

## August 13, 2012

### Week in Review

- According to Fitch Ratings, approximately \$24 billion of U.S CMBS loans are set to mature in the next 12 months. Of these 1,900 loans set to mature, almost 41% would be unable to refinance based on Fitch's defined stressed refinance parameters (a DSCR of 1.25, rate of 8% amortized over 30 years). Fitch's results show hotels will have the highest default rate followed by office, multifamily and retail.
- The auction for the Pier Shops at Caesars, the mall on Atlantic City's boardwalk, was cancelled due to extremely low bids. C-III Capital Partners, the special servicer, has had control of the property since Nomura Holdings defaulted on the \$80 million loan. The January 2011 appraised value was \$56.6 million and the highest bid received at the auctions was only \$25 million, implying bond holders would take a \$68 million loss. The deal was originated by Morgan Stanley in 2007 and is the largest in a \$1 billion CMBS issuance.
- Markit, the leading provider of credit default swaps, is preparing to launch in January the first index of swaps backed by CMBS since 2008 called CMBX.6. The benchmark, which allows investors to buy or sell derivatives to hedge against losses on CMBS debt, could be linked to as many 25 bonds sold during this last year. Analysts believe the new CMBX could be a catalyst for future growth and may serve as a more efficient hedging vehicle.
- China reported a sharp slowdown in exports Friday, fuelling concerns about a global economic slowdown and sending investors into safety. Yields on the 10-year treasury ended the week at 1.649%. The data from China suggests that the nation's policy may to add fresh stimulus to the economy. Uncertainty still remains over the euro-zone crisis, however concerns from China took center stage Friday.

### Current Commercial Loan Rates

#### Owner Occupied / Investor Starting at

Type	Rate*	Term	Am	Max LTV
Apartment	4.37%	10 Yr	30 Yr	80%
Apartment	3.73%	5 Yr	30 Yr	80%
Industrial	4.80%	5-10 Yr	25 Yr	85+%
Office	5.15%	5 Yr	25 Yr	90%
Retail	4.47%	5 Yr	25 Yr	85+%

\*Rate based on current market conditions and loan strength and is subject to change.

#### Owner Occupied \$1,000,000 +

Acquisition, Refinance, or Development Rates starting at 3.27%

#### Acquisition and Development

Rates starting at 5.35%, LTV dependant on property type / location and borrower strength

#### SBA 504 and 7a

Up to 90% LTV  
504 rates starting at 3.99% construction / 4.40% long term  
20 Year Fixed Rate available for 504  
25 Year Fixed Rate available for 7a

#### Bridge Loans

Available on most property types nationwide  
Rates 9.00% - 14.00%, LOW POINTS

### Economic Events Calendar Week of 8/13/12

#### Monday 8/13/12

#### Tuesday 8/14/12

-Retail Sales  
-PPI

#### Wednesday 8/15/12

-CPI  
-Industrial Production  
-Capacity Utilization

#### Thursday 8/16/12

-Initial Claims  
-Continuing Claims  
-Housing Starts  
-Building Permits

#### Friday 8/17/12

-Mich Sentiment  
-Leading Indicators

#### Information Presented By

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