



## **\$950 million refinance completed for 1290 Ave. of Americas**

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According to Vornado Realty Trust, the partnership that owns 1290 Avenue of the Americas, a 2.1 million s/f office building has completed a \$950 million refinancing of the property. The 10-year interest-only loan bears interest at 3.344%. The net proceeds from the refinancing were \$522 million after repaying the existing loan and closing costs.

Vornado owns a 70% controlling interest in the partnership.

Vornado Realty Trust is a fully integrated equity real estate investment trust. Get to know Ostrowsky of Investors Home Mortgage. Can you give me some background information on Investors Home Mortgage and Investors Bank?

Investors Home Mortgage is a wholly owned subsidiary of Investors Bank. The bank was founded in New Jersey in 1926, and up until 2010 our retail presence was exclusively in New Jersey. In 2010 we acquired Millennium Bank which in turn brought our first retail presence to New York. We have continued to grow in New York both organically and via acquisition. Last year we acquired Brooklyn Federal Savings, and most recently, we acquired Marathon Bank. The most telling statistic of our growth can be seen by looking at our assets. To end fiscal year 2007, the bank had assets of \$5.7 billion. After the acquisition of Marathon, we are now a \$12.4 billion dollar bank. To more than double in size during the years that define the financial crisis is evidence of how well the organization is run.

How does Investors Home Mortgage distinguish itself in today's competitive marketplace?

For one, our selection of loan products is tailored to serve the NY metro area. We have our own portfolio programs which is a necessity in NYC and the surrounding areas given the demand for jumbo financing. In New York, there are so many deals that will not conform to Fannie Mae, Freddie Mac, or FHA guidelines whether it's because of the loan amount or the building. By providing financing for jumbo loan amounts as well as financing for condominiums that are not Fannie/Freddie approved, we are able to fill a vital void in the marketplace. A second important point is that we are a local lender. In today's market it is not effective if solely the originator is local but the underwriting is done down south, in the Midwest, or on the west coast. Having local underwriters will lead to a smoother process 100% of the time.

Aside from jumbo loan sizes and separate condo guidelines, are there specific portfolio programs you can expand upon?

We are still providing interest only loans which I know are harder to come by today. One program we have that is perfect for new construction financing is our Buyer's Best program. This program allows for an 18 month rate lock with a float-down to market rate within 60 days of closing. Another niche program is our reduced documentation program. This is nothing like a no doc loan circa 2003, but it is helpful for qualified borrowers with 50% equity on a refinance or a 50% down payment if it is a purchase.

Do you see more business coming from refinances or purchases?

We are proud of the fact that we are ahead of the curve when it comes to purchase money mortgages. The industry as a whole is skewed towards refinances as a majority. We are extremely active with refinances, but as loan officers, we are asked the question constantly, "how will you get business when interest rates are at 5%?" We are a company that is focused on constantly building meaningful relationships with valued business colleagues such as realtors, developers, and real estate attorneys. It is these relationships that will enable loan officers and the company to continue to succeed once the pool of refinances dries up. I think our colleagues in the business all agree how important it is to have a trusted resource when it comes to the mortgage piece of the transaction, and we are consistently proving the value that we bring to the table.

What are some of the trends you are seeing recently?

One trend that has become more common is a refinance that doesn't necessarily save significantly on the monthly payment, but will cut the term of the loan significantly. There are borrowers who took out a 30 year fixed 6 years ago and can refinance today into a 15 year fixed with their payment staying the same or decreasing slightly. Of course it is still staggering how much money people can save today on their monthly payments. I have one client who just consolidated a commercial loan he had with the mortgage on his primary residence and will be saving over \$3,000 monthly. As with every refinance, the borrower's goals will ultimately determine the best way to structure the loan. On the purchase side, I have been dealing with a lot of first time homebuyers recently. With rents as high as they are, and interest rates so low, many more renters are getting into the purchase market.

David Ostrowsky is the senior loan officer at Investors Home Mortgage, Millburn, N.J.

New York Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540