

DEFEASANCE EDUCATION SERIES

presented by **COMMERCIAL DEFEASANCE, LLC**

MBA CREF/Multifamily Conference 2005 Commercial Loan Defeasance Pricing Model

Presented by:



COMMERCIAL DEFEASANCE
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Amortization Schedule

Date	Coupon	Principal	Interest	Total P+I	Loan Balance
01/10/2008	8.400%	3,831.24	23,331.57	27,162.81	3,221,730.99
02/10/2008	8.400%	3,858.96	23,303.85	27,162.81	3,217,872.04
03/10/2008	8.400%	5,388.54	21,774.27	27,162.81	3,212,483.50
04/10/2008	8.400%	3,925.85	23,236.96	27,162.81	3,208,557.65
05/10/2008	8.400%	4,702.91	22,459.90	27,162.81	3,203,854.74
06/10/2008	8.400%	3,988.26	23,174.55	27,162.81	3,199,866.48
07/10/2008	8.400%	4,763.74	22,399.07	27,162.81	3,195,102.74
08/10/2008	8.400%	4,051.57	23,111.24	27,162.81	3,191,051.17
09/10/2008	8.400%	4,080.87	23,081.94	27,162.81	3,186,970.30
10/10/2008	8.400%	4,854.02	22,308.79	27,162.81	3,182,116.28
11/10/2008	8.400%	4,145.50	23,017.31	27,162.81	3,177,970.78
12/10/2008	8.400%	4,917.01	22,245.80	27,162.81	3,173,053.77
01/10/2009	8.400%	4,211.05	22,951.76	27,162.81	3,168,842.71
02/10/2009	8.400%	4,241.51	22,921.30	27,162.81	3,164,601.20
03/10/2009	8.400%	6,487.42	20,675.39	27,162.81	3,158,113.78
04/10/2009	8.400%	4,319.12	22,843.69	27,162.81	3,153,794.66
05/10/2009	8.400%	5,086.25	22,076.56	27,162.81	3,148,708.42
06/10/2009	8.400%	4,387.15	22,775.66	27,162.81	3,144,321.26
07/10/2009	8.400%	5,152.56	22,010.25	27,162.81	3,139,168.70
08/10/2009	8.400%	4,456.16	22,706.65	27,162.81	3,134,712.55
09/10/2009	8.400%	4,488.39	22,674.42	27,162.81	3,130,224.16
10/10/2009	8.400%	3,130,224.16	21,911.57	3,152,135.73	-

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Securities Cost

Maturity	Type	Coupon	Yield	\$ Price	Par Amount	Principal Cost	+Accrued Interest	= Total Cost
02/15/2007	STRIPS-P	-	3.211%	93.6654145%	29,000	27,162.97	-	27,162.97
05/15/2007	STRIPS-P	-	3.258%	92.8331936%	80,000	74,266.55	-	74,266.55
08/15/2007	STRIPS-I	-	3.321%	91.9308712%	28,000	25,740.64	-	25,740.64
11/15/2007	STRIPS-I	-	3.350%	91.1139014%	80,000	72,891.12	-	72,891.12
02/15/2008	STRIPS-P	-	3.369%	90.2989904%	29,000	26,186.71	-	26,186.71
05/15/2008	STRIPS-P	-	3.414%	89.4269013%	79,000	70,647.25	-	70,647.25
08/15/2008	T-NOTE	3.250%	3.436%	99.3750000%	27,000	26,831.25	391.06	27,222.31
10/15/2008	T-NOTE	3.125%	3.463%	98.8281250%	2,000	1,976.56	17.69	1,994.25
11/15/2008	STRIPS-I	-	3.501%	87.6406418%	28,000	24,539.38	-	24,539.38
12/15/2008	T-NOTE	3.375%	3.494%	99.5625000%	26,000	25,886.25	101.25	25,987.50
01/15/2009	T-NOTE	3.250%	3.496%	99.0937500%	26,000	25,764.38	25.68	25,790.06
02/15/2009	STRIPS-P	-	3.532%	86.7664807%	27,000	23,426.95	-	23,426.95
04/15/2009	T-NOTE	3.125%	3.536%	98.4062500%	2,000	1,968.13	17.69	1,985.82
05/15/2009	STRIPS-I	-	3.558%	85.9256314%	27,000	23,199.92	-	23,199.92
06/15/2009	T-NOTE	4.000%	3.565%	101.7500000%	27,000	27,472.50	124.62	27,597.12
07/15/2009	T-NOTE	3.625%	3.585%	100.1562500%	26,000	26,040.63	28.64	26,069.27
08/15/2009	STRIPS-P	-	3.633%	84.8763559%	30,000	25,462.91	-	25,462.91
09/15/2009	T-NOTE	3.375%	3.614%	98.9843750%	3,097,000	3,065,546.09	38,402.37	3,103,948.46
-	-	-	-	-	\$4,117,000	\$4,039,039.80	\$41,041.29	\$4,080,081.09

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Detailed Cash Flow Analysis

Event Date	Event	Type	Maturity	Principal	Coupon	Interest	Cash Flow	Balance
08/10/2008	Disburse		-	-	-	-	(27,162.81)	50.37
08/15/2008	Receipt	T-NOTE	08/15/2008	27,000.00	3.250%	438.75	27,438.75	27,489.12
09/10/2008	Disburse		-	-	-	-	(27,162.81)	326.31
09/15/2008	Receipt	T-NOTE	09/15/2009	-	3.375%	52,261.88	52,261.88	52,588.19
10/10/2008	Disburse		-	-	-	-	(27,162.81)	25,425.38
10/15/2008	Receipt	T-NOTE	10/15/2008	2,000.00	3.125%	31.25	2,031.25	27,456.63
10/15/2008	Receipt	T-NOTE	04/15/2009	-	3.125%	31.25	31.25	27,487.88
11/10/2008	Disburse		-	-	-	-	(27,162.81)	325.07
11/15/2008	Receipt	STRIPS-I	11/15/2008	28,000.00	-	-	28,000.00	28,325.07
12/10/2008	Disburse		-	-	-	-	(27,162.81)	1,162.26
12/15/2008	Receipt	T-NOTE	12/15/2008	26,000.00	3.375%	438.75	26,438.75	27,601.01
12/15/2008	Receipt	T-NOTE	06/15/2009	-	4.000%	540.00	540.00	28,141.01
01/10/2009	Disburse		-	-	-	-	(27,162.81)	978.19
01/15/2009	Receipt	T-NOTE	01/15/2009	26,000.00	3.250%	422.50	26,422.50	27,400.69
01/15/2009	Receipt	T-NOTE	07/15/2009	-	3.625%	471.25	471.25	27,871.94
02/10/2009	Disburse		-	-	-	-	(27,162.81)	709.13
02/15/2009	Receipt	STRIPS-P	02/15/2009	27,000.00	-	-	27,000.00	27,709.13
03/10/2009	Disburse		-	-	-	-	(27,162.81)	546.32
03/15/2009	Receipt	T-NOTE	09/15/2009	-	3.375%	52,261.88	52,261.88	52,808.20
04/10/2009	Disburse		-	-	-	-	(27,162.81)	25,645.39
04/15/2009	Receipt	T-NOTE	04/15/2009	2,000.00	3.125%	31.25	2,031.25	27,676.64
05/10/2009	Disburse		-	-	-	-	(27,162.81)	513.84
05/15/2009	Receipt	STRIPS-I	05/15/2009	27,000.00	-	-	27,000.00	27,513.84
06/10/2009	Disburse		-	-	-	-	(27,162.81)	351.02
06/15/2009	Receipt	T-NOTE	06/15/2009	27,000.00	4.000%	540.00	27,540.00	27,891.02
07/10/2009	Disburse		-	-	-	-	(27,162.81)	728.21
07/15/2009	Receipt	T-NOTE	07/15/2009	26,000.00	3.625%	471.25	26,471.25	27,199.46
08/10/2009	Disburse		-	-	-	-	(27,162.81)	36.66
08/15/2009	Receipt	STRIPS-P	08/15/2009	30,000.00	-	-	30,000.00	30,036.66
09/10/2009	Disburse		-	-	-	-	(27,162.81)	2,873.85
09/15/2009	Receipt	T-NOTE	09/15/2009	3,097,000.00	3.375%	52,261.88	3,149,261.88	3,152,135.73
10/10/2009	Disburse		-	-	-	-	(3,152,135.73)	-
Total	-	-	-	\$4,117,000.00	-	\$555,388.83	-	-

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SECURITIES COST

Current Defeasance Calculation

US 5 Year Treasury 2.84 %

Assumed Forward Rate

Forward Rate 6.23%

Address



Calculator

Today's Date:

* Property Name:

* Servicer:

* Original Loan Amt (\$):

* Loan Term (months):

* Amortization (months):

* Coupon/Interest Rate (%):

* Interest Calculation:

* Note Dated: / /

* Est. Defeasance Date: / /

* NOTE: Required Fields

**IS YOUR LOAN STILL IN THE LOCKOUT PERIOD?
NOT READY TO DEFEASE YET?**

ESTIMATE SHEET

MONTHLY DEBT SERVICE: \$27,610.19
 OUTSTANDING PRINCIPAL BALANCE: \$4,718,735.51
 SECURITIES COST: \$5,316,216.46
 DEFEASANCE "PENALTY": \$597,480.94

TRANSACTION COST: Estimated

Rating Agency Fee: \$0
 Servicer Processing Fee: \$5,000
 Special Servicer Fee: \$0
 Custodian Fee: \$10,000
 Servicer Legal Fee: \$20,000
 Special NY Counsel Fee: \$0
 Accountants Fee: \$4,000
 Successor Borrower Fee: \$8,000
 Commercial Defeasance Fee: \$15,000

Total Transaction Cost: \$62,000

TOTAL ESTIMATED DEFEASANCE COST: \$5,383,216.46
 (Securities Cost + Est. Transaction Cost)

ESTIMATE SHEET

MONTHLY DEBT SERVICE: \$27,610.19
 OUTSTANDING PRINCIPAL BALANCE: \$4,718,735.51
 SECURITIES COST: \$4,514,165.96
 DEFEASANCE "PENALTY": \$-.204,569.55

TRANSACTION COST: Estimated

Rating Agency Fee: \$0
 Servicer Processing Fee: \$5,000
 Special Servicer Fee: \$0
 Custodian Fee: \$10,000
 Servicer Legal Fee: \$20,000
 Special NY Counsel Fee: \$0
 Accountants Fee: \$4,000
 Successor Borrower Fee: \$8,000
 Commercial Defeasance Fee: \$15,000

Total Transaction Cost: \$62,000

TOTAL ESTIMATED DEFEASANCE COST: \$4,581,165.96
 (Securities Cost + Est. Transaction Cost)

Please Read Our [Disclaimer](#)

COMMERCIAL DEFEASANCE, LLC
 Questions or Comments? 1-800-624-4779

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COMMERCIAL DEFEASANCE
DEFEASE WITH EASE[®]

Others dabble in defeasance... We specialize in it!