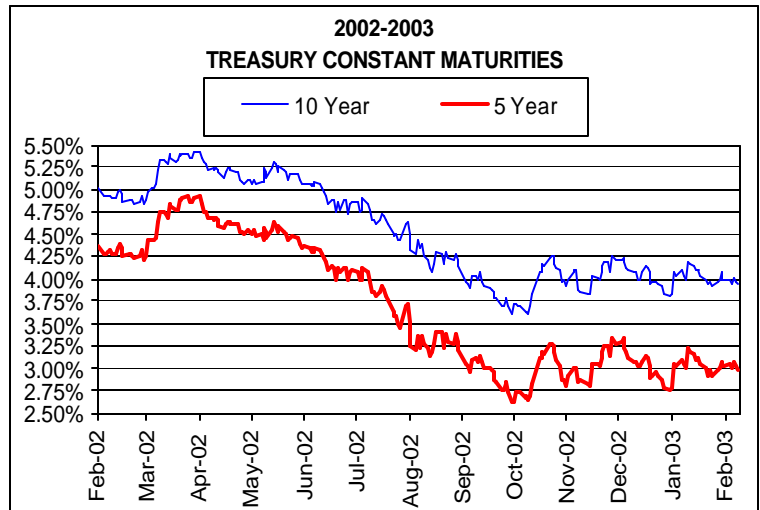


## \*\*\*MBA CREF UPDATE\*\*\*

The Mortgage Bankers of America Commercial Real Estate Finance Convention was held in San Diego February 2 – 5, and was attended by 4,000 institutional commercial lenders, mortgage bankers and suppliers from around North America. Some of the items of interest:

- Structured financing is becoming more common these days. For example lenders are doing longer fixed rate terms to 25 years, as well as adjustable or LIBOR floating deals. A/B structures are also available to borrowers which have benefits of 1) the ability to combine fixed and floating rates; and 2) the ability to achieve a higher (85%) loan to value.
- Most lenders have increased their appetite for commercial mortgage loans by increasing their real estate mortgage allocations for 2003. This is due to a variety of reasons including strong commercial real estate performance, reduction in credit quality of the corporate bond market, and the liquidity of real estate mortgages.

- Overall asset allocations to commercial real estate mortgages are back on the rise, dropping from 25-30% in the 1980's to 10-15% in the 1990's. Conclusion: There are abundant sources of capital for all types of real estate mortgage loans.



### Treasury Constant Maturities

Date	5 yr	10 yr	25/30 yr	Term	Interest Rate Range
Current – 2/14/03	2.88%	3.92%	4.84%	3-5 Years	5.00% - 5.25%
Week End – 2/07/03	3.02%	3.98%	4.95%	7 & 10 Years	5.65% - 6.50%
January 2003	3.05%	4.05%	5.07%	15, 20 & 25 Years	6.00% - 6.50%
January 2002	4.34%	5.04%	5.45%	Amortization	15-30

### Immediate Funding Mortgage Rate

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