



# Market Fax

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## Market Overview:

The real estate mortgage market is active and healthy with a good supply of money available for most property types and for a variety of loan programs.

Rates remain at attractive levels ranging from 6.75% to 7.75% depending on the property type, loan to value and other key aspects of the deal.

## Nationwide Life Insurance Company

Nationwide continues to be one of the largest and most active lenders in the market today. Over the past five years they have invested on average over \$1.0 billion per year in commercial real estate. They plan to invest approximately \$1.5 billion in various real estate programs in 2001.

Nationwide's primary mission is "to serve its customers" offering flexibility, reliable execution, and quick response times. For example, they recently closed a deal in fourteen (14) days upon receipt of necessary documentation and 3<sup>rd</sup> party reports.

## Property Types:

- Apartments: Prefer garden, two and three story buildings, luxury, and large units in major metropolitan locations.
- Retail: Preferably grocery/drug anchored or power centers with credit tenants adjacent to a regional mall.
- Industrial: Bulk, low office finish in industrial parks.
- Hotels: Full service, higher end, major flag with 3 years operating history.
- Country Clubs: Member owned and controlled, located in an urban area.

**Lending Programs:** Nationwide offers traditional fixed rate and floating rate financing on single property loans from \$2-\$40 million and portfolio loans up to \$100 million. Flexibility is key with portfolio loans, which can offer the ability to substitute collateral, partial prepayments.

- **Fixed Rate Mortgage Loans** – Typical loan terms are three to ten years, (although longer terms are available on a limited basis), with amortization ranging from ten to thirty years (interest only structures are also available on a limited basis). Typically 75% maximum loan to value but can go up to 80% loan to value on preferred property types (currently apartments). Interest rates currently range from 6.75% to 7.50% and the rate is locked at application.
- **Floating Rate Mortgage Loans** – Typical loan terms are three to seven years, with amortization ranging from ten to thirty years (interest only structures on a limited basis) and up to 70% loan to value. Interest rates are based upon a spread over LIBOR (currently ranging from 150 bp to 220, which today equates to a rate of 6.50% to 7.20%) The rate is locked at application. Prepayment provisions include a one-year lockout, then a declining, fixed schedule.
- **Forwards** - Forward commitments are available for up to two years with a modest rate premium. This is ideal for taking advantage of today's rates on existing loans, which are maturing over the next 6-24 months or for new pre-leased properties or credit oriented deals.
- **Community Investing Programs** – Nationwide will also pursue investments in low and moderate income urban neighborhoods, which provide financial support for the job creation, housing development, and economic needs of the community.

## Treasury Constant Maturities

## Immediate Funding Mortgage Rates

Date	5 YR	10YR	30YR	Term	Interest Rate Range
Current- 04/13/01	4.76%	5.16%	5.60%	3-5 Years	6.75%-7.5%
Week End- 04/06/01	5.41%	5.87%	6.30%	7 & 10 Years	6.85%-7.5%
March 2001	5.46%	5.82%	6.14%	15, 20 & 25 Years	7.00%-7.75%
				Amortization	15-30

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