

February 19, 2003

Summary Minutes: Portfolio Investors Committee
Sunday, February 2, 2003
11:00 AM- 12:00 PM
San Diego Convention Center
San Diego, California

Chair:

Jeffrey J. Williams, Managing Director
David L. Babson & Company, Inc.

Vice Chairs:

Thomas C. Jensen, Senior Portfolio Manager
Allstate Investments, LLC

Michael P. Kelly, Vice President, Real Estate Division
New York Life Insurance Company

MBA Staff Representative:

Leanne Tobias
Director, Commercial Real Estate Finance
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The Portfolio Investors Committee of the Mortgage Bankers Association (MBA) met at 11:00 AM on Sunday, February 2, 2003, at MBA's Commercial Real Estate Finance/Multifamily Housing Convention in San Diego. The meeting was led by Committee Chair Jeffrey Williams, Managing Director of David L. Babson & Company, and by Vice Chairs Thomas Jensen, Senior Portfolio Manager of Allstate Investments and Michael Kelly, Vice President of New York Life Insurance Company.

Mr. Williams thanked the Vice Chairs and all members for their contributions to the Portfolio Investors Committee over the past year. All meeting attendees were then asked to briefly describe their business profile. Profiles were provided by each attendee.

Mr. Kelly briefed the group on the status of efforts to develop a model Participation Agreement for MBA. Mr. Kelly reported that a draft Participation Agreement would be completed and circulated to members for comment no later than March 2003. The template for the new Participation Agreement is the Co-Lending Agreement previously prepared by the Committee.

Meeting attendees questioned whether it would be appropriate, upon completion of the Participation Agreement, to develop a Senior Participation Agreement and a Subordinate Participation Agreement. It was agreed that the Portfolio Investors Committee, after completion of the master Participation Agreement, would consider forming a Task Force to prepare a Senior Participation Agreement and a Subordinate Participation Agreement.

Mr. Jensen briefed the group on the status of Committee efforts to find sponsors for MBA's 2003 Regional Life Company Forums. Mr. Jensen noted that these one-day forums have been extremely popular, and have provided a vehicle for life insurance companies, other portfolio investors and their service providers to review key developments in real estate finance. The sessions typically number up to 25 people. Typically, three forums have been offered annually and three have been planned for 2003:

- Atlanta, Georgia, Tuesday, April 8, 2003: A sponsor is needed.
- Chicago, Illinois, Thursday, June 26, 2003. Sponsor: Allstate Insurance.
- West Coast site: Tuesday, September 9, 2003. A sponsor is needed. Location to be determined.

Mr. Jensen asked attendees who might be interested in sponsoring the April 8 or September 9 meetings to contact Leanne Tobias at MBA. Ms. Tobias may be reached at 202/557-2840 or at leanne_tobias@mbaa.org.

Ms. Tobias reviewed recent developments at MBA of interest to the Committee, including the recent passage of the Terrorism Risk

Insurance Act. Gail Davis Cardwell, Senior Vice President of MBA's Commercial/Multifamily Group shared her insights on the Act. Ms Cardwell also briefed the Committee on the introduction of C-Newslink, MBA's new electronic weekly publication for the commercial real estate finance industry; the posting on MBA's website for member comment of a draft study on the E-Mortgage sector; and the need for volunteers to help prepare and review course materials for MBA's Education Committee. Those who wish to participate in the Education Committee are encouraged to contact MBA Senior Director Dan Thoms at 202/557-2915 or at dan_thoms@mbaa.org.

Mr. Williams led a discussion of potential new business for the Committee. Attendees expressed interest in the development of risk, return, loan rating and pricing benchmarks for the industry, possibly utilizing data from the American Council of Life Insurers, rating agency data, and aggregate data from the CMBS industry. Kenneth Gordon of CDPQ Mortgage Corporation expressed interest in modifying the existing Co-Lending Agreement and the forthcoming Participation Agreement for international use; such modifications would likely be considered in cooperation with MBA's International Committee, of which Mr. Gordon is Vice Chair. The Committee agreed to consider these possibilities.

Mr. Williams thanked all attendees for their participation and adjourned the meeting at 12:00 p.m.

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