



► SUMMARY OF LENDING GUIDELINES AS MORTGAGE TEAM INCREASES PRODUCTION.



► ALTERNATIVE INVESTMENT DEPARTMENT WELCOMES ANOTHER MEMBER.



COMMERCIAL MORTGAGE UPDATE

Contacts:

Jeff CaPaul, CCIM

Alternative Investment Manager
jcapaul@amfam.com
608-242-4100, Ext. 31653

Laura McGraw

Alternative Investment Analyst
lmcgraw@amfam.com
608-242-4100, Ext. 37126

American Family Insurance
6000 American Parkway, Q21G
Madison, WI 53783

Fax: 866-948-9312

Department Website:

www.amfammortgages.com

Department Email:

mortgages@amfam.com

Increased Commercial Mortgage Production in 2010

The commercial mortgage team is set to increase production over last year, a year when most life companies reduced their production in the face of difficult market conditions. We are busy evaluating the influx of opportunities, and, as we become more active in the market, the following matrix provides a good summary of our lending guidelines by property type. Additional details about our lending program are available on our website.

Office

- Multi tenant with smooth rollover
- Single tenant with guaranty
- Medical office on or adjacent to hospital

General Guidelines

- Prefer \$2MM-\$6MM
- Conservative loan/foot
- Low LTV (<65%)
- Well located
- Diversified rent roll
- Superior quality asset
- Possible recourse
- Low cash flow risk
- Limited refinance risk

Industrial

- Good quality
- Multi tenant with good tenant mix
- Single tenant with lease term matching amortization

Retail

- Grocery anchored or credit with lease term matching amortization
- Low rollover risk

Multifamily

- Class A
- New or infill location
- Onsite management
- Competitive amenity package

**** We are not able to consider strip retail, shadow/unanchored retail, restaurants or mini storage**

FEATURED TRANSACTION



Office – Georgia

\$3,000,000

15 yr. term / 15 yr. amort.

STRENGTHS: Low loan-to-value, fully amortizing over lease term, partial recourse, extensive building improvements by tenant.



Alternative Investment Department Welcomes Newest Team Member

Jim Drewry joins the Alternative Investment Department from American Family's Real Estate, Planning and Construction Department where he served as a Transaction Consultant for six years. Prior to joining American Family, he worked at NLI Properties, Kemper Financial and Metropolitan Life. Jim earned a bachelor's degree in Finance and master's degrees in Finance and Real Estate & Urban Land Economics from the University of Wisconsin. Jim will primarily be responsible for servicing the commercial mortgage loan portfolio.

New Mortgage Website a Helpful Tool



Our new commercial mortgage website, www.amfammortgages.com, has been a helpful tool in educating our partners on our lending program. Additionally, the online form for submitting loan proposals has helped us respond more efficiently to those requests. We encourage the continued use of our online submission form as we see an increase in the volume of opportunities available. We will continue to edit the website with any updates in our lending guidelines. Our newsletters are also available on the site.