

Signature Multifamily Loan Portfolio Frequently Asked Questions

July 12, 2023

General Frequently Asked Questions

WHAT HAPPENED TO SIGNATURE BANK AND SIGNATURE BRIDGE BANK?

- On March 12, 2023, Signature Bank was closed by the New York State Department of Financial Services, and the Federal Deposit Insurance Corporation (the "FDIC") was appointed as receiver for Signature Bank; thereafter Signature Bridge Bank, N.A. ("Signature Bridge Bank") assumed certain assets and liabilities of the FDIC as Receiver for Signature Bank.
- On March 20, 2023, Signature Bridge Bank was closed by the Office of the Comptroller of the Currency, and the FDIC was appointed as receiver for Signature Bridge Bank ("FDIC-R").
- On March 20, 2023, FDIC-R entered into a purchase and assumption agreement for substantially all deposits and certain loan portfolios of Signature Bridge Bank, N.A., with Flagstar Bank, National Association, Hicksville, NY, a wholly owned subsidiary of New York Community Bancorp, Inc., Westbury, NY.

WHAT HAPPENED TO SIGNATURE'S MULTIFAMILY LOAN PORTFOLIO?

- At failure, Signature Bank had over 2,800 multifamily loans totaling in excess of \$20 billion.
- Loans collateralized by either rent-stabilized or rent-controlled properties (the "Rent Stabilized Multifamily" portfolio) totaled in excess of 2,200 loans with an aggregate balance in excess of \$15 billion.
- FDIC-R retained substantially all of Signature Bank's multifamily loans. FDIC-R is committed to operating the Signature Bridge Bank Receivership in a manner consistent with all of its statutory obligations.

WHAT ARE THE FDIC-R'S STATUTORY OBLIGATIONS?

- As Receiver, FDIC-R is obligated, under statute, to conduct operations in a manner which:
 - i. maximizes the net present value return from the sale or disposition of such assets;
 - ii. minimizes the amount of any loss realized in the resolution of cases;
 - iii. ensures adequate competition and fair and consistent treatment of offerors;
 - iv. prohibits discrimination on the basis of race, sex, or ethnic groups in the solicitation and consideration of offers; and
 - v. maximizes the preservation of the availability and affordability of residential real property for low- and moderate-income individuals.
- FDIC-R is committed to working to achieve positive outcomes consistent with its statutory obligations.

IS FDIC-R CONDUCTING STAKEHOLDER OUTREACH?

- FDIC-R continues to conduct outreach with borrowers, tenants, state and local government agencies, as well as community-based organizations, to seek feedback on FDIC-R's servicing, marketing, and disposition strategies.
- FDIC-R recognizes the multifamily loan portfolio comprises an important source of affordable housing

in New York City, the State of New York, and other communities. FDIC-R is aware that these stakeholders have concerns over the future ownership and investment in these properties.

- FDIC-R will continue its engagement with stakeholders throughout the receivership process. FDIC-R is committed to ensuring that stakeholders are informed about the FDIC-R's approach and actions and will have the opportunity to provide input. FDIC-R will carefully consider the input it receives from stakeholders in the loan servicing and sale processes.
- FDIC-R is engaging with City and State housing authorities, and other interested stakeholders, to identify collateral properties with physical distress.
- FDIC-R will maintain the confidentiality of a stakeholder's information and any discussions FDIC-R conducts with them, to the extent allowable under law.
- If borrowers or tenants have questions or concerns and wish to contact the FDIC, they can reach FDIC representatives working onsite at the Signature Receivership by email at FDICSignatureMF@FDIC.gov.

HOW IS FDIC-R SERVICING THE SIGNATURE MULTIFAMILY LOAN PORTFOLIO?

- FDIC-R's role is that of the lender (not as owner of the properties), per the terms of contractual loan agreements with borrowers. Borrowers remain legally obligated to repay outstanding loans to the Receiver just as they would if the bank had not failed.
- If borrowers perform under the terms of their loans, FDIC-R must honor those terms, and cannot unilaterally change the terms of such loan agreements. If a borrower provides full payment on their loan, the Receiver is required under law and contract to release their mortgage.
- FDIC-R will consider offering loan extensions to performing borrowers with loans approaching maturity. Such extensions will be voluntary and will be evaluated on a case-by-case basis.
- FDIC-R will evaluate loan modifications for cooperative borrowers where such modifications are expected to improve the loan's financial performance and marketability. To enter into such a modification, borrowers will need to cooperate with FDIC-R in ensuring tenant housing conditions remain acceptable, in accordance with FDIC-R's statutory obligations described above. Such modifications will be voluntary and will be evaluated on a case-by-case basis.

WHAT IS FDIC-R'S SALE STRATEGY FOR THE SIGNATURE MULTIFAMILY LOAN PORTFOLIO?

- FDIC-R plans to sell loans retained in the Signature failure, including the Rent Stabilized Multifamily portfolio.
- The portfolio may be split into different pools to improve bidding prospects, allow for different marketing timeframes, better match portfolio segments to qualified buyers, and ensure that the transaction best accomplishes FDIC-R's statutory obligations as described above.
- FDIC-R is considering retaining an equity investment through a joint venture for some, or all, of the multifamily loan portfolio, including the Rent Stabilized Multifamily portfolio.
- FDIC-R expects to announce the start of the Signature Multifamily loan sale by the end of September 2023.
- Any new owner of loans purchased from FDIC-R must also comply with all state and federal laws with respect to the ownership and servicing of loans.

Tenant Frequently Asked Questions

DOES FDIC OWN MY BUILDING?

- Signature Bank's multifamily loans were retained by FDIC-R. The buildings that are collateral for those loans remain under the ownership of the borrowers.
- The closing of Signature Bridge Bank and the retention of the multifamily loans by the FDIC-R did not change the ownership of any building.

WHERE DO I REPORT PROBLEMS IN MY BUILDING?

- A building's owner is the proper party to contact for repair requests, to the extent required under existing laws, regulations, and contract.
- If you wish to file a housing complaint, please contact the City of New York by calling 311 or by visiting: [NYC311](https://portal.311.nyc.gov) (portal.311.nyc.gov). See [Report a Complaint](https://www.nyc.gov) (www.nyc.gov) for additional information.
- The FDIC-R, as lender, generally cannot conduct repairs on buildings that are collateral for loans in the Signature multifamily loan portfolio.
- FDIC-R will seek, as part of any borrower negotiation, to have borrowers agree to maintain acceptable tenant housing conditions, in accordance with FDIC-R's statutory obligations described above.

WHO CAN I CONTACT TO DISCUSS MY CONCERNS?

- If you have questions and wish to contact the FDIC-R, you can reach FDIC representatives working onsite at the Signature Receivership by email at FDICSignatureMF@FDIC.gov.
- FDIC-R will maintain the confidentiality of a tenant's information and any discussions FDIC-R conducts with them, to the extent allowable under law.

Borrower Frequently Asked Questions

DO I NEED TO PAY MY LOAN?

- Borrowers remain legally obligated to repay outstanding loans to the Receiver just as they would if the bank had not failed.
- Borrowers should continue to make their payments according to the terms of their loan agreement.
- Borrowers should continue to make payments using the same process as prior to Signature's failure. Borrowers will be notified of any changes to the payment process in the future.

WHAT CAN I DO IF I AM EXPERIENCING FINANCIAL DIFFICULTIES?

- If borrowers are delinquent in making loan payments or can demonstrate financial hardship, they are encouraged to contact FDIC-R to explore their options.
- Typically, such options involve modifying the terms of a loan so that payment amounts are consistent with the borrower's ability to repay.
- Any modification will require disclosure of current financial information and other supporting documentation needed by FDIC-R to complete its analysis.
- For multifamily loans, any modification will require cooperation with FDIC-R to ensure tenant housing conditions remain acceptable, in accordance with FDIC-R's statutory obligations described above.
- Any modification will be voluntary and will be evaluated on a case-by-case basis.

WHO CAN I CONTACT TO DISCUSS MY LOAN?

- If you have questions and wish to contact the FDIC-R, you can reach FDIC representatives working onsite at the Signature Receivership by email at FDICSignatureMF@FDIC.gov.
- FDIC-R will maintain the confidentiality of a borrower's information and any discussions FDIC-R conducts with them, to the extent allowable under law.