



Business Bio of Tim Hughes

Formidable Accolades Quote: *“Tim has the uncanny ability to do two things very well. 1) double a bank’s lending profits by coming up with unique programs that inevitably turn out to be very advantageous to borrowers and lenders alike; meaning he connects a lot of financial formula ‘dots’ others simply do not see; one’s we found very beneficial to our well being 2) He’s charismatic by nature which allows him to maintain shirt sleeve relationships with the most influential leaders of our industry. He’s also recognized by Cambridge Registry of Finance Who’s Who.”* (Secondary Marketing News, May 3, 2004 Ben Bearsto, EVP, First Jersey Federal)

COMMUNITY BANK PRODUCT DEVELOPMENT & COMMERCIAL LENDING HISTORY

Founding Principal / Managing Director / New Product Development / Regional & National Accounts

2012 - Present: **TIER-1 CAPITAL SECURITIES** (Bank Loan-Write-Down Protection & Rapid Income Acceleration) Delray Beach, FL.

1995 - Present: **UNITED CONDUIT SECURITIES** (Commercial Real Estate Finance) Metro New York & Delray Beach FL.

Mr. Hughes founded UCS in 1995, another first-of-its-kind / national-in-cope mortgage co-op to provide a high borrower demand (yet industry underserved) Smaller-Balance CRE Loan Product for a unique group of CMBS savvy mortgage intermediaries. UCS acts as a Master Correspondent, Program Architect and Relationship Liaison of his proprietary financing initiatives for each securitizing pool.

Mr. Hughes began to cultivate a national origination network that was unique in the respect that many were large High-Net-Worth Residential Mortgage Bankers that maintained only ‘stepchild’ CRE Departments or commercially inept Community Banks. Over time, and with his rigorous perseverance, most became High Volume Production Centers, all while the ‘Big-10’ Wall Street Conduit Operators considered such firms a waste of time. Soon thereafter, Wall Street houses took notice of his highly desirable ‘program features’, providing enough volume (\$100MM per month) to assure any firm a cost-effective securitization or bulk-loan exit strategy.

Mr. Hughes’ first Investment Banker was Tacoma based Network Capital. Their initial product endeavor was an instant success, a Smaller-Balance Commercial Loan Program starting as low as \$250,000. Due to its unique ‘program features’, it out stripped DLJ’s Column Financial of their primary attraction. However, the down side to Network Capital was their maximum loan size being only \$2,500,000. As well, and unbeknown to UCS, Network Capital naively purchased a substantial array of non-conforming loans from Southern Pacific Bank, and therefore soon became cash-strapped once they discovered they had no securitization exit strategy for those loans. First Union then became UCS securitization venue until their hierarchy restructured its Capital Markets group due to its infamous \$600MM ‘Sunbeam’ loan debacle. Over time, UCS’ First Union relationships left to form a Co-Op similar to UCS, noting its notable success. SunTrust soon became UCS investor until the collapse of CMBS lending due to the 2007/2008 bank-credit-crisis.

1991 to 1995 **MONARCH SECURITY BANCORP** Founder (Early Stage Semi-Prime Residential Conduit) Princeton, N.J.

Mr. Hughes resigned from First Jersey Federal [VP RE Lending, 88’ - 91’] to establish MSB as Founding Principal, another first-of-its-kind residential co-op model similar in to FJF. He wanted to provide Brokers & Bankers with a revolutionary Loan Product for moderately ‘credit-impaired’ borrowers [not chronic credit abusers] with less-than-predatory rates (9.25% in then an 8% market). In the late 80’s and early 90’s, if your mortgage was 45 to 60 days late, you were considered a ‘dead-beat’ disgrace and shunned by all mainstream Lenders. Hughes named it the ‘90’s Middle America Program’, targeting early 90’s Middle-America homeowners that got caught in the corporate down-sizing of the late 80s, not factory workers or the like that were accustomed to periodic layoffs.

The loans were funded and warehoused by First Security Bank of Gaithersburg, MD by the mandate of his I-Bank (Kidder Peabody) which sold them in bulk to Kidder, then the largest FNMA mortgage buyer in the US. After accumulating timely payments for a year or so, Kidder securitized these higher yielding loans as FNMA Conforming loans, thereby reaping higher profits on the sale of Kidder’s bonds. However, and unbeknown to he or Kidder, the Bank was already in the cross-hairs of the RTC, and was eventually seized. Shortly thereafter Home Insurance took over the ‘Program Rights’, originating almost \$1Billion within 3 years in 36 States.

(1985 to 1988) 1-800-CAR-LOAN (semi-sub-prime auto loans) Program Administrator / Dealer Manager, Wall, NJ.

(1982 to 1984) CONSUMER CREDIT RESEARCH (early credit scoring research) National Sales Manager, Wall, NJ.

(1978 to 1982) Rumasa S.A. (global banking conglomerate) nationalized in ‘82’, tripled USA productivity in 1st year.