

Bridge Lender Starts Fund, Adds Staff

Avatar Financial Group, a bridge lender that targets loans up to \$35 million, is ramping up its business after launching a fund and hiring two origination pros.

The firm expects to originate about \$130 million this year and about \$200 million in 2022, up from the \$80 million it wrote in 2020, when the pandemic curtailed business.

Most of its loans are in the \$2 million to \$10 million range. The loans tend to have two-year terms with a loan-to-value ratio of 70% and coupons of 6% to 9%. The Seattle firm is lending nationally.

With competition fierce in the bridge-lending space, Avatar decided to launch an open-end fund in June to give it more origination flexibility. So far, the company has raised \$50 million of equity via its Avatar Commercial Mortgage REIT. Avatar expects most of the investors it's worked with to participate in the fund once current investments pay off.

Previously, Avatar invested via something akin to a managed-account structure. That could be cumbersome and sometimes slowed closings, according to chief executive **Jerry Zevenbergen**, who co-founded the firm in 2003 with president **T.R. Hazelrigg 4th**. Now, the firm is telling borrowers it can close loans rapidly, sometimes in as few as 10 days.

Since launching the fund, Avatar has added two seasoned originators, and it plans to hire more support personnel in the coming months.

In July, the company brought on **Mark Holman**, a director based in Dallas. He arrived from **Trimont Real Estate Advisors** and previously spent more than 25 years at **Goldman Sachs**. In June, Avatar hired **Jay Ockman**, a director in Houston. He



came from **Vesta Equity** in Sarasota, Fla., and before that he worked at Charlotte-based **Grandbridge Real Estate Capital**. ❖