

South Carolina Real Estate Company

Background

A South Carolina real estate development company was in the process of selling one of their existing property holdings. The bank that provided the loan for the property was requiring the real estate company to terminate their existing swap upon the sale.

Interest Rate Swap Need

Given the large negative market value of the existing swap, the lack of pricing transparency and the inherent conflict of interest disclosed by the bank provider, the real estate company retained McGuire Sponsel to assist with negotiating and providing price transparency on the interest rate swap termination.

Interest Rate Swap Process

McGuire Sponsel worked closely with the real estate company's principals to develop an independent strategy for the swap termination. McGuire Sponsel also worked directly with the client's bank relationship manager and trading desk to ensure a level playing field when terminating the swap.

Outcome

Using McGuire Sponsel's expertise and infrastructure, the real estate company was able to develop a prudent approach for terminating the swap while removing the bank's targeted profit and thus saving the company significant dollars.

CLIENT SNAPSHOT

Client Type

For Profit Real Estate Developer

Project Location

Columbia, South Carolina

Project Objective

Pricing Transparency on Swap Termination

Source of Funding

Bank Financing

