

KEYNOTE INTERVIEW

Expanding throughout the downturn



Mitchell Hunter, chief commercial officer at Trimont Real Estate Advisors, co-winner of Loan Servicer of the Year, on how the firm used technology to help expand throughout the covid-19 pandemic

Q What were Trimont's key milestones in 2021?

Despite the ongoing challenges resulting from the covid-19 pandemic, Trimont built on the successes of 2020 and significantly expanded its US business in 2021. The firm's strength and ability to service clients both in the private and securitized debt arenas enabled us to not only expand our client base, but also to grow our team during uniquely challenging times.

In 2021, our clients had increased amounts of capital to deploy in large and complex transactions, which is Trimont's specialty. We remain one of the largest third-party servicers and

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administrators of construction debt worldwide, acting for many of the world's largest commercial real estate debt funds and other alternative lenders.

In response to our clients' ever-increasing appetite for data, we continued at pace with our investment and focus on the development and further roll out of technology enhancements. In a hybrid world, the connectivity offered by our market-leading technology

continues to differentiate Trimont and enables us to be a strong partner with our client base.

Q How would you describe your business?

Trimont is a full-service credit and asset management advisory firm specializing in the management of performing and non-performing credit on behalf of commercial real estate lenders and investors around the world.

At Trimont, we work with our partners on loan servicing, facility and security agency, cash management, loan management, fund and asset level accounting, underwriting and due

diligence, all while empowering our partners to securely and efficiently manage risk and return.

Q How has the US debt market rebounded from the pandemic?

The short answer is quickly and in volume. By the second half of 2020, the new origination market had quickly gotten back into its stride. Last year saw record levels of lending across many alternative lenders resulting in the market becoming more competitive. Today private equity firms, debt funds and banks are as active as ever, with many focused on traditional bridge debt.

The increased competition in 2021 saw pressure on margins and spreads, resulting in more creative finance arrangements being put in place to enhance returns. That has resulted in increased activity in the warehouse loan-on-loan markets and noticeably more CLO issuance, a trend we are seeing continue into 2022.

With asset prices remaining robust and the continued availability of capital, concerns over systemic distress in the early days of the pandemic have not become a reality.

Q Where are your clients most active?

Our clients continue to be very active across all property types with a heavy emphasis on multifamily. One trend that continues to stand out is that clients who were previously focused on primary and secondary real estate markets are now looking at tertiary markets in order to be competitive in this environment. Opportunities in the hospitality sector have become more of a focus as the US continues to emerge from the pandemic.

We've also seen the financing market for ground-up construction remain strong over the past two years, and we don't anticipate that trend to slow in the near future.

I expect the complexity of loan structures to continue to increase as

lenders continue to explore leveraging opportunities through CLOs, and warehouse lines.

Q How have you enhanced your technology over the past year or two years and how has that affected your business?

For the past five years, we have diligently focused on upgrading our existing technology and investing in new platforms to better receive, process and report data. That focus ramped up over the last two years as clients continued to require instant access to the data supporting their assets as they navigated the uncertainties created by the pandemic.

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Since 2020, we have rolled out our proprietary technology platform, Triview 2.0. Triview allows our clients to access operational, payment, risk and forecasting data along with all associated documents that they need on a real-time basis. The system allows them to organize, analyze and download all transaction related data on a loan, asset or portfolio level enabling clients to make quicker and more informed decisions.

Today clients are requesting more and more information to meet internal, external and regulatory requirements. Complexity in structure has forced our industry to have better systems to monitor and service today's commercial real estate loans and leverage structures. We have the technology to consistently manage and report the data in a timely manner for clients, wherever they are in the world.

We will continue to invest in technology, which we believe to be the future of our industry. As an example, we are presently in the process of rolling out a new global asset management system that will allow our staff to better manage data, review trends and report asset performance on behalf of our clients.

Q What is your outlook for 2022?

We anticipate a very busy year.

Lending continues in large volumes and our clients have strong pipelines and ambitious plans for the year despite the inflationary pressures in the market and a rising interest rate environment. Obviously, we are all keeping a close eye on the terrible events unfolding in Ukraine, both from a humanitarian and economic perspective. We hope that situation can be resolved quickly with minimal disruption to the credit markets.

We expect our clients to continue to expect their service providers to be responsive and attentive, and we will be here to support their needs this year and in the years to come. ■