

Regional Banks Dominate Financial Markets

June 18, 2008

MARABELLA

Commercial Finance, Inc

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Regional Banks Continue To Dominate The Credit Markets

The large commercial banks, small regional banks and life companies continue to dominate over the Wall Street CMBS lenders in the first quarter of 2008. According to the Mortgage Bankers Association in the first quarter of 2008 commercial banks saw the largest increase in dollar terms in their holdings of commercial / multifamily mortgage debt—an increase of \$30 Billion, or 2 percent which represents 49 percent of the total \$661 Billion increase. Savings institutions increased their holdings of Commercial / multifamily mortgages by \$110 Billion, or 5 percent.

Currently Marabella Commercial Finance is receiving the following pricing / underwriting from our large

commercial banks for Walgreen, CVS, Lowes, Kohls, Home Depot and Large Anchored Centers with Credit Tenants. Currently 5/7/10 year fixed rate loans seem to be the most popular amongst the lenders and borrowers. Amortization with this type of loan is 30 years. The rate range is between 6.00% to 7.00%, and generally speaking the shorter the term of the loan the lower the rate. Underwriting consists of 3% for vacancy and management and a \$0.10/sq. ft. Capital Expenditure Reserve is also used for underwriting purposes. Minimum DSCR is around 115% to 125% with the large commercial banks.



CVS/pharmacy



Marabella Closes Family Dollar Store Loan and Receives Verbal Approval For Denny's Center Construction Loan

Marabella Commercial Finance closed a Family Dollar Loan with a loan amount of approximately \$900,000. The amortization for this loan was 20 years and the loan was fixed for 10 years. The fixed rate was approximately 6.375% for the full 10 years. The loan was structured as a Non-Recourse Loan with Standard Carve-Outs.

Marabella Commercial Finance also received a verbal approval for a construction loan for a Denny's, Subway, Ace Cash Express and Pronto Pizza property which will start construction shortly. Loan amount approved is approximately \$2,375,000 on an approximate appraised value of \$4,100,000. The term of the construction loan is 18 months with a spread of 1.50%

over the direct lenders prime rate with a floor at 0.25% below the initial rate during the 18 month construction period. This is a floating rate loan.

If you have a transaction you would like us to consider contact us directly at (760) 479-0800.