



## Company of the Month: Axylyum Charter introduces AXY Wrap and changes the landscape of lending

October 19, 2021 - Front Section



New York, NY The New York Real Estate Journal had the pleasure of sitting down with Axylyum Charter, this month's Company of the Month, for an interactive question and answer session. One of the most talked about organizations to enter the private lending industry, Axylyum Charter is setting out to disrupt the distressed mortgage-backed asset space with their new risk mitigation product, AXY Wrap™. Led by CEO and partner, Serge Petroff, the organization has done what no lender has thought possible—eliminate risk of default.

Serge Petroff

NYREJ: The name Axylyum Charter is being talked about in every lending circle. Tell us more about your company and how it came to be.

Petroff: Axylyum Charter was established to unify capital, servicing, and litigation all under one roof. My partner and I recognized the challenges in the private/hard money lending industry and developed a portfolio-wide, secure engagement option for both retail and wholesale lenders that allows for the immediate repurchase of defaulted loans.

After nearly two decades of litigating thousands of foreclosure trials in New York City, we saw an opportunity to do what no company has done before—align the roles, goals, and actions of investors, default servicing companies, and their litigation counsel. This is important on so many

levels and will enable a unified asset positioning that will move us through any forthcoming crisis.

What do all the above parties have in common? They want to make money. How do you do that? By eliminating default risk and securing portfolios.

NYREJ: Tell us about the benefits of AXY Wrap™.

Petroff: Our innovative and exclusive product, AXY Wrap™, has been described as “the next step for the mortgage-backed asset class.” The brilliance behind our product is that it eliminates multiple layers of risk, specifically the risk of default. By doing so, AXY Wrap™ enables lenders to do what they do best—lend—and can even increase lending facilities. This can result in a drastic decrease in servicing expenses, carrying costs, and prop-erty disposition time. All default exposure is shifted to Axylyum Charter and our lenders are paid within 30 days of default.

One of the most important benefits of AXY Wrap™ is that it comes at no cost to the lender and 100% of all defaulted loans are paid for in full. We can offer a secure guarantee on the performance of asset-based, non-owner-occupied loans through portfolio-wide engagement pricing. No one else in the industry can even come close.

Another key benefit to point out is that by “AXY Wrapping” your portfolio, you are more likely to keep your relationships with your borrowers. Once foreclosure occurs, borrowers may go elsewhere. AXY Wrap™ helps prevent that from happening.

NYREJ: What about the uncertainty of the real estate market? Should there be cause for critical concern? How does AXY Wrap™ fall into play?

Petroff: Unfortunately, this is a question I get asked daily. We developed AXY Wrap™ knowing that no bull market lasts forever. Any industry professional reading this has heard the frequent rumblings that another 2008 is around the corner. Although I think that the next market adjustment will be different than the previous one, I do not think anyone would disagree that an adjustment is coming. The relationship between interest rates and inflation is an absolute cause for concern. For that reason, we are seeing numerous lenders becoming more conservative.

Although I do not believe there is a cause for critical concern, there is certainly enough concern to prepare for the future. I tell our lenders all the time to plan for the worst and hope for the best. Our best lenders have substantial loan loss reserves and can weather multiple storms with AXY Wrap™.

Can lenders take care of a defaulted loan? Of course. However, ask yourself, how is that defaulted loan increasing your lending capacity? It isn't. In fact, it is decreasing your competitive advantage and sending you down a path of litigation and severe asset depreciation.

NYREJ: What about your competition?

Petroff: There is no product like AXY Wrap™ on the market and we expect exponential growth in the

next few months. We are not lenders and always stand behind our lenders' guidelines. No one wants to take on foreclosures and even if they pretend that they can handle things themselves—they really do not want to.

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