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## Backshop Seen Buying Capmark's DealCentral

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*Commercial Real Estate Direct Staff Report*

Backshop Inc., which three years ago developed and started marketing a mortgage origination and underwriting system, is said to be close to buying Capmark Financial's DealCentral system.

The acquisition, if completed, would add to what is arguably Backshop's dominant market position. Only two other companies market origination systems to the commercial mortgage sector: Capital Stream Inc., [which in 2004 acquired CapitalThinking Inc.](#), which had developed among the first such systems, and Rockport Group, [launched last year by Rick Trepp](#), the founder of Trepp LLC, [which was sold to the Daily Mail and General Trust](#).

But BackShop is said to have the largest number of clients. Its acquisition of DealCentral, which is owned by Capmark's EnableUs Inc. operation, would increase its client base to more than 20 from roughly 15. Those are said to include RBS Greenwich Capital, CWCcapital, Ixis Real Estate Capital Inc. and Standard & Poor's.

The company, which is headquartered in Sausalito, Calif., was founded only three years ago by Jim Flaherty, its president, who previously ran a company that provided CMBS lenders with a variety of due diligence and underwriting services. Its entry into the market came after the failure of [of a number of previous market entrants](#), most of which were fueled by the dot-com boom.

DealCentral was started by what was then known as [MortgageRamp](#), a company funded by the former GMAC Commercial Mortgage, Bank of America, Deutsche Bank and Fannie Mae. It was originally an online mortgage broker, matching borrowers with potential lenders.

In putting together the back-office operations of the business, it developed a comprehensive management system for originating loans. When its original business plan fizzled, MortgageRamp switched gears and started selling its system to other lenders, including some of its original backers. It also started providing a host of outsourcing services to the real estate industry.

It soon landed a number of clients, including [Greystone & Co. of Memphis](#) and [Merrill Lynch](#).

But when [GMAC was sold last year to a group led by Kohlberg Kravis Roberts & Co. and Five Mile Capital Partners](#), it decided to [pare some of its operations](#), including what was left of MortgageRamp, which by then had been integrated into McCracken Financial Software and renamed EnableUs.

Even before that, Capmark had sold the [outsourcing operation of MortgageRamp to OfficeTiger](#) for \$25 million-\$30 million.

Like its competitors' systems, Backshop provides an efficient pipeline-management tool, allowing lenders to easily track and update relevant information on loans as they go through their underwriting stages. And as loans get securitized, that information goes with them, making that process go more smoothly.

In addition, it allows for lease-by-lease underwriting because of its integration with widely used lease analysis tools.

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