



# United Conduit Securities..... in Brief

The Best Community Bank Commercial Finance Platform in the USA, Bar none !

Tim Hughes, Founding Principal & Managing Director

**Becoming a Pit-Bull on the Pant Leg of Opportunity!** UCS's primary role as a Capital Markets Relationship Management firm was to continuously develop High Demand [yet industry-underserved] 'private-label' Wholesale Commercial Lending Programs. These were lending programs in which UCS network of Community Bank originators could close and service loans in their name on a nationwide basis using the end Investor's \$\$\$ to do so. This network was unique in the respect that many of them [*due to their smaller size*] few just slightly below the radar of the 'Big 10' Wall Street conduit's priority target market, as they were either smaller brokers that maintained 'step-child' Commercial Depts or Small Regional / Community Banks, which UCS built into **"Higher-Volume Higher Net Worth" Commercial Lending Producers. These endeavors also allow UCS to generate enough \$\$\$ volume [*\$150MM per month*] to assure a profitable bulk-loan exit strategy for major lending institutions should they chose to keep those loans on their books for 6 to12 months of seasoning.**



**How It All Started:** UCS [*a 1995 Nevada LLC initiated by Tim Hughes*] began as a unique 'pooling-of-interest' organization. UCS was structured as the Origination and Marketing arm [*aka, Master Correspondent*] in a join-venture with what was an established Commercial Real Estate Bulk Loan Purchasing and Servicing entity. This Tacoma based firm [*Network Capital*] performed the Final Underwriting, the Doc Prep, and the Table-Funding tasks for each of UCS newly originated Smaller-Balance loans. Once closed, generally the loans were securitized and / or sold in 'Bulk Loan' packages once they had been seasoned for six (6) months or so. This joint venture began with one specific mission in mind; to provide an outlet for underserved Smaller [*\$750,000 to \$5,000,000*] mortgage loans on "A", "B" & "B+" grade traditional Commercial Property types to its network of larger residential as well as Commercial Mortgage Brokers, Mortgage Bankers, Smaller Regional Banks and Community Banks, all of which were permitted to originate and close the loans in their name on a nationwide basis.

**The Glitch:** In early '2000' the Tacoma, WA funding source became very unstable due to an ill-advised purchase of 'lower than Investment Grade' type loans they bought from Southern Pacific Bank, **not** UCS. In November of 2000, UCS finalized a proprietary \$750,000 to \$25,000,000 Program arrangement with First Union Capital Markets [*now Wachovia*] until First Unions six [6] month old \$600MM loan they made on their own to Sunbeam Corporation went into a highly publicized bankruptcy. Over time, the debacle set off a complete shake-up [*or better put, 'shake-out'*] of both higher level as well as lower level staffing. Their Loan Program(s) had to be completely re-prioritized. Consequently, the Smaller-Balance Loan Program with UCS diminished. However, during that period of time, UCS caught the attention of a variety of 'industry-recognized' Institutional Lending Conglomerates & Wall Street Investment Bankers to provide reasonable-rate funding on a broader menu of loan sizes and property types which has made UCS a significant success story until the banking / credit crisis and CMBS collapse of 08/09. UCS is now finalizing a new platform that will revolutionize the entire Community Banking industry.

**Tim Hughes**, Founding Principal and Managing Director of UCS, is also the Loan Program Architect. Mr. Hughes also spearheads both Production efforts and New Product Development efforts, and is well known for his shirt-sleeve relationships with the "rainmakers" throughout the Commercial Finance Industry.

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