

BOND STREET CAPITAL NEWS

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Short Takes

Conduits Once Again On a Roller Coaster Ride

To paraphrase a line from a famous movie, "just when I think I am out (of the capital markets woes), they drag me back in again." Two weeks ago we were quoting multi-family deals in the 160 over Treasuries range and commercial at about 170. This week we are quoting between 205 and 215 over. While rates have dropped about 30 basis points in two weeks, swap spreads on the AAA tranches widened to their highest levels ever at 75bp over. Just two weeks earlier, one major conduit traded AAA's at swaps plus 45. These wild swings are making it very unattractive to go the conduit route unless you have no alternative.

The Alternative: We offer fixed rate 10 year programs with rates as low as 6.25% with structured pre-payment penalties! This is a great alternative to the uncertainty of the conduit world. Costs are lower, the process is easier and prepayment penalties are significantly less. In certain cases we can do 10 year, fixed rate, non-recourse loans with no-prepayment penalty at all. This offers the borrower the opportunity to fund a good loan now and jump into a lower priced loan with minimal cost if rates plummet in the future.

Bond Street Launches a Micro-Program

We are pleased to announce that Steve Baker has returned to the fold to head up a new division of the company focusing on loans under \$500,000. Many of

Interesting Reading or is it Listening?

I think I ruined my eyes in law school by pouring over the microscopic print you find in the casebooks. As a result, I simply fall asleep every time I try reading for any extended period. Probably all the work I do on the computer exacerbated the problem.

About four years ago, my wife Nancy became addicted to listening to audio books. She listens on her iPod while driving, while cooking, while doing laundry, etc. You get the picture. After a few long car trips listening to engrossing novels, I got hooked as well. We signed up for an online service called "audible.com." This service makes it easy and cheap to purchase audio books. To tell you how hooked we are, we have purchased over 120 audio books in the last 2 years. I listen to about 75% non-fiction or historical novels. Here are some of my recent favorites:

- "7" – an hilarious book that has Mickey Mantle in heaven talking about his life. Its definitely x rated.
- "The Forgotten 500" – a

our borrowers requested we provide this kind of financing. We now have several new programs to offer in this arena the most exciting of which is a "stated" owner-occupied loan program for commercial properties. The program focuses on the borrower's FICO and the value of the property. Paperwork is minimal. The program is available in most states. Contact your local Bond Street office for further details.

Hospitality, Assisted Living and Gas Stations: We still have money available for these harder to fund assets. Hotels, motels, and gas stations typically must be less than ten years old and branded. Call for pricing.

Bridge and Mezz Debt: We are pleased to announce that we have begun working with a new investor offering creative bridge and mezz debt solutions. We will consider all property types including land. The loan term is up to two years. Housing transactions will be considered in those few markets that still remain strong.

fascinating recounting of the rescue of 500 downed US servicemen from Yugoslavia during WW 2.

- "The Company" -an historical novel about the CIA. Much food for thought about the good and bad acts of this governmental agency.
- The Age of Turbulence- Alan Greenspan – Economics made palatable.
- All of the Harry Bosch and Spencer novels. Great readers.

An iPod and a good book will make that long drive go a lot faster!

- Joe Forman

Join Team Bond Street

We are looking for experienced commercial loan originators that want to help service our growing customer base.

Please contact **Ned Hosken at 818-336-4107** for information.

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