

BLACKSTONE MORTGAGE TRUST, INC.

Form 8-K

July 03, 2013

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): July 3, 2013 (June 28, 2013)

Blackstone Mortgage Trust, Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or Other)

Jurisdiction of Incorporation)

1-14788
(Commission File Number)

94-6181186
(I.R.S. Employer

Identification No.)

Edgar Filing: BLACKSTONE MORTGAGE TRUST, INC. - Form 8-K

345 Park Avenue, 42nd Floor

New York, New York 10154

(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(212) 655-0220**

Not Applicable

(Former Name or Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- .. Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- .. Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- .. Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- .. Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01 **Entry into a Material Definitive Agreement.**

On June 28, 2013, a special-purpose wholly-owned subsidiary (the Seller) of Blackstone Mortgage Trust, Inc. (the Company) entered into a Master Repurchase Agreement (the Repurchase Agreement) with JPMorgan Chase Bank, National Association (the Buyer). The Repurchase Agreement provides for advances of up to \$250.0 million in the aggregate, which the Company expects to use to finance the acquisition or origination of eligible loans as more particularly described in the Repurchase Agreement.

Advances under the Repurchase Agreement accrue interest at a per annum pricing rate equal to the sum of (i) the 30-day LIBOR plus (ii) a margin of between 2.00% and 3.25% depending on the attributes of the purchased loans. The Repurchase Agreement specifies a one-year availability period, during which new advances can be made and which availability period is renewable at the discretion of the Buyer. Maturity dates for individual advances are tied to their respective purchased loan maturity dates subject to annual renewal at the Seller's discretion conditioned upon Seller's delivery of notice and payment of a fee to Buyer. In the event that the availability period is not renewed, it is followed by a two year stabilization period and then a term out period, during which all collateral interest and principal proceeds would be required to repay existing advances, subject to certain provisions for REIT income distribution requirements.

In connection with the Repurchase Agreement, the Company executed a Guarantee Agreement in favor of the Buyer (the Guarantee), pursuant to which the Company guarantees the obligations of the Seller under the Repurchase Agreement up to a maximum liability of (i) 25% of the advances related to purchased loans that are senior mortgage loans and (ii) 100% of the advances related to purchased loans that are mezzanine and junior mortgage loans. The Company may also be liable under the Guarantee for customary bad-boy events.

The Repurchase Agreement and the Guarantee contain various affirmative and negative covenants including the following financial covenants applicable to the Company: (i) ratio of EBITDA to fixed charges shall be not less than 1.40 to 1.0; (ii) tangible net worth of not less than \$525.0 million plus 75% of the net cash proceeds of any equity issuance after the date of the agreements; (iii) cash liquidity of not less than the greater of (x) \$10.0 million or (y) 5% of the Company's recourse indebtedness; and (iv) indebtedness shall not exceed 80% of total assets.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 3, 2013

BLACKSTONE MORTGAGE TRUST, INC.

By: /s/ Randall S. Rothschild
Name: Randall S. Rothschild
Title: Secretary and Managing Director,

Legal and Compliance