

Is your Commercial Real Estate due diligence built **on a solid foundation?**

Make sure your process is robust enough to support Commercial Real Estate underwriting and credit approval



Everything hinges on getting the right information

The underwriting process for a commercial real estate transaction requires a ton of due diligence

You have to run checks on UCCs. Search public records for bankruptcies, tax liens, criminal activity, pending litigation and foreclosures. You might even comb news reports to see if anything negative comes up about the borrowing entity. There's a defined window of time before the closing, but you probably feel like you've got all your bases covered.

You were thinking exposed beams...not added exposure

Despite all of your diligence, you may still be left exposed to substantial credit risk. Investigations leveraging multiple sources or piece-meal tools may not be as thorough as you think — and could result in incomplete or missing data that's critical for your decisioning. Moreover, the information you are getting may not be up-to-date. You need to be assured you're getting the most up-to-date and complete intelligence to properly size up a deal before you've wasted resources on a deal that ultimately can't move forward. It doesn't matter whether you rely on in-house teams or multiple online sources — you could be on shaky ground.

It hits you like a ton of bricks

A few days before closing, you decide to undergo one final round of due diligence to tie up any loose ends. Then bam: You discover that the borrower experienced a foreclosure on a past project, and has questionable business and personal affiliations. The transaction is now in jeopardy. And your due diligence reports gave no hint of these red flags.

When you don't have the most up-to-date, complete information to properly size up a deal, you either:



Roll the dice —
potentially resulting
in a bad deal

OR



Delay the transaction,
which increases your
manual review cost



Reducing risk starts with the right foundation

In an ideal world, complete and current information would be reflected on the application. But the tools or processes you currently have in place to verify this information may not be enough — and it may be leading you astray.

Enhance your due diligence with a solution that:



Informs you of any pending/satisfied public records (litigation, liens & judgments, bankruptcies)



Provides industry-leading turnaround time on results for utmost accuracy



Validates and provides thorough research on all guarantors to maximize ROI



Keeps you on track with status monitoring and document review

LexisNexis® Business Assurance Report: It's solid

Streamline and simplify your entire due diligence program with current, relevant data gathered from multiple public records sources delivered to you in an easy-to-use format.

A perfect build out:

- Leverage our experienced research analysts and a nationwide staff of court and document retrieval specialists who can access the information you need
- Place orders 24/7, receive status updates upon request, and view/print completed results
- Archive your reports and documents to map a historical audit trail of search requests



“Although the banking industry cannot accurately predict or control the timing of the real estate business cycle, banks that consistently engage in prudent risk management practices can more effectively manage risk from CRE lending...”

— *Comptroller's Handbook, Commercial Real Estate Lending, Office of the Comptroller of the Currency, March 2022*

Your decisions are built on your due diligence. Make sure it's solid.

Learn how our Business Assurance Report can help.

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1. <https://www.occ.gov/publications-and-resources/publications/comptrollers-handbook/files/commercial-real-estate-lending/pub-ch-commercial-real-estate.pdf>

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