Fantini & Gorga 20th a ‘Simple’ Celebration

BY JOE CLEMENTS

OSTON — Their credo—Skillfully Linking Borrowers and Lenders—comprises a mere handful of words, yet Fantini & Gorga’s short, symphonious slogan speaks volumes as a mission statement of sorts at the homespun mortgage brokerage firm this year celebrating two decades arranging $6.9 billion in debt and structured finance on more than 1,300 CRE transactions. Since its summertime 1996 launch, the boutique 12-member firm has navigated incredible market gyrations to cement a financing footprint across New England and one increasingly playing the national stage.

“It is at the heart of what we do,” co-founder and President John R. Gorga tells Real Reporter of a motto that “has been with us since Day One,” underscoring a mantra of minimalism crafted to reflect “a simple approach to a complex business” as part of Fantini & Gorga’s idea of deciphering the myriad of capital lines available for borrowers and forces at play that might alter prudent strategy. “You need to always be aware of what is going on in the market—it is not static at all,” advises Gorga, whose firm sends out alerts or e-mail bulletins when warranted and holds programs unveiling cutting-edge topics.

The “guiding principle” considering an educated client to be the best customer is attributed to industry icon and Chairman Emeritus George J. Fantini Jr., whose five decades trolleying Boston’s CBD with his trademark “Greetings” has been dedicated to educating anyone perceptible enough to listen, both customers and the world at large. “George is comfortable in front of three people or 3,000,” relays Gorga, preferring himself to remain behind the curtain marveling at how his colleague of 37 years can filter exceedingly dense financial topics down to a layman’s level.

Fantini devised a key tool in 1980 when graduating from traditional commercial banking where he had been in since 1964 to the more intricate mortgage banking field, that implement a matrix spreadsheet plotting variant parties. “I had no idea of the life companies or the credit companies or the international situation—it was all a mystery—and I found that was a great way to get my arms around a very complicated industry,” recounts Fantini, this year stepping down from his active role at the company where a lasting legacy will be eight Money Matrix surveys tracking current availability of what debt is available for such product as apartments, net leased real estate, retail and self-storage assets. Others focus on fixed-rate loans and there are “Feasibility” and “Overview” editions. “It is a fantastic way to break down a lot of different information into understandable bite-sized pieces,” says Gorga. “They are incredibly valuable.” The data is culled from staff interaction among 300 capital sources and 10 correspondent relationships with portfolio lenders.

Even so, the platform built by a pair who had already achieved much by their firm’s launch is hardly founded on a pithy continued on page 2
power point program or dispatching the latest CMBS quotes. Having met in August 1979 when Gorga arrived at BayBanks Harvard Trust Co. and was immediately drawn to the institution’s senior real estate lender, they reunited three years later at Boston Financial Group where Fantini had arrived prior to Gorga’s coming there to bolster its investment banking and mortgage operations, the two then leaving from there and forging the current shop.

The third partner is Executive Managing Director Timothy O’Donnell, who also has vast experience in the credit realm with the erstwhile BankBoston and Fidelity Investments. Fantini recalls they encountered O’Donnell’s 10-year-old mortgage brokerage group competitively and found him a formidable enough adversary they invited him to lunch with an offer of switching rather than fighting, an entreaty he accepted. That union has been a key cog distinguishing the firm as a top-flight multifamily lender, much of the activity funneled through Eastern Mortgage Capital.

Launched in 2001, EMC transaction volume since inception is over a half-billion dollars at $526 million in 58 financings. “The thinking was there were many at Fantini & Gorga who had tons of experience in multifamily, and so we saw it as a growth area, especially with my experience in (Federal Housing Administration) financing, to become a direct lender and not just placing loans,” O’Donnell says. “It has been an excellent experience his entire 17 years on the Fantini & Gorga deck where common terms bandied about include “collegial, cooperative” and “mutual respect,” words not always connected to a standard mortgage brokerage operation.

“I had a lot of admiration for these guys before I joined, and that has continued to grow,” O’Donnell relays, adding, “We have a real collegial atmosphere and I can’t say enough about how well we all work together . . . It has been just wonderful.”

Calling Gorga a “financial genius,” O’Donnell deems him “the most skillful mortgage lender I have ever met”, while calling Fantini “unmatched in frankness and integrity” besides being universally known throughout Boston’s business community. “It is amazing how many people have come to George for advice or help getting a job, and he has always been generous enough to share his great knowledge,” O’Donnell says. “It has been a real honor to work with him.”

The environment seems to be contagious, with seven staffers at the firm for over a decade, the Fantini & Gorga crew overall averaging 10-plus years with six-plus years on the EMC affiliate. Managing Directors Wayne Clough, Derek Coulombe and Keith Wentzel, plus Senior Managing Director Casimir Groblewski and O’Donnell average 12 years at the firm and 28 years in credit markets, with a cornerstone of the Fantini & Gorga approach to require formal training in that sector versus a sales approach.

Clough worked at SunLife Financial, for example, Coulombe hails from Eastern Bank and Wentzel matriculated from doing net-leased finance loans for GE Real Estate after starting at Michigan National Bank. Groblewski sports 35 years with over $2.5 billion of transactions. “They all have deep skills understanding the credit markets because they grew up in that environment, and we think that is a very valuable aspect that sets us apart,” explains Fantini. Gorga pledges that will remain true moving forward with O’Donnell and him running the shop, a process they have been adjusting to over the past three years as an ever-energetic Fantini has eased towards retirement.

“Our intention is not to add people for the sake of growth, only if it somebody who is going to help us better serve the client,” says Gorga, maintaining even at a time when financing activity is booming...
Fantini & Gorga
CONTINUED FROM PAGE 2
his group is equipped to handle the load, crediting a program sharing information for enhancing the capacity. Deals of note this year include an $18.0 million Eastern Bank construction loan to redevelop an historically significant building in Malden Center known as the Residences @ Malden Station 138. Coulombe was joined by Gorga and Senior Analyst Despina Hixon helping secure the monies for 126-150 Pleasant St. in Malden where 71 apartments and retail is being built.

In Boston, Groblewski took the lead arranging a $5.2 million permanent loan on 46-82 South Huntington Ave. through RiverSource Life Insurance Co., with Hixon on that refinancing as well for 108 apartments which got a 10-year, fixed-rate loan featuring non-recourse financing. South of the city, Coulombe was joined by Senior Director Jason Cunnane on a $7.6 million loan arranged via Transamerica Premier Life Insurance Co. for the Aura at Weymouth, a new 43-unit apartment building at 35 Rockway Ave.

As the final days of 2016 wind down, volatility on the national stage including interest rate increases has created a bifurcated response of some borrowers putting deals on hold until calmer waters prevail whereas others are scrambling to cut off future hikes, creating a climate “a bit busier than I might like” around the holidays, Gorga accedes, but considering the alternative, he stresses gratitude having a platform able to respond to fluctuations. “I feel very good about where we are right now,” he says in crediting Fantini, O’Donnell and the entire staff including Director Chris Miller, Hixon and Administrative and Marketing Manager Lindsay Feig. Heather Baldassari balances CFO duties with helping on EMC lending matters.

Fantini, who will be available for special counsel when needed, concurred in his recent interview he feels good his namesake creation is in good hands “from top to bottom” as he steps away. “It has been a wonderful time in the mortgage banking industry with the available capital and everything happening in Boston,” he says. “And things have never been better at Fantini & Gorga—our trajectory has been moving upward for quite a while, and I have supreme confidence that John and Tim will be able to continue moving us in that direction going forward.”

©2016 Reprinted with the permission from the publisher of The Real Reporter