

**Asset Administration Committee Meeting
Summary Minutes, February 4, 2001
San Diego Marriott & Marina
Commercial Real Estate Finance/Multifamily Housing Convention**

Chair, Mark A. Hill
Senior Vice President, Laureate Capital, LLC

Vice Chair, James Hebert
Principal, CapMark Services, LP

Vice Chair, Lisa Traylor
Vice President, First Union Capital Markets Group

Vice Chair, Peter Lynch
Director, Loan Administration, Nationwide Life Insurance Company

Vice Chair, Deborah Rogan
Chief Operating Officer, CapStone Realty Advisors, LLC

Chair Mark A. Hill called the meeting to order at 9:00 a.m. He welcomed all those in attendance and introduced the Vice Chair's to the audience.

Mr. Hill asked Tahir Naseem, Staff Representative, to provide a brief overview of the "BEST PRACTICES" preliminary report issued by the CMBS Loan Document Integrity JOINT TASK Force. Mr. Hill explained that this task force was assembled in order to tackle issues related to defective/incomplete loan files.

Mr. Naseem reported that the JOINT TASK force had introduced the preliminary report to the industry on January 7, 2001 in conjunction with CMSA's CMBS Investors Conference, held in Miami, Florida. Mr. Naseem explained that the JOINT TASK force was tackling the issue in a three step process: 1) identify the core documents in CMBS transactions; 2) provide a timeline for deliverance of the core documents to the trustee; and 3) remedies for breach of the Best Practices. Mr. Naseem reported that the JOINT TASK force was currently at the remedy stage and is seeking feedback from all those in attendance in order to issue a final report by June 2001.

As part of the efforts of the JOINT TASK force, Mr. Hill introduced Mr. Daniel McLaughlin of MERS, Inc. Mr. McLaughlin gave a brief overview of MERS, Inc. (Mortgage Electronic Registration System). Mr. McLaughlin explained that MERS is an electronic registry system which currently operates strictly in the residential industry, resulting in the elimination of the need to do assignments once the loan has been originated in the name of MERS as nominee in the land records. Mr. McLaughlin reported that MERS has been approached by the MBA to adopt their registry system for the commercial industry. Mr. McLaughlin indicated that MERS would be working closely with MBA's Loan Origination Committee to implement MERS into the commercial industry.

Next, Mr. Hill stated that a JOINT TASK force had been formed between the MBA and

CMSA in order to come up with a "Watchlist" for commercial loans. Mr. Hill requested Mr. Jim Hebert, Co-Chair of the JOINT TASK force, to provide an update. Mr. Hebert indicated that the JOINT TASK force has had two conference calls thus far and has finalized the list to 24 criteria's. Mr. Hebert reported that the JOINT TASK force has decided to temporarily break into two groups in order to come up with triggers for the final list of criteria's. One group will focus on triggers for the CMBS market and the other will focus on the whole loan industry. Subsequently, the two groups will reconvene in order to determine the practicality of having one list for the entire industry, or whether there is a need for two distinct lists. Mr. Hebert indicated that the group is looking to deliver a final list by June 2001.

Mr. Hill next introduced Lisa Traylor to report on the status of the Property Inspection Form. Ms. Traylor reported that the Property Inspection Form was approved by CMSA's Investor Reporting Committee during their CMBS Investors Conference in Miami, Florida, January 2001. Ms. Traylor stated that the next step was for the form to be presented to CMSA's Executive Committee for approval during their conference call on February 11, 2001. Ms. Traylor stated that once that has been achieved, she is hopeful that the form would be widely used in the commercial marketplace as an industry standard.

In addition, Mr. Hill reported that the Asset Administration Committee has recently formed a task force to promote the Property Inspection Form. The task force will be co-chaired by Mark Temme of Stancorp Mortgage Investors and Bob Vestewig of L.J. Melody & Company. Mr. Temme reported that the task force was going to have its kick-off meeting during the convention, on Tuesday, February 6, 2001 and the goal of the task force was to have as many industry participants use the form as possible. Mr. Temme stated that he will be responsible for promoting the form to life companies and Mr. Vestewig will be responsible for the servicing firms. Mr. Temme relayed to the audience that the task force was going to need assistance in promoting the form to government sponsored agencies such as Fannie Mae and Freddie Mac. Gail Davis, of the Mortgage Bankers Association, offered MBA's assistance in whatever manner possible, in promoting the form to the agencies.

Next, Mr. Hill requested Debbie Rogan to report on the formation of the Document Checklist Task Force. Ms. Rogan, Chair of this task force, reported that the task force was formed to publish a booklet providing the industry with a checklist for special borrower requests. Ms. Rogan reported that the goal of the task force was to come up with a list of special borrower requests, such as assumptions, easements, and partial releases, and then come up with a list of required documents for each item on the list.

Subsequently, Mr. Hill introduced Ms. Stephanie Petosa of Fitch Ratings, to discuss the "Differentiating CMBS Servicers" article, she co-authored, dated September 5, 2000. Ms. Petosa reported that according to Fitch, there are five key factors in rating commercial loan servicers in the current CMBS environment: 1) Management Experience/Company Tenure; 2) Collecting Financials; 3) Level of Technology; 4) Level of Quality Control; and 5) CMBS Market Presence (participation in committees and forums etc.).

Discussion next centered on the format for the upcoming Asset Administration Conference to be held in Chicago from June 20-22. Mr. Hill explained that the conference would entail three workshops and a conference. Some of the conference topics that are being considered include: default administration; defeasance; outsourcing; and international servicing. Some of the suggestions from the audience included: panel on

MERS and a panel on FHA servicing.

Adina Holmes, from the Education Department at the Mortgage Bankers Association, brought to the Committee's attention the fact that there may be a need to update the Commercial Servicing Manual. Ms. Holmes reported that the manual was last published in 1995. Mr. Hill relayed to the audience that the Asset Administration Committee would look into this matter and determine whether the manual needs to be updated.

Finally, Ms. Lisa Traylor expressed an interest in forming a task force to standardize the yield maintenance calculation. The Committee decided to turn this project over to the Loan Origination Committee, as this was more of a "front end" loan documentation matter, rather than a "back end", servicing issue.

The next Committee meeting will be held Wednesday, June 20, 2001 in Chicago, in conjunction with the annual Commercial/Multifamily Servicing Conference.

The meeting adjourned at 10:00 a.m.

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