

On Time. On Target. On Point.

A seamless, efficient process with a team of experts by your side

What We Do for You

As your defeasance consultant, we partner with your financing team to execute defeasance with certainty – on time, on target and on point. We act in your best interest by providing great customer service with 100% transparency based upon our long-term relationship with you and your assets.

- Manage the entire defeasance process to ensure that the defeasance will be ready to close at the same time as your asset's sale or refinance
- Notify the loan servicer on your behalf
- Work with a securities trader to assemble the most cost-effective securities portfolio
- Set up the custodial account where the securities are held for the remaining term of the loan
- Order the Accountant Verification Report
- Coordinate with the successor borrower and all parties involved to meet the closing timeframe
- Explore residual sharing opportunities with you when applicable

What is Defeasance?

Defeasance is a substitution of collateral in which a borrower is released from the obligations associated with a loan through the purchase of a portfolio of U.S. Government or Agency Securities. These securities serve as replacement collateral to secure the loan and generate the cash flows required to repay the loan through the scheduled maturity or earlier optional prepayment date.

Defeasance is not a payoff of the loan. The note actually remains in place and debt-service payments are made as scheduled to the loan's maturity date. The process generally takes about 20-30 days and involves several parties, including attorneys, an accountant, a loan servicer and possibly rating agencies.

The Northmarq Advantage

One-Stop Shop

By providing both mortgage banking and defeasance services, we provide a more seamless and efficient process.

Lower Overhead = Lower Fees

Our full-service model allows us to keep overhead costs down and charge lower fees for our defeasance services.

Extension of Our Trusted Relationship

You've placed your trust in us to handle your new loan, and our in-house defeasance services allow you to maintain that same trusted relationship.

Better Results

As your mortgage banker, we already have our finger on the pulse of the timeline to make sure your closing results are better than you expect. From document assembly and verification to closing, our expert team ensures that everything happens exactly how and when it should.

Our Defeasance Experts



Chris Hall

Vice President, Defeasance Consultant
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Chris Hall started Northmarq's Defeasance program in 2007 after working in both Loan Servicing and Debt & Equity. He has completed more than 500 defeasance transactions since then, valued at more than \$5 billion.



John Schwartz

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John joined Northmarq's Defeasance team in 2017 after 23 years in commercial real estate finance, defeasance and analytics. He has worked on several billion dollars' worth of defeasance transactions since 2005, leveraging his MBA and CFA education and certification.



Paul Cairns

Senior Vice President, Defeasance Consultant
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Paul Cairns oversees the company's defeasance services program. Cairns joined Northmarq in 1998 after working in the title insurance industry. He is a graduate of the University of Minnesota Law School and earned an undergraduate degree from the University of Minnesota – Morris.

What Our Clients Say

"I appreciate your efforts on this transaction and I won't hesitate to use Northmarq defeasance again in the future. The assistance provided by the entire Northmarq team was extraordinary and was instrumental in streamlining a very complex transaction."

Daniel Eller
Eller Capital Partners

"You have been very helpful and made the process much easier than I could have anticipated."

Mitch Kobernick
Mikob Properties

"Thank you for handling this transaction as it was a seamless process from the borrower's point of view."

Don Kinder
Toibb Enterprises

"Thank you, Northmarq, for all your work! You made this a lot easier than I thought it would be."

Beth Hochwarth
Heritage Properties, Inc.

"Thank you! Another smooth transaction with Northmarq."

Chandler Wonderly
Olympus Property