders that have entered in the New York market from out of state, and they are aggressively making loans. Banks from out of state are coming to the New York market. **MOW**