

Agency Briefs

A Synopsis of Current Trends

- Since the first hint of Fed "tapering," both the bond and equity markets have been at the mercy of mixed domestic and international economic news as investors try to handicap the "when" and "how" of exiting QE. Market participants believe the more positive the economic news, the more likely the Federal Reserve is to begin reducing bond purchases, a decision which many believe will be made as early as at the Fed's next meeting starting tomorrow.
- The S&P 500 rose to a 5-week high after the announcement that Lawrence Summers was withdrawing his bid to be the next Fed Reserve chairman. Bond yields fell dramatically on this news as investors believe Summers would have tightened Fed policy more than Janet Yellen, his main rival for the Fed chair position. While the focus this week is clearly on the FOMC meeting announcement and comments from Bernanke starting at 2pm on Wednesday, the housing starts report due out Wednesday morning is also being closely watched.
- While most market participants expected rates to rise in 2013, the speed and severity of the increase seemed to catch many by surprise. Regardless, relative to [projections](#) from the big investment banks, the higher treasury yields are expected to stay (the median forecast for the 10 year yield at 2.75% in Q4). Despite some initial indigestion in the credit markets which caused spreads to spike in response to index volatility, spreads have been stable as of late. In fact, Freddie Mac just announced a 10-15 bps reduction across the board for 5, 7, and 10 year loans. Overall, with CMBS issuance outpacing expectations and in light of the widely successful 45ish billion dollar bond offering by Verizon last week, investor appetite for fixed income investments is very strong.
- In case you missed it and are curious how the higher interest rates are affecting the acquisition markets in general, you can get CBRE's view from our latest [cap rate study](#).
- On the GSE front, the FHFA, the regulator for Fannie Mae and Freddie Mac, is currently soliciting industry feedback regarding what the goals and objectives for the agencies should be next year. Part of their objectives this year includes reducing new originations by 10% over last year, a record year for both companies. For an update on this as well as CBRE's perspective on the GSE's role in multifamily housing going forward, please [click here](#).
- As always, don't hesitate to contact your CBRE debt and equity professional for any and all of your financing needs.

Lending Rates

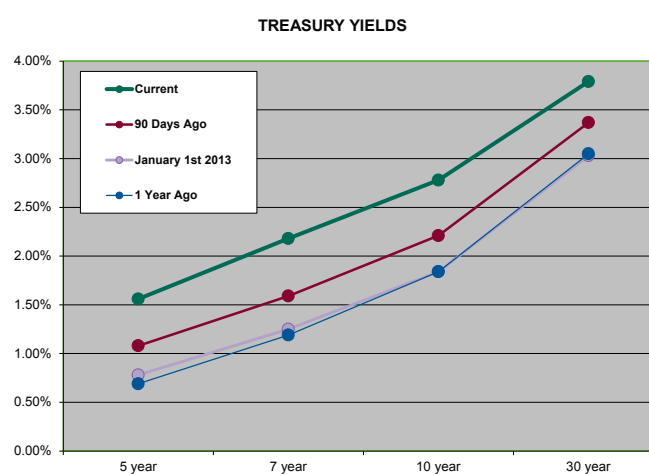
Freddie Mac										
FIXED RATE PRICING	Leverage 1.25x/80%					1.35x/65%				FLOATING RATE PRICING
	Term	Spread	Rate	Spread	Rate	Term	Spread	Rate	Max Rate	
	5 year*	2.45% - 2.55%	4.05% - 4.15%	2.20% - 2.30%	3.80% - 3.90%	7 year	3.27%	3.45%	7.00%	
	7 year	2.25% - 2.35%	4.48% - 4.58%	2.00% - 2.10%	4.23% - 4.33%	Priced over 1 month Libor. Prepayment 3%, 2%, 1%, then 1% thereafter. *Based on a stressed interest rate.				
10 year	2.11% - 2.21%	4.95% - 5.05%	1.86% - 1.96%	4.70% - 4.80%	Pricing based on standard yield maintenance. *DSCR/LTV parameters may vary on 5 year structures.					

Fannie Mae										
FIXED RATE PRICING	Leverage 1.25x/80%					1.35x/65%				FLOATING RATE PRICING
	Term	Spread	Rate	Spread	Rate	Term	Spread	Rate	Max Rate	
	5 year*	2.43% - 2.53%	4.03% - 4.13%	2.23% - 2.33%	3.83% - 3.93%	7-6 ARM*	3.32%	3.50%	7.82%	
	7 year	2.33% - 2.43%	4.56% - 4.66%	2.13% - 2.23%	4.36% - 4.46%	*Prepay consists of 1 year lockout, 1% thereafter. **Based on the max interest rate.				
10 year	2.32% - 2.42%	5.16% - 5.26%	2.12% - 2.22%	4.96% - 5.06%	Pricing based on standard yield maintenance. *DSCR/LTV parameters may vary on 5 year structures. **We are now publishing pricing for 12 year fixed rate options in addition to the standard 10, 7 and 5 year pricing.					
12 year**	2.48% - 2.58%	5.32% - 5.42%	2.28% - 2.38%	5.12% - 5.22%						

FHA					
	Term	Leverage*	Spread (10-YR T)	Rate**	
Apartment New Construction	40	1.20/83.3%	2.22%	5.76%	Pricing based on lock out for 2 years, then 8%, 7%, 6%, 5%, 4%, 3%, 2%, 1%, 0% thereafter. Over the yield of 10-year treasuries. Includes mortgage insurance premium of 0.45%-0.77%; based on estimated spreads and actual treasury yields at time of quote sheet preparation. *Market rate projects. Affordable transactions have lower DSC and higher loan ratios. **Rate includes MIP.
Apartment Refinance	35	1.20/83.3%	1.35%	4.84%	
Healthcare New Construction	40	1.45/75%	2.22%	5.88%	
Healthcare Refinance	35	1.45/80%	1.35%	4.89%	

The rates for Freddie Mac, Fannie Mae and FHA as published are indicative only, based on information collected and are subject to change at any time without notice. Freddie Mac, Fannie Mae and FHA price each loan individually. Freddie Mac and FHA does not publish pricing. Freddie Mac, Fannie Mae and FHA have not pre-approved any of these rates.

Key Rates



*Indicative of Fannie Mae rates only

[Click here to download charts.](#)

Econ Update

Economic reports due this week

- Monday, Sept 16:**
Empire State Mfg Survey - 8:30AM ET | Industrial Production - 9:15AM ET | 3-Month Bill Auction - 11:30AM ET | 6-Month Bill Auction - 11:30AM ET
- Tuesday, Sept 17**
Consumer Price Index - 8:30AM ET | Treasury International Capital - 9:00AM ET | Housing Market Index - 10:00AM ET | 4-Week Bill Auction - 11:30AM ET | 52-Week Bill Auction - 11:30AM ET
- Wednesday, Sept 18:**
Housing Starts - 8:30AM ET | EIA Petroleum Status Report - 10:30AM ET | FOMC Meeting Announcement - 2:00PM ET | FOMC Forecasts - 2:00PM ET | Chairman Press Conference - 2:30PM ET
- Thursday, Sept 19:**
Jobless Claims - 8:30AM ET | Existing Home Sales - 10:00AM ET | Philadelphia Fed Survey - 10:00AM ET | 10-Yr TIPS Auction - 1:00PM ET
- Friday, Sept 20:**
Atlanta Fed Business Inflation Expectations - 10:00AM ET

Recent Closings

Transactions completed by CBRE's Multi-Housing Finance Team

CLOSING	TYPE	LOAN AMOUNT	RATE	PURPOSE	TERM	AMORTIZATION	MSA
Sept 2013	Freddie Mac Fixed	\$28,500,000	4.37%	Refinance	7	7 yr I/O	Nashville, TN
Aug 2013	Fannie Mae Fixed	\$15,460,000	4.54%	Acquisition	7	1 yr I/O; 30 Amort.	St. Louis, MO
Sept 2013	Freddie Mac Fixed	\$17,800,000	4.23%	Refinance	7	7 yr I/O	Louisville, KY
Aug 2013	Bank	\$66,500,000	2.00%	Acquisition	3	3 yr I/O; 30 Amort.	Houston, TX
Aug 2013	Life Co.	\$10,100,000	3.30%	Refinance	10	10 yr I/O; 30 Amort.	Charleston, SC
Sept 2013	Freddie Mac Fixed	\$15,100,000	4.39%	Refinance	7	2 yr I/O; 30 Amort.	Atlanta, GA
Sept 2013	Bank	\$21,250,000	3.18%	Construction	2	2 yr I/O	Minneapolis, MN
Aug 2013	CBRE HMF, Inc.	\$10,036,000	4.05%	Refinance	30.25	30.25 Fully Amort.	Denver, CO