



## Arbor Realty Trust Prices Second Collateralized Loan Obligation

January 16, 2013

UNIONDALE, N.Y., Jan. 16, 2013 (GLOBE NEWSWIRE) -- Arbor Realty Trust, Inc. (NYSE:ABR), a real estate investment trust focused on the business of investing in real estate related bridge and mezzanine loans, preferred and direct equity investments, mortgage-related securities and other real estate related assets, today announced the pricing of a collateralized loan obligation (CLO) to be issued by two newly-formed subsidiaries of Arbor. Based on current balances within the collateral portfolio, Arbor expects the facility to issue approximately \$177 million of investment grade-rated debt. Arbor expects to retain an equity interest in the portfolio of approximately \$83 million. The transaction is expected to close by the end of January 2013, subject to satisfaction of customary closing conditions.

The notes will be issued on a floating rate basis at an initial weighted average spread of approximately 235 basis points over one-month LIBOR, excluding fees and transaction costs. The facility has a two-year replenishment period that allows the principal proceeds from repayments of the collateral assets to be reinvested in qualifying replacement assets, subject to certain conditions.

The face value of the collateral in the initial portfolio is expected to be approximately \$260 million and will consist primarily of first mortgage bridge loans and cash. The \$260 million includes \$50 million of additional capacity to finance future loans for a period of up to 90 days from the closing date of the CLO. Arbor intends to own the portfolio until its maturity and will account for this transaction on its balance sheet as a financing. Arbor will use the proceeds of this offering to repay borrowings under its current credit facilities, pay transaction expenses and to fund future loans and investments.

"We are extremely pleased to have accessed the securitization market again with the successful pricing of our second CLO in the last four months," said Ivan Kaufman, Chairman and Chief Executive Officer. "This transaction clearly demonstrates significant improvements in pricing and terms, which is reflective of the current market conditions and in our ability to execute our business strategy. Our focus continues to be to originate attractive investment opportunities and appropriately lever them, allowing us to match the term of our assets with the term of our liabilities, through these non recourse debt vehicles with replenishments rights. These vehicles will also increase the returns on our investments and further strengthen our funding sources, allowing us to fund future growth through capacity both in our short-term finance facilities and CLO vehicles."

The notes offered pursuant to the CLO will not be registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Arbor Realty Trust, Inc.

Arbor Realty Trust, Inc. is a real estate investment trust, which invests in a diversified portfolio of multi-family and commercial real estate related bridge and mezzanine loans, preferred equity investments, mortgage related securities and other real estate related assets. Arbor commenced operations in July 2003 and conducts substantially all of its operations through its operating partnership, Arbor Realty Limited Partnership and its subsidiaries. Arbor is externally managed and advised by Arbor Commercial Mortgage, LLC, a national commercial real estate finance company operating through 14 offices in the US that specializes in debt and equity financing for multi-family and commercial real estate.

Safe Harbor Statement

Certain items in this press release may constitute forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. These statements are based on management's current expectations and beliefs and are subject to a number of trends and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Arbor can give no assurance that its expectations will be attained. Factors that could cause actual results to differ materially from Arbor's expectations include, but are not limited to, continued ability to source new investments, changes in interest rates and/or credit spreads, changes in the real estate markets, and other risks detailed in Arbor's Annual Report on Form 10-K for the year ended December 31, 2011 and its other reports filed with the SEC. Such forward-looking statements speak only as of the date of this press release. Arbor expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Arbor's expectations with regard thereto or change in events, conditions, or circumstances on which any such statement is based.

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