



MBA's COMMERCIAL REAL ESTATE FINANCE/MULTIFAMILY
HOUSING CONVENTION & EXPO
Walt Disney World Swan And Dolphin, Orlando, Fla.

Mortgage Bankers: Navigating the Turbulent Capital Markets

Tuesday, February 5

3:45 – 5:00 pm



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Mortgage Bankers: Navigating the Turbulent Capital Markets

Guy K. Johnson
President
Johnson Capital

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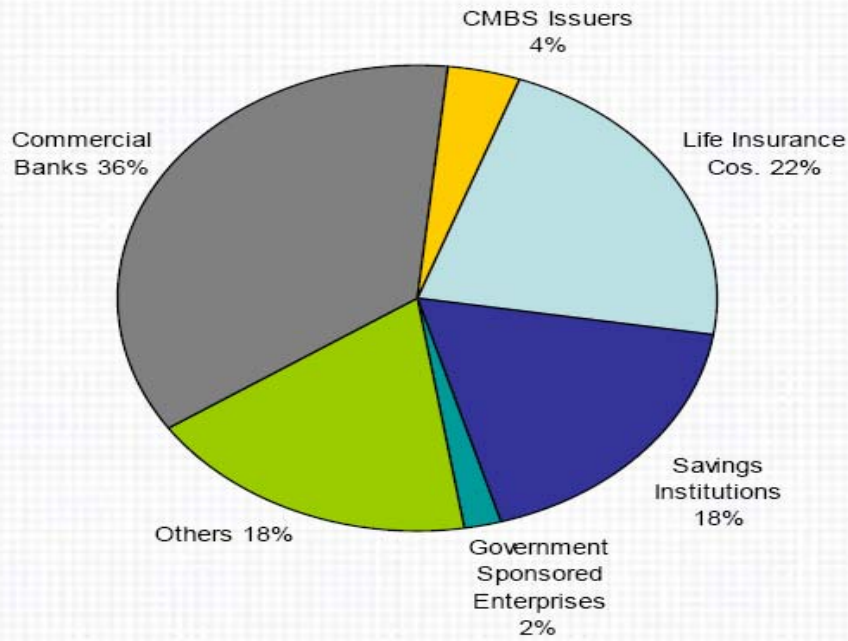


"All those in favor of making more loans, raise you hands."

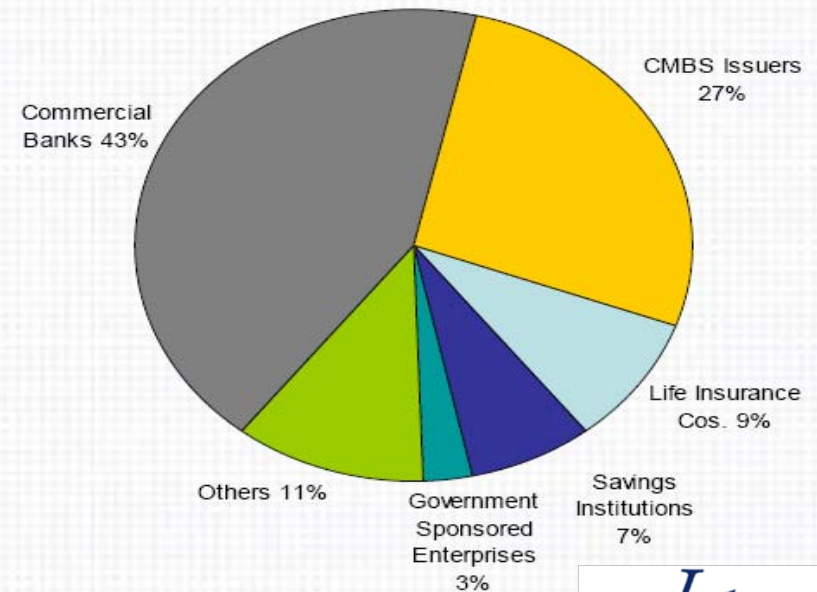
Holders of Commercial & Multifamily Mortgage Loans

\$852 billion of the \$3.1 trillion U.S. commercial and multifamily mortgage loans outstanding are held as securities, a significant increase since 1990

1990

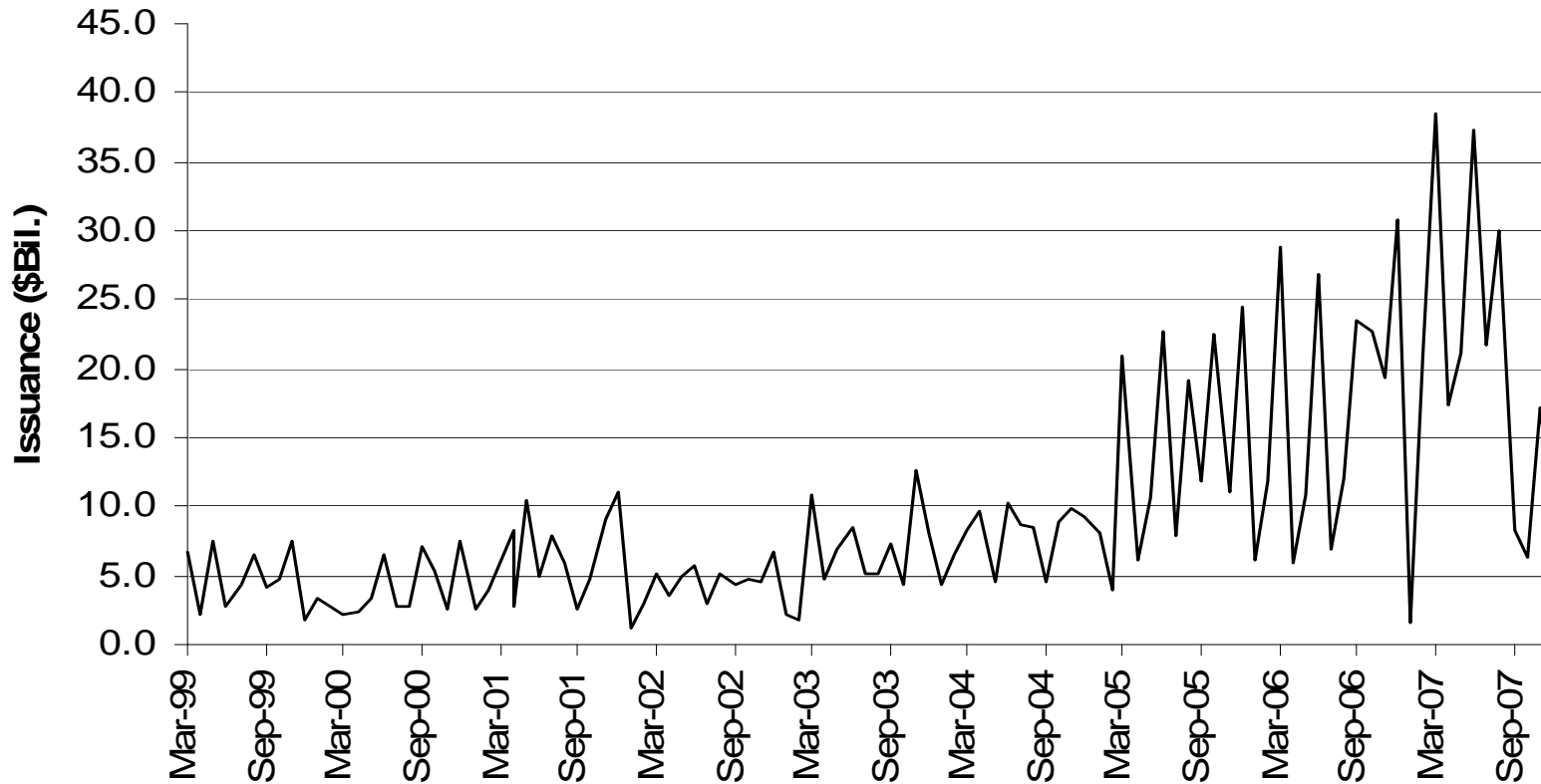


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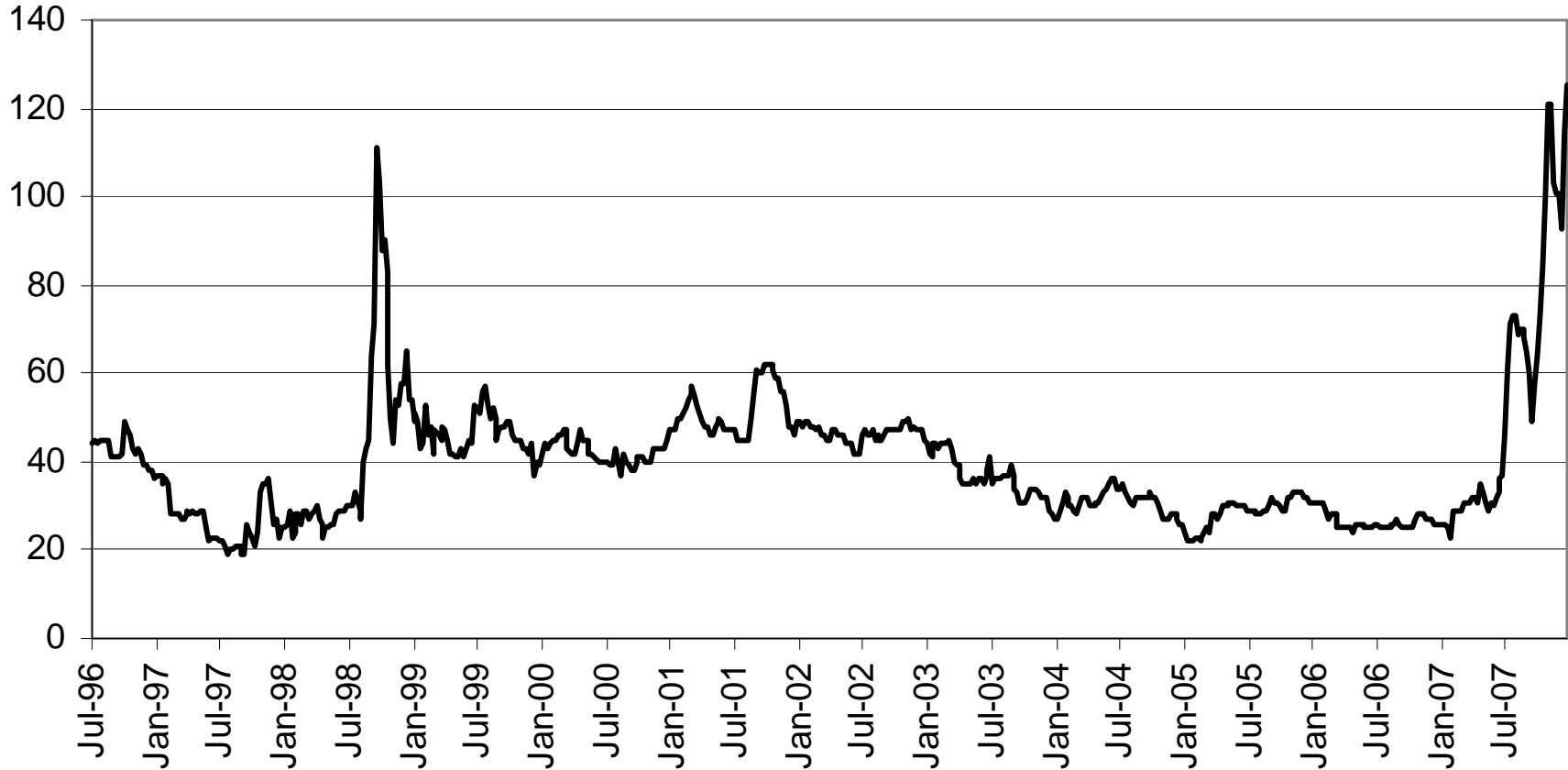


Source: Federal Reserve, Flow of Funds

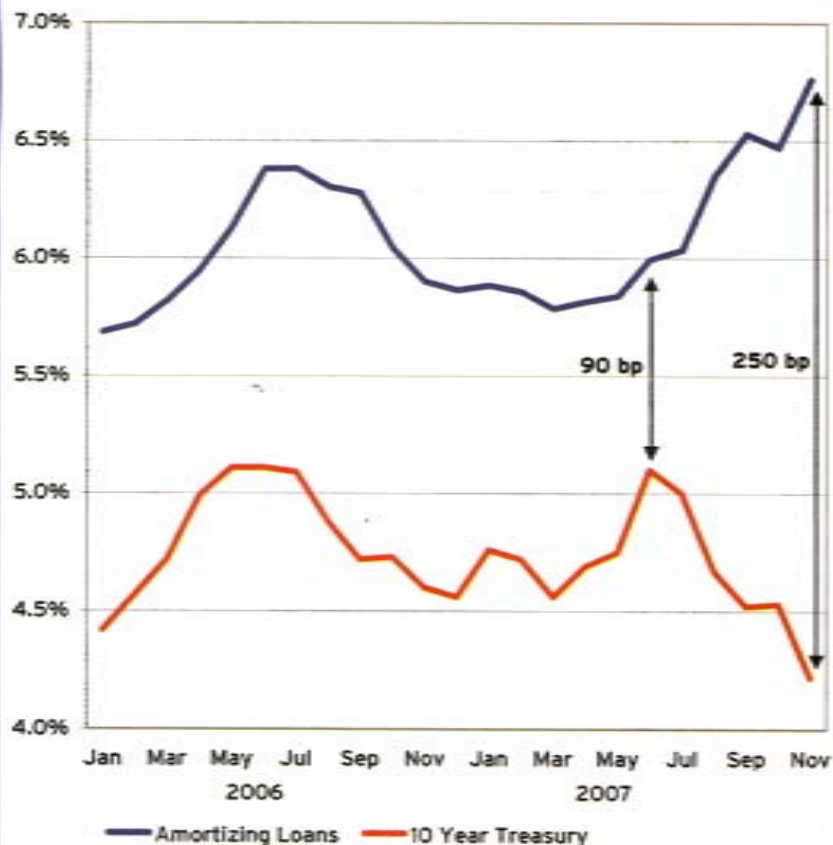
Monthly US CMBS Issuance 1999 - 2008



10 Year AAA Spread over Swaps 1996-2008



Interest Rate: Amortizing Loans



Interest Rate: Interest Only Loans



Source: Reis, Inc.; includes 2006 and 2007 conduit loans

CMBS Spreads 1/18/08

Spread (bps)

Fixed Rate (Conduit)	Avg. Life	Week		52-wk Avg.
		1/16	Earlier	
AAA	5.0	S+140	S+130	+54
	10.0	S+125	S+114	+56
AA	10.0	S+320	S+300	+113
A	10.0	S+500	S+450	+163
BBB	10.0	T+860	T+837	+368
BB	10.0	T+1,100	T+1,000	+506
B	10.0	T+1,400	T+1,400	+901
Floating Rate (Large-loan)				
AAA	5.0	L+100	L+100	+36
AA	5.0	L+175	L+175	+67
A	5.0	L+250	L+250	+103
BBB	5.0	L+400	L+400	+182

Source: Morgan Stanley