

# Cerberus set to buy €6.25bn Nama loan portfolio for €800m

## Controversial US fund is preferred bidder for Project Arrow portfolio of properties

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Nama's Project Arrow includes loans secured against 1,906 properties photograph: Cyril Byrne / The Irish Times

US fund Cerberus is poised to buy Nama's €6.25 billion Project Arrow loans for a reported €800 million after the agency named it as the preferred bidder for the portfolio yesterday.

Cerberus's purchase last year of Nama's Project Eagle loans in the North for €1.6 billion is at the centre of criminal and parliamentary investigations following claims that politicians and businessmen were to benefit from the deal. The company denies any wrongdoing.

Nama said yesterday [Cerberus European Investment](#) affiliate, [Promontoria](#) Holding, was the preferred bidder for the Project Arrow loans, a package made up of €6.25 billion in debt secured against 1,906 properties located in [Ireland](#), Britain and elsewhere.

Neither Cerberus nor Nama revealed the value of the US company's bid, but specialist property finance website Costar suggested it was likely to be about €800 million, an 88 per cent discount on the total debt due.

## **Unpaid debt**

According to the agency's statement, debtors are meeting their obligations on only 2.5 per cent of the loans, implying the other 97.5 per cent are "non-performing". A large number are secured on sites earmarked for housing or against residential properties.

## **Development sites**

Nama decided to hold on to some development sites in order to meet its target of building 20,000 new homes by 2020 while it withdrew properties that local authorities pinpointed as suitable for social housing.

While he did not reveal the price, Mr Daly said the sale "obtained the best achievable return for the State". Nama chief executive Brendan McDonagh described the deal as another milestone.

"The cash proceeds raised from the sale will be applied towards redeeming Nama's senior debt and towards funding our planned investment programme in housing and commercial office space," he said.

However, Sinn Féin leader [Gerry Adams](#) called for the sale to be suspended due to concerns about Cerberus's purchase of Project Eagle, which the UK [National Crime Agency](#) and [Northern Ireland Assembly](#) are investigating.