Contrary to Popular Belief
Victor L. Pickett
Senior Vice President/Regional Manager

Loans are subject to credit approval.

Historical and Forecast ($billions)

Commercial and multifamily commitments

MBA Total Debt Outstanding
$2.37 Trillion
as of Third Quarter 2011

Commercial/Multifamily Property Sales Volume

Quarterly Commercial Mortgage Commitments by Life Insurance Companies

Quarterly Issuance of Commercial Mortgage-Backed Securities (CMBS) and Commercial Real Estate Collateralized Debt Obligations (CDOs)
Loans are subject to credit approval.

Source: MBA

Commercial and Multifamily Mortgage Debt Outstanding

UPB of Non-Bank Commercial/ Multifamily Mortgages, by Year of Maturity

CMBS Maturities

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>DSC ≤ 1.0</th>
<th>DSC &gt; 1.2</th>
<th>LTV &gt; 100%</th>
<th>LTV &lt; 80%</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>571.4B</td>
<td>13%</td>
<td>75%</td>
<td>21.3%</td>
<td>71.2%</td>
</tr>
<tr>
<td>2013</td>
<td>40.6B</td>
<td>6.5%</td>
<td>85%</td>
<td>4.1%</td>
<td>93.5%</td>
</tr>
<tr>
<td>2014</td>
<td>46.1B</td>
<td>7.5%</td>
<td>81%</td>
<td>7.7%</td>
<td>85.5%</td>
</tr>
<tr>
<td>2015</td>
<td>80.7B</td>
<td>8.1%</td>
<td>81%</td>
<td>8.0%</td>
<td>85.3%</td>
</tr>
<tr>
<td>2016</td>
<td>120.5B</td>
<td>10.0%</td>
<td>74.6%</td>
<td>9.8%</td>
<td>84.9%</td>
</tr>
<tr>
<td>2017</td>
<td>119.1B</td>
<td>13.4%</td>
<td>67%</td>
<td>11.8%</td>
<td>76.9%</td>
</tr>
<tr>
<td>2018</td>
<td>16.4B</td>
<td>5.7%</td>
<td>90%</td>
<td>4.0%</td>
<td>86.4%</td>
</tr>
</tbody>
</table>

Source: TREPP

Interest Rates

MBA Forecast vs. Actual 10-Yr Treasury Rates 2010

MBA Forecast vs. Actual 10-Yr Treasury Rates 2011

Source: MBA
Loans are subject to credit approval.

Selected Interest Rates (percent)

- Belmont at Providence
  - Virginia Beach, VA
  - Multifamily Permanent Financing
  - Insurance Company

- Stonebridge Apartments
  - Norfolk, VA
  - Multifamily Refinance
  - Fannie Mae

- River House Apartments
  - Norfolk, VA
  - Multifamily New Permanent Financing
  - HUD

- Maple Ridge Apartments
  - Blacksburg, VA
  - Multifamily Refinance
  - CMBS

- Taylor Pointe Apartments
  - Chesapeake, VA
  - Multifamily Acquisition Financing
  - Freddie Mac
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AAA
Norfolk, VA
Self-Storage
Refinance
Insurance Company

25th Street Courtyard
Marriott
Virginia Beach, VA
Limited Service Hotel
Refinance
CMBS

Holiday Inn Express
Virginia Beach, VA
Limited Service Hotel
Refinance
Insurance Company