



▶ OFFERING RATE LOCK  
OPTIONS TO BORROWERS



▶ AMFAM'S TERRITORY  
EXPANDS...



# COMMERCIAL MORTGAGE UPDATE

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## Where Will 10-Year U.S. Treasuries Be In 2008?

Concerned about interest rate movement over the next year? American Family can agree to lock rate up to **twelve months** prior to funding a loan. This forward commitment would be dependant upon satisfaction of specified conditions and market dynamics. Spreads will be priced higher than an immediate funding.



## Recent Retail Deals – What Will AmFam Consider?

American Family has funded three retail loans this year. Two of the three are fully amortizing 20 year loans on brand new Walgreen's facilities. The third is a 15 year fully amortizing recourse loan to a regional retailer. American Family has lending history with this particular borrower and we are pleased to be able to continue our long standing relationship with them.

Our targeted retail properties include: **grocery anchored, power centers, and single tenant credit.** We will consider individual strip retail centers with strong recourse. We will not invest in restaurants or gas stations. Please call us with any inquiries.



## Rate Lock Procedure Provides Options For Borrowers

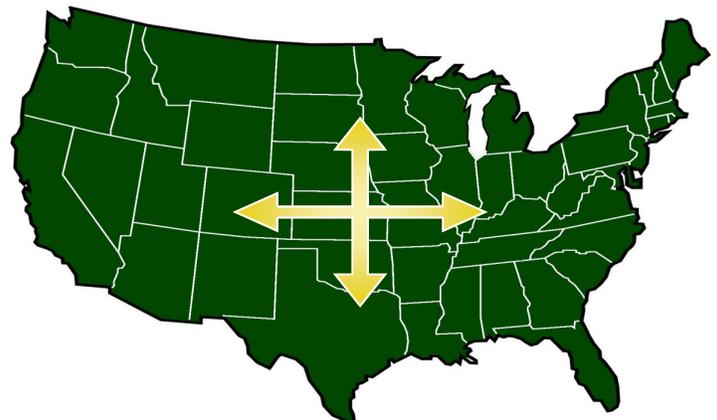
Following the recent volatility in the capital markets, we have been getting several calls regarding our rate lock procedure. American Family provides two standard options for borrowers. We can set the rate upon issuance of an application, or we can set the spread at application then set the rate upon submission of the loan for internal approvals. Expiration dates will apply and floor rates may exist under some market conditions. Our standard term rate lock will fix the coupon for 90 days, although "forward" pricing may be available.

We can usually provide an application within a few business days after a borrower has accepted the basic terms. The application will specify a deadline for return of the signed application and deposit, typically seven to ten days after issuance. Once American Family receives the signed application, application deposit and all requested information, we usually need two to four weeks to finalize our underwriting, obtain approvals and prepare a commitment offer.

## American Family Expands Mortgage Investment Territory Nationwide

American Family's Investment Division has recently decided to expand it's lending territory beyond the core operating states. This decision to lend nationwide will allow our team to find the best possible real estate investment opportunities while enhancing our portfolio diversification.

If you have a potential transaction anywhere in the United States that meets our lending criteria, please feel free to contact us.



*American Family's mortgage territory is expanding from 18 states to all 50 states*