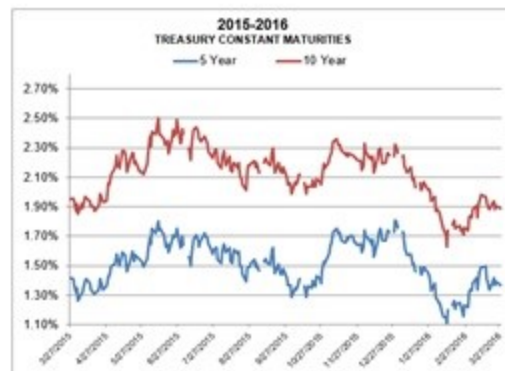


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MBA / CREF Conference Summary

The Mortgage Bankers Association Commercial Real Estate Finance (MBA/CREF) conference is THE annual event for CRE financing professionals. Life companies, CMBS lenders, Agencies, other lenders and mortgage bankers and brokers all meet to further relationships and discuss CRE financing. Obtaining the most current and important market knowledge is one of the benefits in attending this event which was held this year in Orlando, FL (2,960 registered attendees). This year's highlights include the following:

- **Life Companies:** Life company lenders had a great year in 2015 while sticking to their knitting and have increased lending goals for 2016. **Lower leverage transactions (65% or less) can expect a very attractive long-term rate and amortization on a nonrecourse basis.**
- **Regulatory:** Higher capital requirements for banks, risk retention requiring CMBS issuers to hold 5% on their balance sheet and individuals within CMBS issuers being held personally liable for any false information on mortgage documents are some of things impacting today's lenders. **These changes will likely increase the cost of capital for these types of transactions going forward.**
- **Financing Market:** Volatility is impacting CMBS loan pricing and the ability to get deals closed. In addition, CMBS lending is down 20% this year compared to the year before. Bridge lenders have been active financing properties on a short term basis to allow for repositioning or stabilization. Mezzanine lenders have also been active and are well positioned to help refinance the huge wave of CMBS maturities coming in the next two years. **It is estimated that 33% of all CMBS loans maturing will require additional capital to bridge the gap between the balance at maturity and the new loan amount which is subject to today's underwriting.**
- **Underwriting:** Underwriting standards have loosened somewhat in some areas since the Great Recession, especially in the CMBS and banking space, but not to where they were in 2006-2007. **Loans coming up for refinancing may experience a shortage in new loan proceeds as a result.**



Please call Greemann Capital to discuss further. We look forward to working with you and offering the best financing options for your property.

US Treasury Bond Yields				Current Interest Rates	
Period	5 Year	10 Year	30 Year	Term	Rate Range
Current 3/28/16	1.37	1.89	2.66	3-5 Years	3.00% - 4.00%
Week End 3/24/16	1.39	1.91	2.67	7 & 10 Years	3.75% - 4.75%
February 2016	1.22	1.78	2.62	15, 20, & 25 Years	3.75% - 4.50%
February 2015	1.47	1.98	2.57	Amortization	15 - 30 Years

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Note: Multi-family rates tend to be lower.