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What does the recent U.S. Treasury downgrade mean to commercial mortgage lending?

With all of the recent market uncertainty it would be easy to assume that the commercial mortgage market would be suffering. While that may be true in some areas, the reality is that many Life Companies (Greemann Capital's primary source of funds) are flush with cash and actively seeking quality deals. In fact, we've recently seen a number of lenders who shunned Michigan in the past coming back into the market and quoting deals.

The turmoil of the past couple weeks has resulted in record low bond yields. In fact, the bellwether 10-year Treasury note plunged to 2.04%, lower than the previous record 2.06% set during the depths of the 2008 crises. While lenders will often increase spreads or set rate floors to compensate for this, the reality is that today is an excellent time to lock in a long term, fixed rate mortgage. In times of uncertainty, and undoubtedly there will be more as we go along, you will have the comfort of knowing your investment is shielded from the inevitable rising rate market to come.

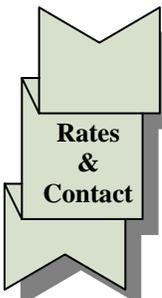
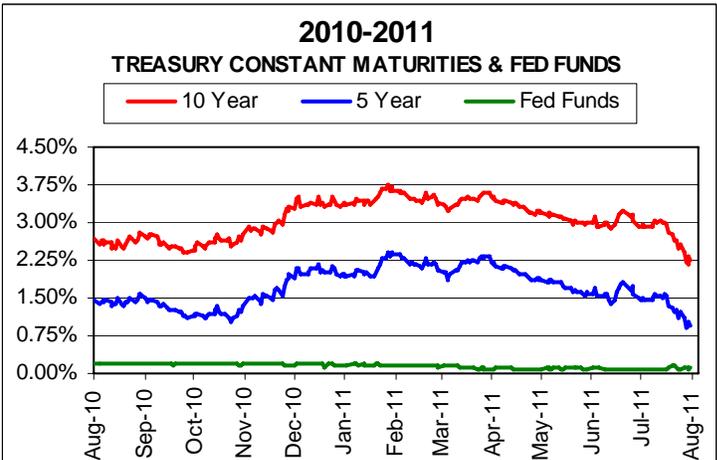
Institutional lenders realize that commercial real estate is a local business, and underwrite, value, price and structure loan quotes accordingly. Other characteristics considered include; property type, class (A, B or C), location, rollover or event risk, credit, age and deal size. In general, the best quality, larger transaction (\$10+ million) and lower LTV (50-65%) receive the most attractive pricing. You will notice the wide interest rate range in the lower right box attempts to show how pricing varies depending on the characteristics of the transaction.

We believe that now is an ideal time to lock a long term, fixed rate product. Feel free to give us a call to discuss how Greemann Capital can assist you...we look forward to hearing from you.

**** Recently Closed Transactions ****

\$2,250,000
70,000 sf Industrial
Muskegon, MI
Lafayette Life

\$2,700,000
143 unit Apartment
Grand Rapids, MI
Southern Farm Bureau



Bond Yields	5 Year	10 Year	30 Year	Rates	Interest Rate Range
Current 8/18/11	0.84%	2.06%	3.45%	3-5 years	3.25% - 5.50%
Wk End 8/12/11	0.99%	2.27%	3.66%	7&10 years	4.25% - 5.65%
July 2011	1.54%	3.00%	4.27%	15,20,25 years	4.5% - 6.50%
July 2010	1.76%	3.01%	3.99%	Amortization	15-30 years

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Note: Multi-family rates tend to be lower with the agencies (FNMA, Freddie Mac, or HUD).

