

# PNC Bank Agrees to Acquire Certain Assets of Largest FHA Multifamily Lender in Western United States

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PNC Bank, a member of The PNC Financial Services Group, Inc., (NYSE: PNC) today agreed to acquire certain lending and servicing-related assets from TRI Capital Corporation, a leading national provider of government-insured mortgage loans for market-rate and affordable multifamily and senior housing. The acquisition is expected to close in the second quarter of 2001, subject to regulatory approvals and customary closing conditions. Terms of the transaction were not disclosed.

Based in San Francisco, TRI Capital Corporation specializes in arranging financing through programs sponsored by FHA and Freddie Mac and is the largest FHA multifamily lender in the western United States. Last year, the company originated over \$250 million in mortgage financing involving approximately 4,000 rental units. TRI services more than \$1.8 billion in government-insured or GSE-related multifamily mortgages.

"Through this transaction, we plan to increase significantly our funding of government insured and Freddie Mac affordable housing loans, and continue to expand the range of products and services we offer borrowers nationally," said Michael Hannon, president of PNC Real Estate Finance, also a member of The PNC Financial Services Group. "In recent years, we have acquired market leaders in several important real estate finance niches, including affordable housing tax credit syndication, commercial loan servicing and commercial mortgage technology. This transaction will provide PNC with additional leadership in agency and affordable housing lending, and will also allow us to geographically enhance our national commercial real estate finance platform and deepen our client relationships."

PNC Bank has formed a new subsidiary, TRI Capital Company LLC ("TRI"), which will acquire certain lending-related assets from TRI Capital Corporation and will originate multifamily loans after closing. Midland Loan Services, Inc., a PNC Real Estate Finance company involved in commercial loan servicing and technology, will acquire the servicing portfolio of fully-insured mortgages from TRI Capital Corporation and will service permanent loans originated by TRI after closing. Certain of TRI Capital Corporation's senior managers and other employees will join the new subsidiary, which will begin to work closely with Midland and Columbia Housing Partners Limited Partnership, a PNC Real Estate Finance company involved in affordable housing tax credit syndication. By leveraging these areas of expertise, TRI will be positioned to offer its borrowers a broad range of equity and debt capital, including construction loans and permanent financing.

"Affordable housing is a complex real estate investment involving multiple financial partners and service providers," said John T. Sweazey, president and chief executive officer of TRI Capital Corporation. "With the addition of the assets to be acquired from TRI Capital Corporation, PNC will be able to originate and service a broad range of financing alternatives and leverage the resources of Columbia, Midland and PNC Bank. This should both extend and develop new relationships with multifamily owners and developers nationwide."

The PNC Financial Services Group, Inc., headquartered in Pittsburgh, is one of the nation's largest diversified financial services organizations, providing community banking, corporate banking, real estate finance, asset-based lending, wealth management, asset management and global fund services.

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act with respect to future financial or business performance, conditions, strategies, expectations and goals which are identified by words such as, "expect," "plan," "continue," "extend," "develop," "position" and "provide," by future or conditional verbs such as "will," "should" or "could," or by variations of such words or by similar expressions. PNC cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance. Forward-looking statements speak only as of the date they are made and PNC assumes no duty to update forward-looking statements. The forward-looking statements included in this press release assume that the closing of the acquisition described herein will occur as anticipated. In addition, the impact of the acquisition could depend on a number of factors such as: the

inability to realize cost savings or revenue enhancements, implement integration plans and other consequences associated with mergers, acquisitions, restructurings and divestitures. In addition to these factors and those mentioned elsewhere in PNC's SEC reports, the following factors, among others, could cause actual results to differ materially from forward-looking statements or historical performance: economic conditions; changes in financial and capital markets; the inability to successfully manage risks inherent in PNC's business; the introduction, withdrawal, success and timing of business initiatives and strategies; competitive conditions; and the impact, extent and timing of technological changes, capital management activities, and actions of the Federal Reserve Board and legislative and regulatory actions and reforms. PNC's SEC reports, accessible on its website at <http://www.pnc.com/>, identify additional factors that can affect forward-looking statements.

Reach PNC on the World Wide Web at <http://www.pnc.com> .

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SOURCE: The PNC Financial Services Group, Inc.

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