

Rama Capital News

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Rama Capital Partners Procures Revolving Line of Credit

August 17, 2010. Rama Capital Partners, LLC (“RCP”) is pleased to announce that it recently secured a revolving line of credit for The Rama Fund, LLC (the “Fund”). The credit line was procured after several months of underwriting and due diligence was performed by a local regional bank. “Having a revolving line of credit of this nature will greatly augment our ability to manage our working capital,” says Alim Kassam, Chief Executive Officer of RCP.

Two examples of how this credit line will help the fund managers are as follows. First, when a loan is refinanced or paid off prior to its maturity, it can take anywhere from several days to several weeks to redeploy that cash in a new loan. This cash balance causes a dilutive effect on investors’ returns over that time period and having a credit line can alleviate that dilutive impact. Second, when a borrower needs to close a loan by a certain date but the Fund will not have liquidity until a later date, having available credit to draw down upon will help to bridge that timing gap.

Having a revolving credit line in this economic environment is more than just a tool that will help manage the day to day operations of the Fund. Brian O’Shaughnessy, President of RCP, explains “Having a bank come to the table and be willing to stand behind our portfolio speaks volumes about our conservative investment parameters and our stringent underwriting standards. This is another stamp of credibility for our franchise that complements our fully audited track record.” The Fund has a 22 month track record and has never posted a negative month or a loss on any single investment. The Fund’s weighted average loan-to-value ratio is 43.9% and its average annualized net return since inception is 10.3%.

The Rama Fund, LLC is a California Limited Liability Company that allows investors to pool their financial investments through the acquisition of membership interests. The Fund’s pooled resources are then loaned to real estate owners and secured by deeds of trust encumbering the underlying real estate.

