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GREEMANN CAPITAL

Market Fax

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MORTGAGE BANKERS ASSOCIATION Investing in communities MEMBER

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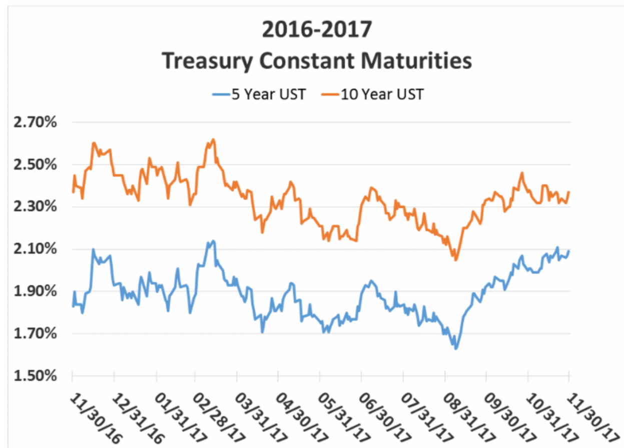

Is it time to lock in your real estate investment assets to a long term fixed rate? We think it just might be! We are beginning to see a flattening in the yield curve caused by a tightening gap between the short term (3 mo.-5 yr) and long term (10+ year) U.S. Treasury rates. What that means is longer term interest rates (10+ years) are becoming more attractive when compared to shorter term (1-7 year) rates.

When this spread inverts and becomes negative, economists often view this inversion as a tool to predict a recession. Since our crystal ball is broken, we can't explicitly say that's the direction we're heading in right now. We are, however, seeing the spread between 5 and 10 year UST's dipping below 100 basis points. It's important to note that this spread is not currently inverted and a recession doesn't usually materialize for about a year after an inversion.

So, while we are not currently at this inverted point, it may be a good time to reassess your portfolio strategy. Locking in a longer term interest rate now could also mean locking in your longer term investment returns as well! Please contact us for more information on how we can assist in maximizing your portfolio returns. We at Greemann Capital sincerely appreciate the opportunity to earn your business and look forward to assisting you with your commercial financing needs.

US Treasury Bond Yields

Period	5 Year	10 Year	30 Year
Current 11/29/17	2.09%	2.37%	2.81%
Week End 12/01/17	2.14%	2.41%	2.83%
November 2016	1.60%	2.14%	2.86%
November 2017	2.05%	2.35%	2.80%

Current Interest Rates

Term	Rate Range
3 - 5 Years	3.00% - 4.00%
7 & 10 Years	3.50% - 4.50%
15, 20, 25, & 30 Years	3.50% - 4.50%
Amortization	15 - 30 Years

**Rate pricing will depend on a variety of factors such as LTV, DCR, etc. In general, properties that demonstrate an LTV below 65% and a DCR above 1.50x will result in the most optimum pricing. In addition, multi-family rates tend to be lower with the agencies (FNMA, Freddie Mac, or HUD).*

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