Capital Crossing Rated as Servicer

Capital Crossing Servicing, which was effectively spun off from Lehman Brothers in 2008, obtained two servicer ratings from S&P this month.

S&P has endorsed the Boston shop as qualified to act as a servicer and special servicer of small-balance commercial mortgages. The specific ratings have not yet been determined, but will be at least “average” — the minimum approval level.

The operation, originally called Capital Crossing Bank, was acquired by Lehman in February 2007. Under the deal, Capital Crossing surrendered its bank charter, but continued buying and servicing loans. When Lehman filed for bankruptcy in September 2008, the division’s staffers remained together and formed a new company, retaining the Capital Crossing name. The firm’s managing partners are Demetrios “Jim” Kyrios, Edward Mehm and Daniel Wallace.

Capital Crossing solicited the ratings as a way to bolster its presence as a stand-alone entity. The firm plans to target third-party servicing contracts. It also may team up with firms bidding on portfolios. The company, which employs about 70 people, is expected to hire asset managers this year, but hasn’t set a specific goal.

Capital Crossing Bank, which was founded in 1987 as Atlantic Bank & Trust, changed its name to Capital Crossing in 1999.