FANTINI & GORGA

Skillfully Linking Borrowers and Lenders.

Master Money Matrix© *Sources Edition*

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TYPE OF CAPITAL	PROVIDED FROM	RELATIVE IMPACT	DESIRE TO INVEST	FOCUS / OVERALL COMMENT	TRENDS
INSURANCE COMPANIES	Capital, insurance premiums, annuity sales, separate accounts.	Debt important. Equity less important.	Strong	Good appetite to lend but underwriting discipline remains selective. Most competitive on lower/moderate leveraged deals in major metro areas, and for terms longer than 10 years.	Equity and joint venture programs are showing moderate growth.
CONDUITS/CMBS	Sale of mortgage backed securities through public markets.	Important in secondary/tertiary markets and for $250M+ loans.	Moderate	Permanent loans, mainly 10 year terms. Focus on higher leverage transactions; B properties; and large loans.	Can be competitive on 10 year non-recourse deals that need full leverage. Spreads have widened due to market turmoil.
FANNIE & FREDDIE (GSE's)	Mortgage backed securities with implied government guaranty.	Significant but only in apartment and assisted living loans.	Strong	Operating through specially designated underwriters (DUS or Program Plus lenders).	Especially competitive on workforce or subsidized apartments.
HUD / FHA	Sale of Ginnie Mae securities backed by FHA insurance fund.	Significant for apartments, senior living, and nursing homes.	Strong	A source of both construction and permanent financing, often with higher leverage than available elsewhere.	Important source for apartment and senior housing financing due to both rate and proceeds advantages. Spreads have tightened in recent months.
NON-BANK BRIDGE LENDERS	Capital, credit lines and debt offerings.	Significant for transitional assets.	Strong	Seek transitional assets that warrant higher rates - typically floating.	Compete with banks by offering non-recourse.
REGIONAL/LOCAL BANKS	Capital and deposits.	Important for loans under $35M.	Strong	Construction, interim, and permanent. Particular interest is on 2-7 year, fixed rate deals to cash flowing properties. Larger institutions typically offer longer fixed rates using SWAPs.	Construction loan activity continues to moderate.
MONEY CENTER BANKS	Mostly deposits, capital, debt offerings.	Important for loans over $25M.	Strong	Focus on highly capitalized borrowers with short to mid term credit needs.	Construction loan activity continues to moderate.
PENSION FUNDS	Pension assets typically invested through advisor-managed funds.	Mostly felt in equity markets.	Steady	Purchase or joint venture of high quality industrial, retail, apartment and office properties. Some active in debt sphere.	Union pension funds are interested to make sound development loans.
REITs	Sale of stock plus entity level or mortgage debt.	Significant on equity. Nominal on debt.	Steady	Most acquire assets in a defined property sector.	Low-cost funding allows REITS to remain active buyers.
PRIVATE INVESTOR VEHICLES	Individuals and family offices.	Important for properties/projects up to $50M.	Steady	Single asset investments through LLC, limited partnership, and Delaware Statutory Trust structures.	Seeking tax advantaged returns over 5+ year terms mainly from cash flow.
OFF SHORE CAPITAL	Bank deposits, pension capital and wealthy individuals.	Most impact in top tier markets; limited elsewhere.	Steady	Active in both debt and equity. Focus on gateway cities.	U.S. attracts a disproportionate share of this capital by offering relative stability.
OPPORTUNITY FUNDS	Family offices, pension funds, individual investors.	Limited due to relatively strong RE markets.	Moderate	Focus is on development and reposition opportunities.	Activity limited by difficulty of finding opportunities with high enough returns.
TAX CREDIT FUNDING	Mainly corporate investors.	Important for affordable housing and historic properties.	Limited	Invest equity in affordable housing, community development and historic preservation.	Investor demand is uncertain due to possibility of reduction in corporate tax rates.

In recent years, the sources of real estate debt and equity have expanded and changed significantly. As a consequence, it is difficult even for real estate finance professionals to fully understand the focus of the many different capital sources. The intention of the "Sources Matrix" is to list all of the active participants in the real estate finance and investment arena. In a sense, it is intended to provide a global view of real estate finance. ALTHOUGH THIS INFORMATION IS PREPARED CAREFULLY, FANTINI & GORGA CANNOT GUARANTEE ITS ACCURACY.