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Deal Report

Hengeler advises on NPL joint venture

Citigroup and Eurohypo yesterday announced the establishment of a joint venture to acquire and service non-performing loans. A further partner in the joint venture is the General Motors subsidiary GMAC Commercial Mortgages.

The joint venture will acquire from Eurohypo and service a portfolio of non-performing loans in an amount of more than 2.4 billion euros. The portfolio consists of more than 14,000 loans, secured for the most part by residential property.

Hengeler Mueller is advising Citigroup. Advice is being provided by partners Martin Geiger (Financing), Frank Burmeister (Corporate/M&A), Friedhelm Jacob, Ernst-Thomas Kraft (both Tax) in addition to associates Armin Barthel, Matthias Eggert and Lutz Hoheisel.

Citigroup is also being advised by Cleary Gottlieb Steen & Hamilton (partners: John Palenberg, Daniel Weyde) and by in-house counsel Michael Sussman and Adam Moy.

Hengeler Mueller recently advised Citigroup (and Morgan Stanley Real Estate Fund) within the framework of an auction process to acquire a non-performing loan portfolio in an amount of more than 3.6 billion euros as well as in the acquisition of a non-performing loan portfolio in an amount of more than 400 million euros. The seller in both instances was Hypo Real Estate Bank.

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