TSL
INTERVIEW

An Interview with Robert Love, Group Director of ABL at Flagstar Bank

BY CHARLIE PERER

In this installment of our series of executive interviews, Charlie Perer sits with Bob Love, Asset-Based Lending (ABL) Group Director for Flagstar Bank, to hear his views about his new role at Flagstar Bank, bank vs. non-bank competition, the future of ABL, executive development and competition, among other things.

Charlie Perer: Thank you for your time, Bob. To begin, can you please talk briefly about your background?

Robert Love: Charlie, thank you for the opportunity. I began my career at The Bank of New York in 1990, starting, like many in the industry at the time, as a field examiner. I advanced through roles in credit analysis and underwriting before serving as a portfolio manager for three years. At 29, I made the decision to launch my own asset-based lending (ABL) group.

I proactively pitched the idea, unaware that they had already launched an ABL group, to the CEO of Dime Savings Bank. This initiative led to a unique opportunity where I played a key role as one of the group's first three team members. In this capacity, I simultaneously served as a business development officer, underwriter, and portfolio manager, contributing to the group's early success and growth.

After 18 months at Dime, Joe Nemia approached me with an ABL opportunity at GE. My time there instilled a methodical and structured approach to new business, which I carried with me to CIT and Citizens. Eventually, I decided it was time to pursue my long-standing goal of starting an ABL group.

That opportunity came first at Amalgamated Bank, followed by an opportunity with Signature Bank. In August 2013, I launched Signature's ABL group, which has since become the ABL Group for Flagstar Bank following its acquisition of certain assets and liabilities of Signature Bank.

Tell us about Flagstar Bank and why investing in ABL is a strategic priority?

Before the formation of the "New Flagstar," I spent 15 years of my life explaining what ABL is to senior leadership at various companies on the fundamentals and strategic importance of ABL.

While many executives recognized they wanted it, few truly understood its intricacies. As ABL lenders, we have been trained in a discipline, and we don't lose that principal. I have had to explain repeatedly the steps that we take, to not only senior managers, but senior credit people. I would walk away thinking they didn't truly understand, and then at the next credit approval, I would know they really didn't understand everything we do.

This changed in early 2024 when Joseph Otting joined Flagstar as CEO. Given his extensive background as a commercial lender, Joseph immediately understood the significance of ABL within a robust commercial lending program. During our first meeting, he set aside my prepared presentation and affirmed, "Bob, I know what asset-based lending is. To build a strong commercial lending portfolio, we must offer ABL to balance the bank's overall risk profile and drive growth."

Shortly after, Rich Raffetto was appointed as president of Commercial and Private Banking. On his second day, a brief introduction turned into an hour-long discussion about the ABL group's pivotal role within Flagstar. Later that same day, Rich attended our weekly portfolio review meeting—the first time a senior executive had participated in over a decade.

From that moment on, it was clear—Flagstar Bank values ABL and views it as a cornerstone for expanding the Commercial & Industrial (C&I) loan book and achieving strategic growth. The mandate was clear: accelerate and scale our ABL efforts. As Herb Brooks, coach of the 1980 Miracle Hockey Team, famously said, "Great moments are born from great opportunity." At Flagstar, this is our great opportunity, and we're seizing it.

ROBERT LOVE
Flagstar Bank

CHARLIE PERER
SG Credit Partners

What groups and products comprise Flagstar's specialty finance efforts?

Flagstar's Specialized Industries Group, led by Adam Feit, encompasses Asset-Based Lending, Sponsor Finance, Healthcare, Lender Finance, Franchise Finance, Sports, Media & Entertainment, Subscription Finance, and Capital Markets. We have collective leadership meetings and new business pipelines. This is the first time in my career, the leadership of these disciplines is meeting regularly, fostering a more cohesive and strategic approach to growth. Beyond structured collaboration, these leaders have developed strong working relationships, which has accelerated opportunities, strengthened our collective impact and is already driving results.

We are receiving new business referrals from Sponsor and Lender Finance, expanding our ABL group's pipeline. We recently hired an underwriter with healthcare expertise, opening the door for collaborative transactions with our Healthcare Finance team. Additionally, having Capital Markets and Lender Finance within our Specialized Industries Group provides us with critical market insights, enhancing our ability to structure competitive and creative solutions.

By operating as an integrated platform rather than siloed business units, Flagstar's Specialized Industries Group is positioned for significant growth and expand market share.

What's your go-to-market strategy and competitive differentiation?

Previously, our ABL group operated with a more limited, direct-only approach. Today, Flagstar's strategic structure allows us to cover every channel of origination. A key shift under new leadership is the removal of previous hold restrictions. We can now pursue transactions ranging from $10 million to $100 million, significantly expanding our addressable market. With this capability, Flagstar ABL covers approximately 90% of the bank ABL market nationwide establishing us as a dominant force in the industry.

Flagstar ABL can do direct and indirect transactions. Leveraging the strength of our Specialized Industries Group and the broader bank, we can originate business across multiple channels and offer a suite of complementary financial products, enhancing our competitive position.

In another instance, our capital markets team faced SBA restrictions on syndicating loans. We went to Washington, DC, made our case, and ultimately created a new market by establishing syndication guidelines exclusively for SBA-approved lenders.

Beyond our expanded market reach, our competitive edge lies in execution. We prioritize talent acquisition and development in underwriting, recognizing that speed and certainty are critical to both sales and portfolio management. Every ABL lender claims to have a fast process—our best-in-class underwriting team ensures we deliver. By focusing on underwriting efficiency, we provide quick turnarounds that give prospects confidence and enable our sales team to execute decisively.

Flagstar ABL is built for growth, combining national reach, broader origination channels, expanded lending capacity, and a relentless focus on execution speed. These differentiators position us to win in today's competitive market.

How is regional bank-ABL evolving and how are you shaping it?

At Flagstar, ABL is positioned as a core product with a dedicated P&L to measure performance. Unlike a siloed business unit, ABL operates as a national platform structured across three key regions—East Coast, Central, and West Coast—aligned with the bank's core markets. With offices in New York, Chicago, and Los Angeles, each regional team supports all business units in its respective geography, ensuring full national coverage.

Our current leadership team focused on removing both legacy and geographic distinctions between the three banks that comprise the Flagstar we know today – New York Community Bank, Signature Bank, and Flagstar— with a unified national ABL strategy. This structure allows us to book loans across the country, enhancing regional portfolio diversification and reinforcing Flagstar's resurgence as a rising force in ABL.

How important is culture to you as part of building a business?

Culture is the most important factor in building a high-performing organization. To quote Herb Brooks, "it's about having the right players." All it takes is one bad apple to ruin the whole bunch. I don't care how talented they are. In our industry, there is no shortage of exceptional credit professionals and salespeople—but if they can't collaborate effectively, they don't belong in my organization. The real challenge, and the real differentiator, is finding top talent that also fits the culture.

I prioritize protecting my team from unnecessary distractions so they can stay focused on their individual goals and the broader objectives of the ABL group. A culture of growth isn't just about business expansion—it directly impacts employee satisfaction, retention and the quality of their work.

Work is a significant part of our lives. Personally, I spend more time in the office than at home, and while that may not be for everyone, it's what works for me. What's critical is ensuring that our team environment is one where people want to be. My door is always open, I always call my team back, and I review write-ups as quickly as possible—because I recognize the effort that goes into preparing them. Respecting people's hard work is fundamental.

At the end of the day, no one should feel miserable coming to work. We spend too much time here not to enjoy what we do and who we do it with. Building a business isn't just about strategy and numbers—it's about people, and culture is what makes great teams thrive.

Are there more similarities or differences between the ABL industry today compared to when you were at GE in the 1990s?

In the late '90s, we were creating new markets. Today, we are optimizing every inch of the opportunities we pioneered, leveraging technology to refine risk management and expand the boundaries of traditional ABL. The ABL industry has evolved significantly since my time at GE in the late 1990s. Back then, GE was an entrepreneurial environment—fast-moving, innovative, and willing to push boundaries. If a deal made sense and we could justify the risk-reward, we found a way to get it done. We weren't just adjusting advance rates; we were expanding the very definition of ABL by entering new markets.

For example, when I originated Sotheby's at GE, critics claimed it wasn't true ABL. But we took a fresh approach, structured the deal safely, and proved that ABL could be applied in unconventional industries. In another instance, our capital markets team faced SBA restrictions on syndicating loans. We went to Washington, DC, made our case, and ultimately created a new market by establishing syndication guidelines exclusively for SBA-approved lenders.

That period of innovation paved the way for the industry's expansion, allowing new players to enter and diversify the ABL market. Today, however, most of those frontiers have already been explored. The industry has matured, and the focus has shifted from market creation to maximizing the opportunities that were built over the last few decades.

One of the biggest shifts today is the growing divide between bank and non-bank ABL lenders. Banks are focusing more on lower-risk deals, while non-banks are handling higher-risk transactions. At the same time, the industry is being pushed toward higher advance rates. While this raises concerns, technology has dramatically improved our ability to monitor assets, assess risk, and refine liquidation values. Enhanced reporting, frequent appraisals of inventory, machinery and equipment, and real estate all contribute to more precise lending decisions.

What are you doing to create differentiation and is it more product or approach driven?

Differentiation isn't an either-or decision between product and approach—it requires excellence in both. To truly stand out, we must be better across the board, embracing what I call a "renaissance lender" mindset.

From a product perspective, differentiation comes from structuring ABL loans with deep industry expertise. The broader bank has industry specializations — ABL isn't just a standalone product; it's a discipline that should be strategically applied across these specializations. When done correctly, ABL transforms into a bank-wide solution, enabling us to unlock value across multiple industries. This expertise allows us to stretch where appropriate, provide greater certainty to borrowers, and enhance internal buy-in across business units.

On the approach side, we are leveraging every channel of origination. Flagstar ABL, in partnership with our corporate lending team, maintains a direct origination strategy while also capitalizing on Sponsor, Lender, and Healthcare intermediaries. Additionally, we actively fund both direct and indirect transactions, focusing on where we can add the most value to the borrower. By taking a broad yet strategic approach, we drive stronger deal flow and create more opportunities.

Ultimately, true differentiation comes from mastering both product and approach—ensuring that we are not only structuring better deals but also reaching more borrowers through a diverse and well-integrated origination strategy.

How helpful has it been to be able to draw on different experiences having seen how different ABL shops are run?

Throughout my career, I've had the privilege of learning from exceptional ABL teams and incorporating best practices into Flagstar's ABL operations. One key focus has been cultivating talent within field examination, providing opportunity for individuals with a strong foundation in ABL before advancing into underwriting, portfolio management, or sales.

While much of the field exam function is now outsourced industry-wide, we've adapted by using operations as our foundational training ground. This approach ensures that new talent learns ABL from the ground up and follows a structured development path.

My experience at GE instilled in me the power of process through its Six Sigma discipline, emphasizing efficiency and precision. I've applied this mindset to banking, where process optimization enhances cycle times, reduces errors, and strengthens regulatory controls. Additionally, I learned to integrate data-driven decision-making into deal structuring and monitoring, making us more competitive and improving win rates.

Above all, I've learned that ABL is fundamentally about people, regardless of the organization. We operate within a specialized discipline that isn't widely understood in banking, fostering a unique culture of competitive camaraderie and shared drive—one that also propels organizations forward.

At Flagstar, I've had the privilege of assembling top talent from past experiences, including Robert Wallace, Phil Carfora, Tom Morante, and Jim DeSantis. Their expertise has been instrumental in building an ABL group that is structurally sound, operationally efficient, and strategically positioned for sustainable growth in today's market.

How has the bank-ABL BDO job evolved over the past ten years and how will it evolve over the next 10 years?

Over the past decade, the role of a bank ABL business development officer (BDO) has evolved from a traditional salesperson into a strategic advisor and internal navigator with deep industry expertise. This transformation has made bank ABL BDOs more effective and efficient in sourcing and winning business.

A decade ago, bank ABL BDOs operated in a purely transactional, deal-by-deal manner, pursuing opportunities wherever they arose. As regulatory scrutiny increased, the ABL market split between regulated banks and non-bank lenders. Many BDOs migrated to non-bank institutions, believing greater flexibility would lead to more deal flow. While these initially provided advantages, the rapid expansion of non-bank lenders resulted in an intensely competitive, crowded market—one where many pursued the same high-risk transactions.

Meanwhile, bank ABL groups have fundamentally reshaped their go-to-market strategy. Rather than working in silos, today's bank ABL integrates within a broader relationship-driven banking model. Banks are filled with general and specialty relationship managers, and the modern bank ABL BDO must be seen as an internal expert—collaborating across business lines instead of operating independently. Success is no longer just about direct deal origination; it's about equipping relationship managers with the tools, knowledge, and structuring expertise to win future business.

This shift has enabled bank ABL BDOs to expand their reach, manage larger territories, and leverage internal distribution channels—enhancing their competitiveness against non-bank counterparts.

Looking ahead, the next decade will see bank ABL BDOs continue to evolve into specialists who foster internal collaboration, manage risk more effectively, and utilize technology to improve deal execution. Those who master this strategic approach will remain at the forefront as the ABL landscape continues to shift.

How will this next economic cycle test the relationship between commercial banks and their ABL groups?

While the trajectory of the next economic cycle remains uncertain, one thing is clear: Asset-Based Lending (ABL) is a critical skill set that commercial banks rely on to navigate both strong and challenging market conditions. Unlike "ABL Light" structures, which lack the rigor and discipline of true ABL, traditional ABL— rooted in sound underwriting and structured discipline — is designed to withstand economic volatility.

For commercial banks, success in uncertain times depends on empowering their ABL teams with the autonomy and expertise needed to protect principal. When banks allow ABL lenders to adhere to the fundamentals of the discipline, they can effectively mitigate risk—even in the most turbulent economic cycles.

It's essential to approach terms like "ABL Light" with caution. This isn't true ABL—it's a misleading label that often conceals weak structures and insufficient monitoring. Just as you wouldn't hear terms like "Equipment Loan Light" or "Cash Flow Light," mischaracterizing ABL diminishes the integrity of the discipline. To preserve its value, banks and their ABL teams must remain vigilant, ensuring the product is properly understood, executed, and upheld to the highest standards.

Lastly, tell us something you are worried about that the rest of the market has yet to figure out.

We've made remarkable strides at Flagstar, and I have immense confidence in our leadership team as we continue to transform and thrive under new leadership. Our journey has been a testament to the dedication and progress we've achieved, and our latest successes are proof of the strength of our vision.

As we scale and grow, we embrace the evolving market landscape with excitement, viewing the emergence of new players as an opportunity for innovation. I'm truly grateful for the chance to contribute to Flagstar's continued growth and to meet these challenges with optimism and determination.

Charlie Perer is the co-founder and head of originations of SG Credit Partners, Inc. (SGCP). In 2018, Perer and Marc Cole led the spin out of Super G Capital's cash flow, technology, and special situations division to form SGCP.

Prior to Super G, he co-founded Intermix Capital Partners, LLC, an investment and advisory firm focused on providing capital to small-to-medium sized businesses. At Intermix, Perer spent significant time sourcing and executing transactions and building relationships within the branded consumer, specialty finance and business services industries. Perer began his career at Oppenheimer & Co. (acquired by CIBC World Markets) where he was a member of the Media Investment Banking Group. He graduated cum laude from Tulane University. He can be reached at charlie@sgcreditpartners.com.