

Press Release ----- February 5, 2008

Arizona Borrower Cuts Interest Payments with Newcastle Financial

Sierra Vista, AZ—Newcastle Financial, a leading nationwide commercial mortgage lender, has completed funding for a ground-up construction project for a 13,000 square foot retail property in Sierra Vista, Arizona.

Just 75 miles from Tucson, the city of Sierra Vista functions as the central hub for commercial, cultural, and recreational activity for all of Cochise County and parts of bordering Mexico. In this thriving community of 43,000, commercial activity has been flourishing for the past year. The city boasts a 400,000 square foot mall with prime anchor tenants, and several major retailers throughout the community.

“Although there were some serious limitations with this construction project, we were impressed with the city’s strong growth, as well as the borrower’s enthusiasm and dedication to the project,” said Larry Chin, Managing Director of Newcastle. “The region’s commercial sector has been doing quite well, and just over the past year, several large retailers have begun construction of new facilities, and many smaller stores and complexes have also begun to appear.”

Newcastle Financial was able to provide \$1.773 million in financing for the construction project, which is expected to be well received by the local community. Newcastle was able to provide excellent terms for the project, despite several challenges. Terms included a 12-month, interest only loan during the construction period, followed by a permanent loan with 25 year amortization. Interest is fixed for five years, with self-renewal thereafter every five years.

It is not unusual for a new construction project to begin with “hard money lending,” and the Sierra Vista project was no exception. Before coming to Newcastle, the borrower initially purchased the land at 53 percent loan-to-value at an unfavorable interest rate. “Typically, borrowers resort to hard money lenders if they have few other options, and then, just as a way to get started,” said Mr. Chin. “To minimize costs and avoid a possible disaster down the road, borrowers need to refinance that as soon as possible.”

This was the case with the Sierra Vista retail project. The hard money loan took care of the land purchase, but the borrower required additional funds for the construction. The borrower was seeking funds that would cover the construction and also pay off the hard money lender at a lower interest rate, but after six months, no loans had been offered.

Equipped with a solid business plan and anxious to move on with construction, the lender contacted Newcastle Financial. The borrower’s experience at Newcastle was refreshingly different, and the loan was approved quickly at an attractive interest rate and on very workable terms, with a loan-to-value of 80 percent. Using the funds, the borrower was

able to start construction, and also pay off the land loan—resulting in a substantial and immediate savings.

Newcastle Financial is able to fund projects that other lenders may not be able to take on, due to its innovative and personal approach that goes beyond bottom-line numbers. Newcastle Financial can be reached at 877-877-0946, or by email at info@newcastlefn.com.

About Newcastle Financial:

One of the most innovative nationwide commercial real estate lenders in the business, Newcastle Financial cuts through the complexities and gets to the heart of the deal. Newcastle's experienced staff understands that each situation is different, and requires a flexible approach. While Newcastle's underwriting experts take advantage of the latest technology, they also take the time to look at what's behind the numbers, and understand every aspect of a project. Newcastle Financial offers competitive financing for multi-family investment properties, and commercial properties in all 50 states. Newcastle Financial can be found on the web at <http://www.newcastlefn.com>.