

## Industry Veteran Reiff Heads New Lending Venture

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The former FirstKey Lending CEO will be heading Allegiant Real Estate Capital, a new specialty lending operation.

*by Paul Fiorilla, Associate Director of Research, Yardi Matrix*



Randy Reiff

**Las Vegas**—Veteran commercial mortgage executive Randy Reiff is heading a new specialty lending operation that aims to originate and buy a wide variety of debt products.

The new venture, Allegiant Real Estate Capital, will start out originating large loans on transitional properties, but plans to eventually branch out into a variety of senior and junior fixed- and floating-rate loans, CMBS, distressed debt and preferred equity. Market share of unregulated specialty lenders is expected to rise in upcoming years as commercial banks face increased scrutiny with stress tests and higher capital charges for their commercial mortgage portfolios.

Reiff had been CEO of FirstKey Lending, which was set up by Cerberus Capital in the wake of the financial crisis to finance properties in the newly formed single-family rental (SFR) industry. Institutions bought large portfolios of foreclosed single-family homes from banks and leased them individually. Previously, SFRs had been dominated by mom-and-pop owners. However, Cerberus recently announced that it was shutting down FirstKey's commercial business to focus on residential loans. During Reiff's tenure as head of the mortgage firm, FirstKey originated \$1 billion worth of commercial

SFR and conventional commercial loans. The firm also contributed collateral to several novel securitizations of loans backed by single-family rental properties.

Allegiant will start out with \$500 million of capital supplied by an unnamed institution that will be used to write loans of \$20 million and up on what Reiff described as “lower-yielding transitional float rate loans and stabilized, fixed-rate balance sheet loans.” The firm is in talks with other institutions that will supply capital to originate and buy investments in different products.

“The flexibility to support a wide array of investment capital will allow us to offer borrowers ‘one-stop’ custom-tailored solutions to meet their commercial real estate financing needs up and down the entire capital stack,” Reiff said. “Allegiant is able to offer multiple products and raise and deploy capital from an extensive range of investors with different yield and risk profiles.”

Reiff will be joined at Allegiant by most of FirstKey’s executive team, including: COO Simon Breedon; head of originations Ben Milde; head of capital markets Mark Lebowitz; head of asset management & chief credit officer Jeff Wiseman; chief compliance officer John Vavas; head of whole loan trading Justin Short and head of CMBS credit Brian Mascis. Most of the team have worked with Reiff for more than a decade at various banks.

Before joining FirstKey, Reiff was previously head of commercial real estate at Macquarie Investments US, global head of commercial real estate finance and CMBS at J.P. Morgan and co-global head of commercial real estate finance and CMBS at Bear Stearns.

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