

INSTITUTIONAL LENDING RATES

Opening of Markets, Monday, January 8, 2007

Typical underwriting Standards

Debt Service Coverage Ratio (DSCR)	1.20 - 1.30
Loan-to-value ratio (LTV)	65% - 80%
Amortization Period (years)	25 - 30
Fixed Rate Loan Term	10 years
Bridge Loan (variable rate) Term	1-3 years

Generalization:

- Larger loan, newer property, stronger tenants = **lower spread**
- Lower Loan-to-Value and/or Higher DSCR = **lower spread**
- Rates tied to Prime, 11th District Cost of Funds and LIBOR generally float.
- Rates tied to Treasuries are typically fixed over the term of the loan.

Current Fixed Rate Spread Ranges (1/2/07):

	Class A	Class B/C	
	Low Leverage	High Leverage	
	85	- 100	Anchored Retail
	95	- 120	Strip Center
	80	- 100	Multi-Family
	95	- 130	Distrib./Whse.
	90	- 125	R&D/Flex/Ind
	85	- 110	Office
	100	- 125	Hotel

Special Programs (where typical standards do not apply)

- SBA for smaller owner-user acquisitions
- High leverage financing for properties net-leased to credit tenants
- HUD/FHA Multi-family loans

Index	Current	Change	Last Week (*month)	This Week Last Year	Spread (see above*)		Interest Rate		Constant (25/30 year amort.)		Who uses these indices
					Low	High	Low	High	Low	High	
Prime	8.25%	+0.00 bps	8.25%	7.25%	100	- 200	9.25%	- 10.25%	9.87%	- 11.12%	Savings Banks
11th Dist.*	4.358%	-2.40 bps	4.382%	3.190%	150	- 350	5.86%	- 7.86%	7.09%	- 9.15%	Savings Banks
1 Yr. CMT*	4.940%	-7.00 bps	5.010%	4.350%	250	- 375	7.44%	- 8.69%	8.34%	- 9.82%	Savings Banks
12 MTA*	4.933%	+5.00 bps	4.883%	3.618%	250	- 375	7.43%	- 8.68%	8.34%	- 9.81%	Savings Banks
LIBOR											
30-day	5.32000%	-0.19 bps	5.32188%	4.42000%	100	- 300	6.32%	- 8.32%	7.44%	- 9.52%	Money Center Banks
90-day	5.36000%	+0.00 bps	5.36000%	4.55000%	100	- 300	6.36%	- 8.36%	7.47%	- 9.55%	Finance/Credit Companies
6-mos	5.34938%	-2.06 bps	5.37000%	4.68000%	100	- 300	6.35%	- 8.35%	7.47%	- 9.54%	Savings Banks
1-year	5.24938%	-8.00 bps	5.32938%	4.79000%	100	- 300	6.25%	- 8.25%	7.39%	- 9.46%	Wall Street "bridge" lenders
Treasuries (on the run)											
2-year	4.75%	-6.00 bps	4.81%	4.36%							Life Companies
5-year	4.64%	-5.00 bps	4.69%	4.31%	80	- 130	5.44%	- 5.94%	6.77%	- 7.69%	Banks
10-year	4.64%	-5.00 bps	4.69%	4.37%	80	- 130	5.44%	- 5.94%	6.77%	- 7.69%	Wall Street CMBS Originators
30-year	4.74%	-6.00 bps	4.80%	4.56%	80	- 130	5.54%	- 6.04%	6.84%	- 7.76%	

Swap Spreads	8-Jan	Change	2-Jan	9-Jan-06	sources: RBSSGreenwich Capital, Nomura Real Estate, Wall Street Journal
10-year	46.00	-1.75 bps	47.75	50.60	* adjusts monthly; spread range does not include hotel pricing

NB: Interest rate "floors", i.e., a minimum interest rate regardless of "spread" are now routinely a part of a mortgage quote. Also routinely included as part of an application is language providing that the quoted spread is subject to upward adjustment based on movements in swap spreads.

Definitions:

Index The published interest rate utilized by a lender to establish the interest rate to charge on a loan. Also referred to as the "reference" rate.

Spread There are two numbers for each category which represent the estimated range of the premium that will be charged over the assumed reference rate in establishing the interest rate on the loan.

Interest Rate The expected interest rate range on the loan at the various reference rates.

Constant The expected "pay" rate range on the loan at the assumed amortization rate. Multiply the desired loan amount by the constant to determine the annual payment.

"On the Run" Treasury rate used for the reference rate which is the average yield of the most recently issued Treasury bond ("UST") equivalent to the specific maturity of the loan, i.e., a ten-year loan would be priced off the yield of the 10-year UST.

"Off the Run" A previously issued Treasury bond used as the reference rate which has a maturity date roughly the same as the mortgage note. A specific bond maturity is named -- e.g. Feb12 -- as reported in The Wall Street Journal. The original term of such bonds would not necessarily be the same as the term as the loan, e.g., such bonds might have had original terms of 30 years but were issued 20 years ago.