

How are sales processes conducted?

NAMA has adopted a very thorough approach in line with international best practice for the sale of loans, central to which is the open marketing of the loans so as to ensure competitiveness and transparency.

For this purpose, panels of loan sale advisors have been selected through a public procurement process for each of the US and Europe. Where there are indications that a potential loan sale could be a feasible commercial option for NAMA relative to alternative options, an advisor from the relevant panel is selected by mini tender to conduct the loan sale process, which includes the public marketing of the loans.

The adviser's role includes the preparation of a data room and the circulation of outline information to potential qualifying interested parties so as to generate as much competition as possible. The advisor assembles all relevant data relating to the loans, which is made available at the appropriate stage to credible potential purchasers who complete the necessary confidentiality agreements. The sale process is conducted on the basis of all parties having equal access to the necessary information at the same time so as to make fully informed bids and NAMA will only approve a sale where it is satisfied that the price obtainable represents the best possible return for taxpayers.

As part of the formal sales process, potential purchasers are required to provide an undertaking that they will not engage with the debtor or other obligors at any stage during the sales process without NAMA's pre approval. Both debtors and potential purchasers are aware that the infringement of agreed protocols or undertakings may have an impact on NAMA's decisions as to whether and to whom it sells a particular portfolio. Furthermore, where NAMA approves the sale of any loan or approves the sale of any secured property by a debtor, it requires a confirmation that the purchaser is not connected to the debtor or other obligors.

NAMA also requires sales agents to prepare a final report and recommendation. Included in these reports is:

- a summary of the marketing campaign undertaken;
- a list of all parties who expressed interest in the loan or real estate or were contacted during the marketing campaign;

- a recommendation to accept the terms of the purchaser's offer as the best price reasonably obtainable;
 - confirmation that the agent has reviewed the purchaser's confirmation relating to connected party sales; and
 - a statement disclosing any commercial relationship between the agent, debtor, purchaser or purchaser's ultimate beneficial owners in the past five years and how any actual or perceived conflict of interest was managed during the sales process.
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