



Distress, Loss, and Recovery in CRE Mortgage Pools

Federal Reserve Bank of Richmond
Credit Markets Symposium

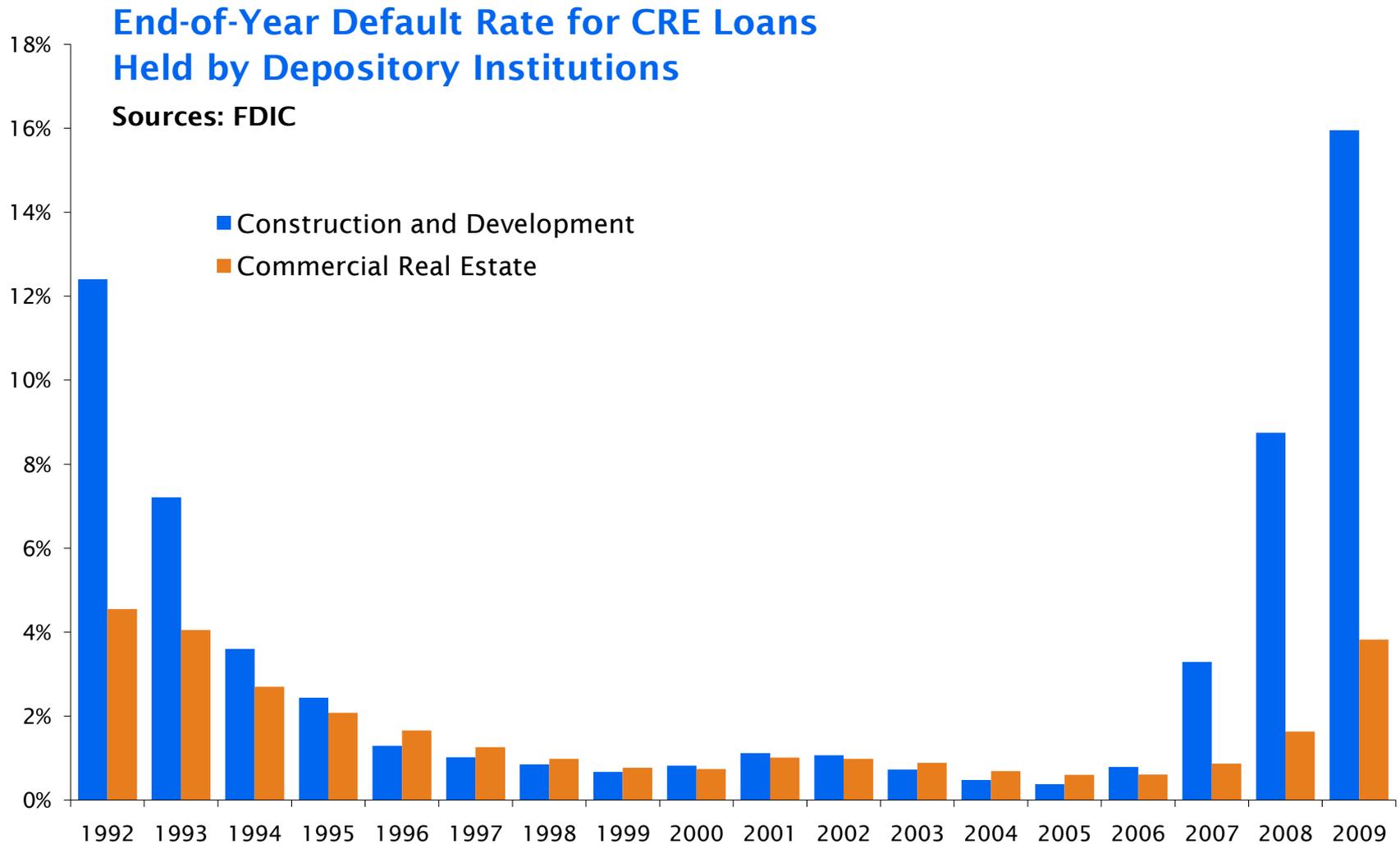
April 2010

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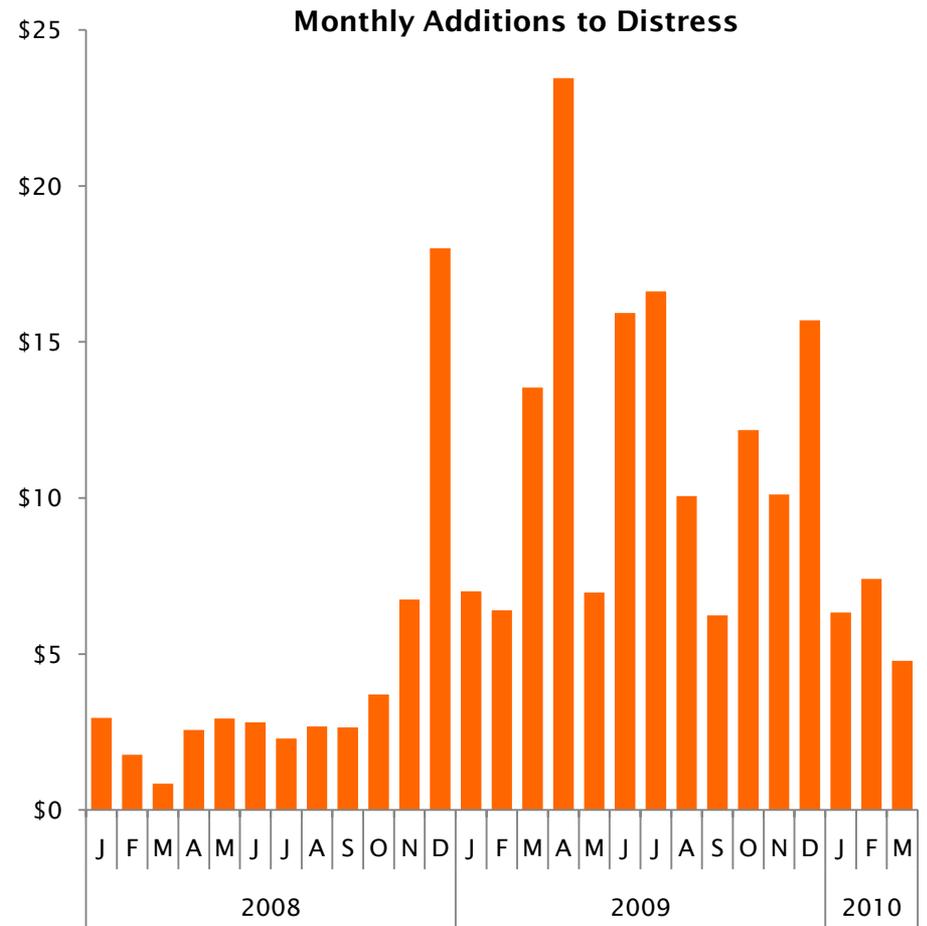
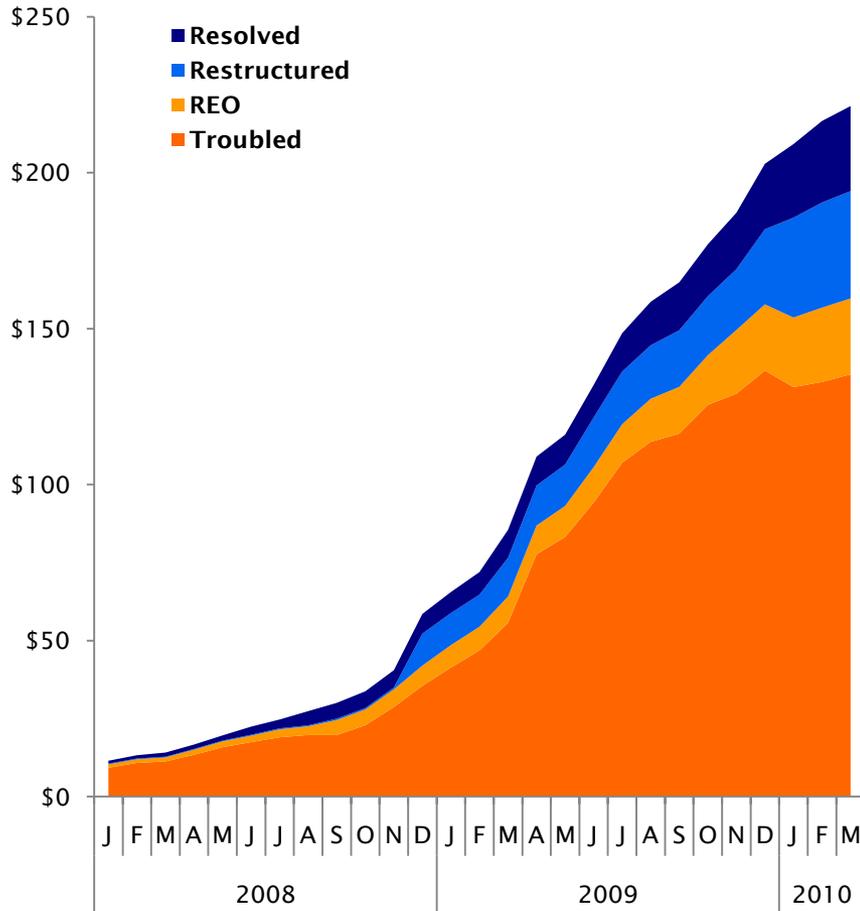
Weakening Fundamentals Trends Drive Commercial Mortgage Defaults



Distress is Still Rising

Total Outstanding Distress

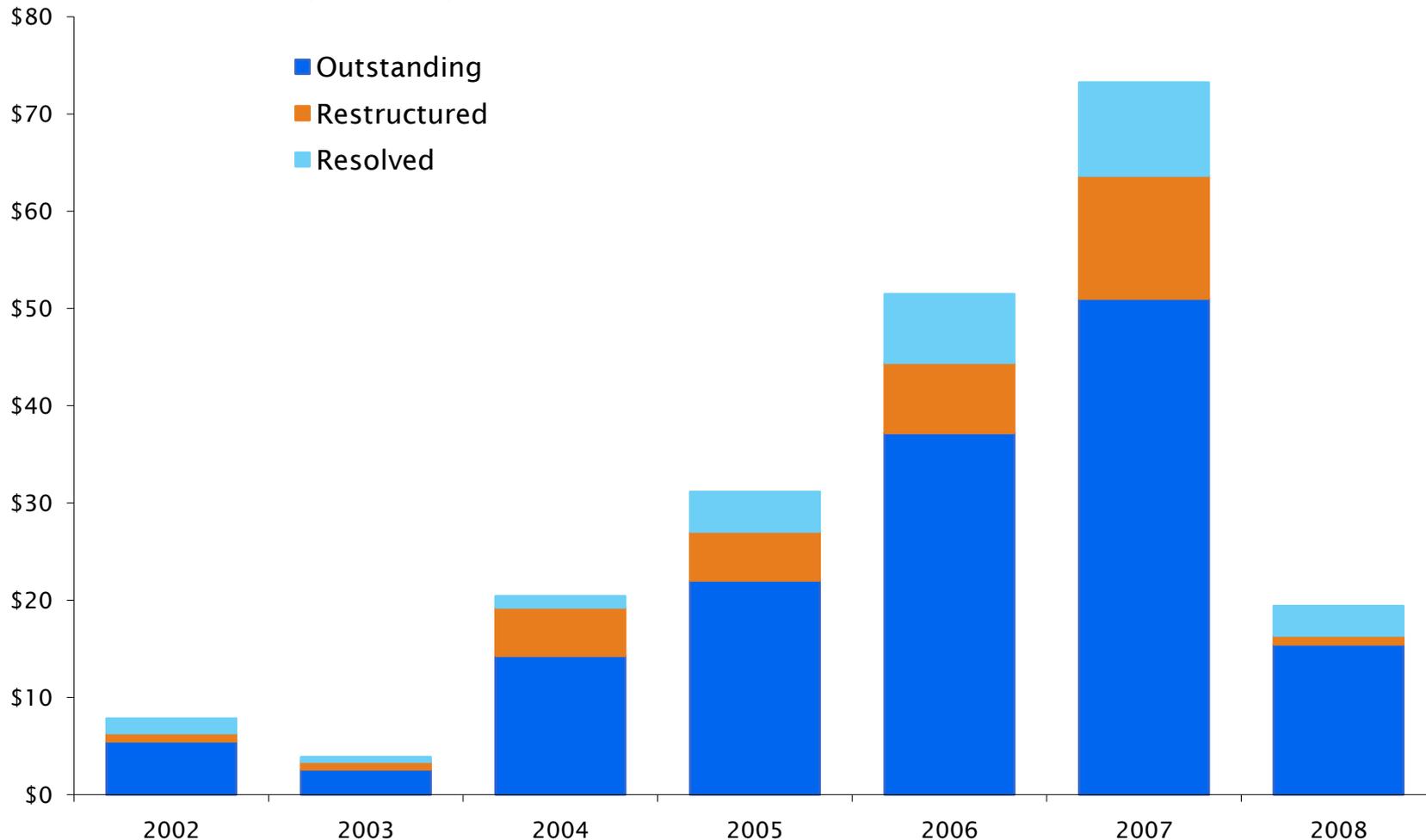
Source: Real Capital Analytics



Where the Stress Falls

Distress by Vintage

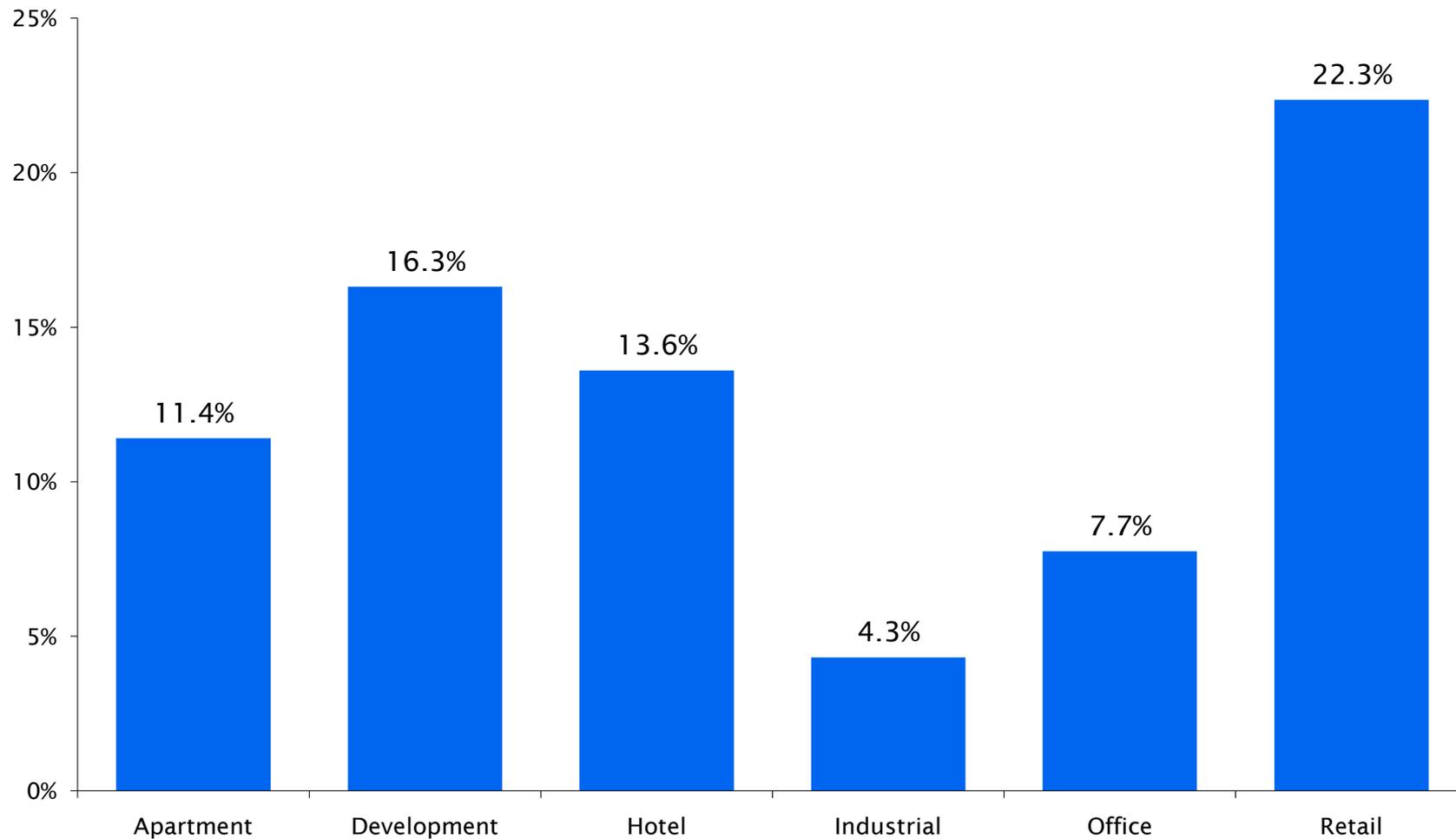
Source: Real Capital Analytics



Where the Stress Falls

Percentage of Transaction Volume Distressed (2005-2008)

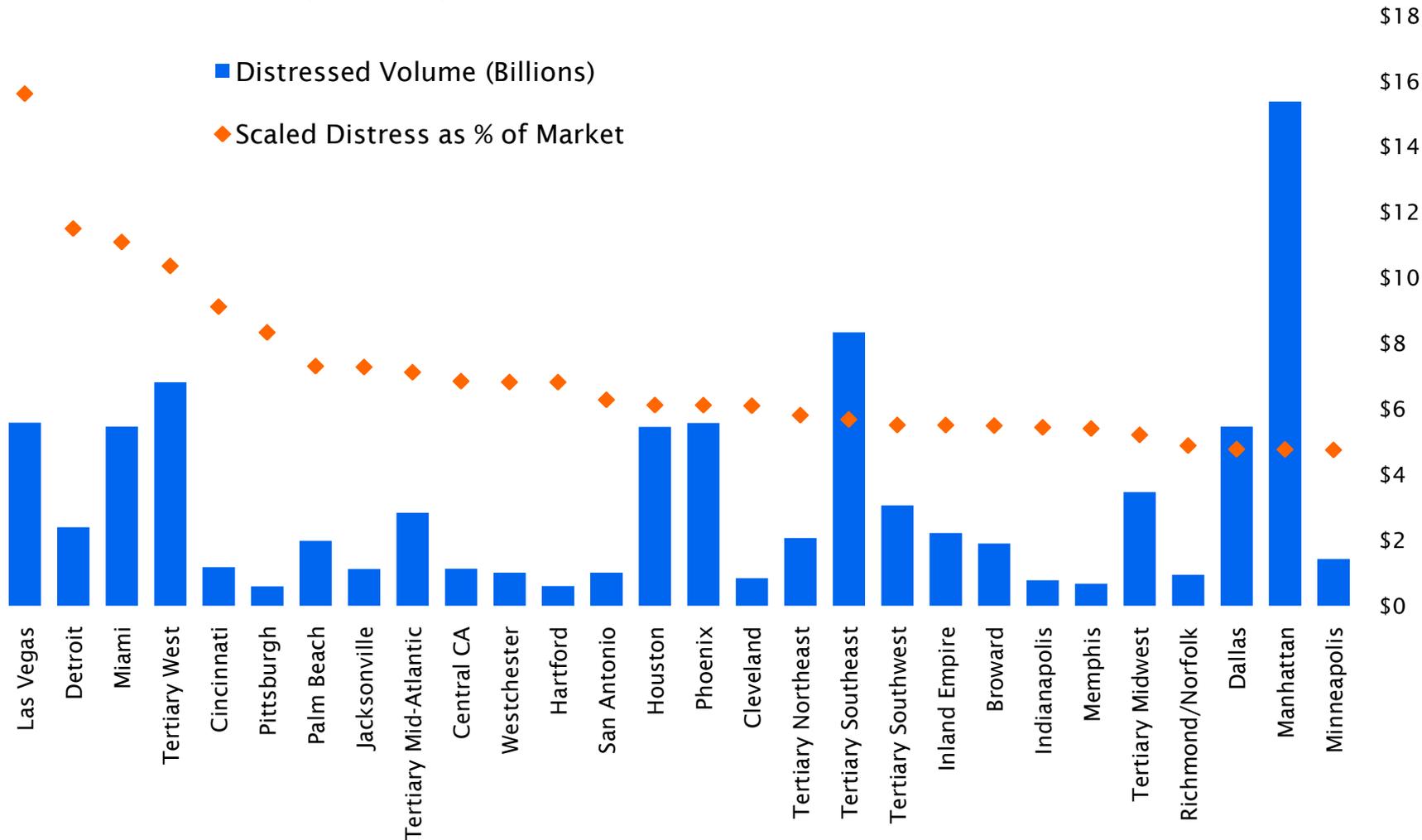
Source: Real Capital Analytics



Where the Stress Falls

All Distressed Assets Through March 29, 2010

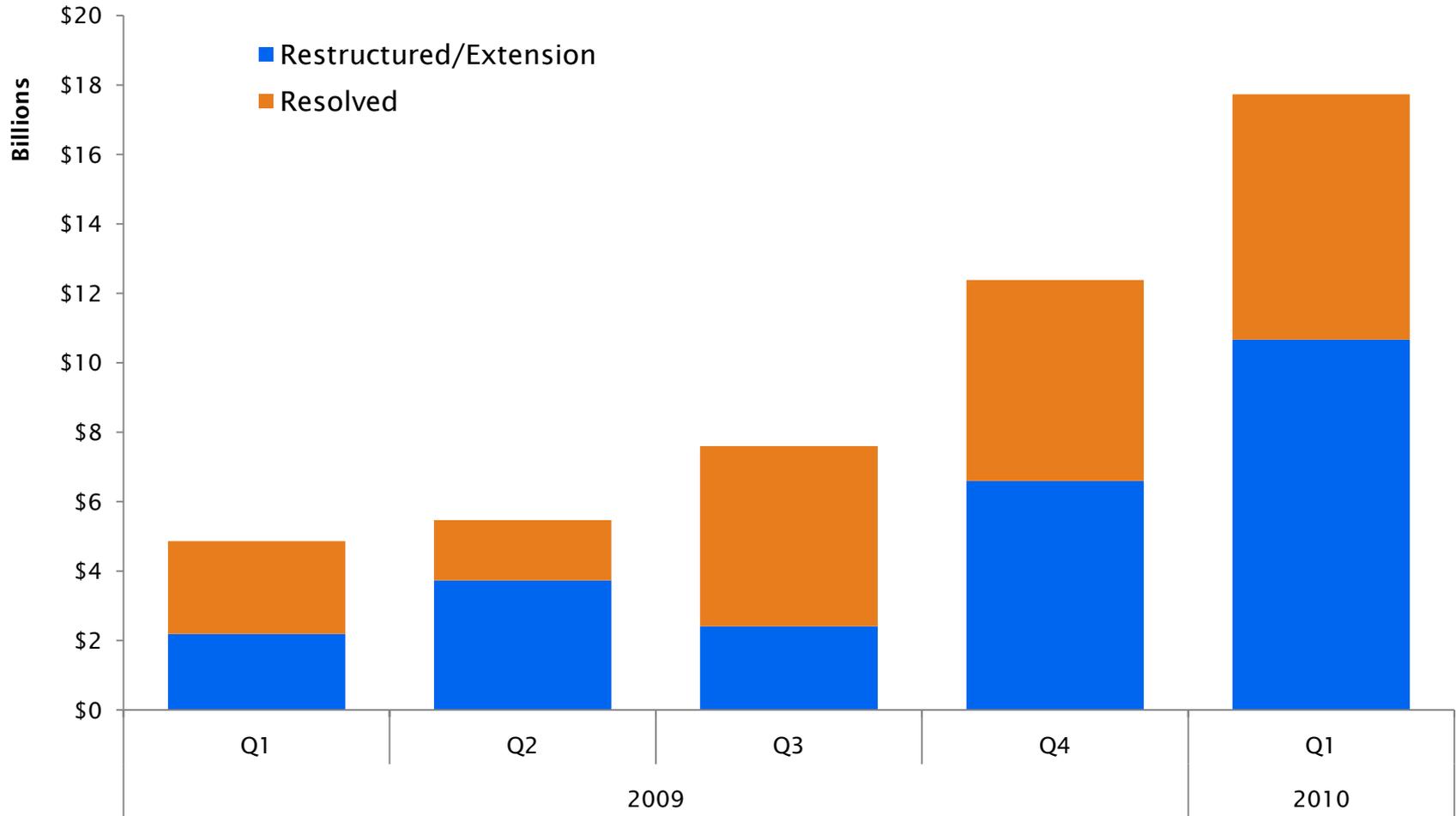
Source: Real Capital Analytics



Loss Mitigation

Recovery By Quarter

Source: Real Capital Analytics



Loss Mitigation

Recovery Rates Through April 4, 2010

Source: Real Capital Analytics

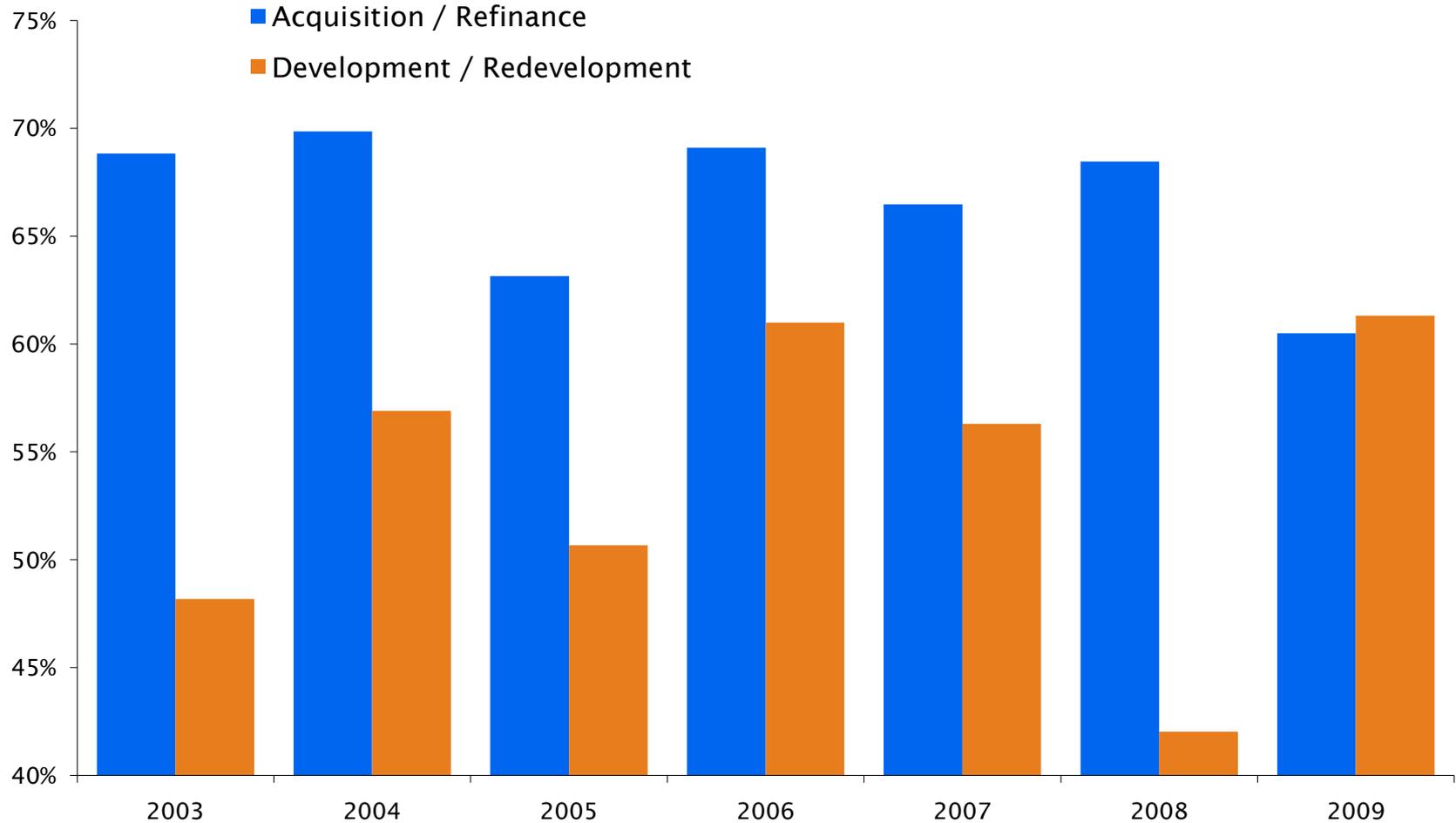
Loan Type	2009		Q1 2010		Overall	
	Mean	Weighted Average	Mean	Weighted Average	Mean	Weighted Average
Acquisition/ Refinance	66%	66%	70%	64%	67%	66%
Development/ Redevelopment	55%	49%	56%	47%	55%	48%
Overall	62%	59%	65%	54%	63%	58%



Loss Mitigation

Average Recovery Rate by Vintage

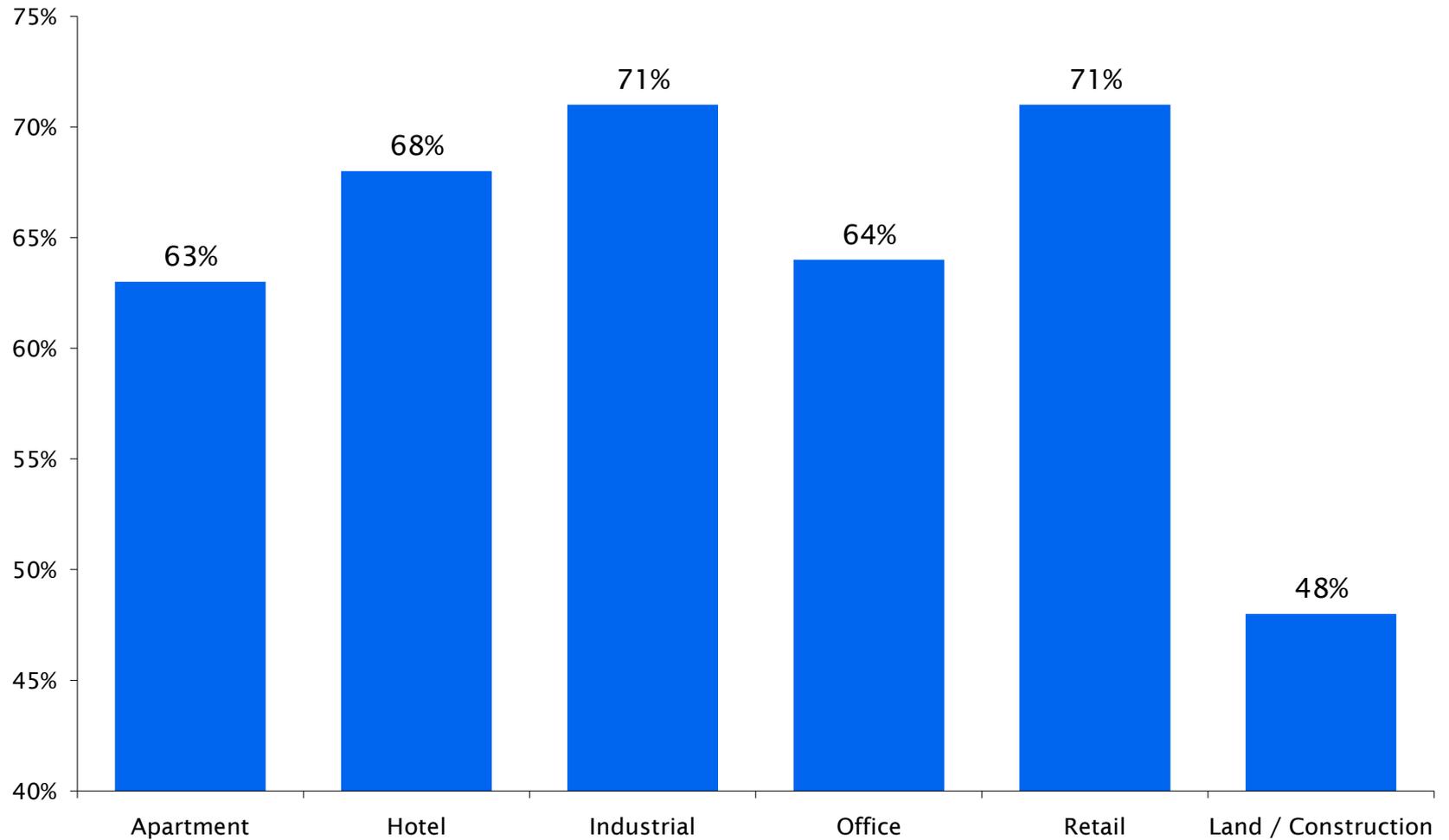
Source: Real Capital Analytics



Loss Mitigation

Recovery Rates by Sector

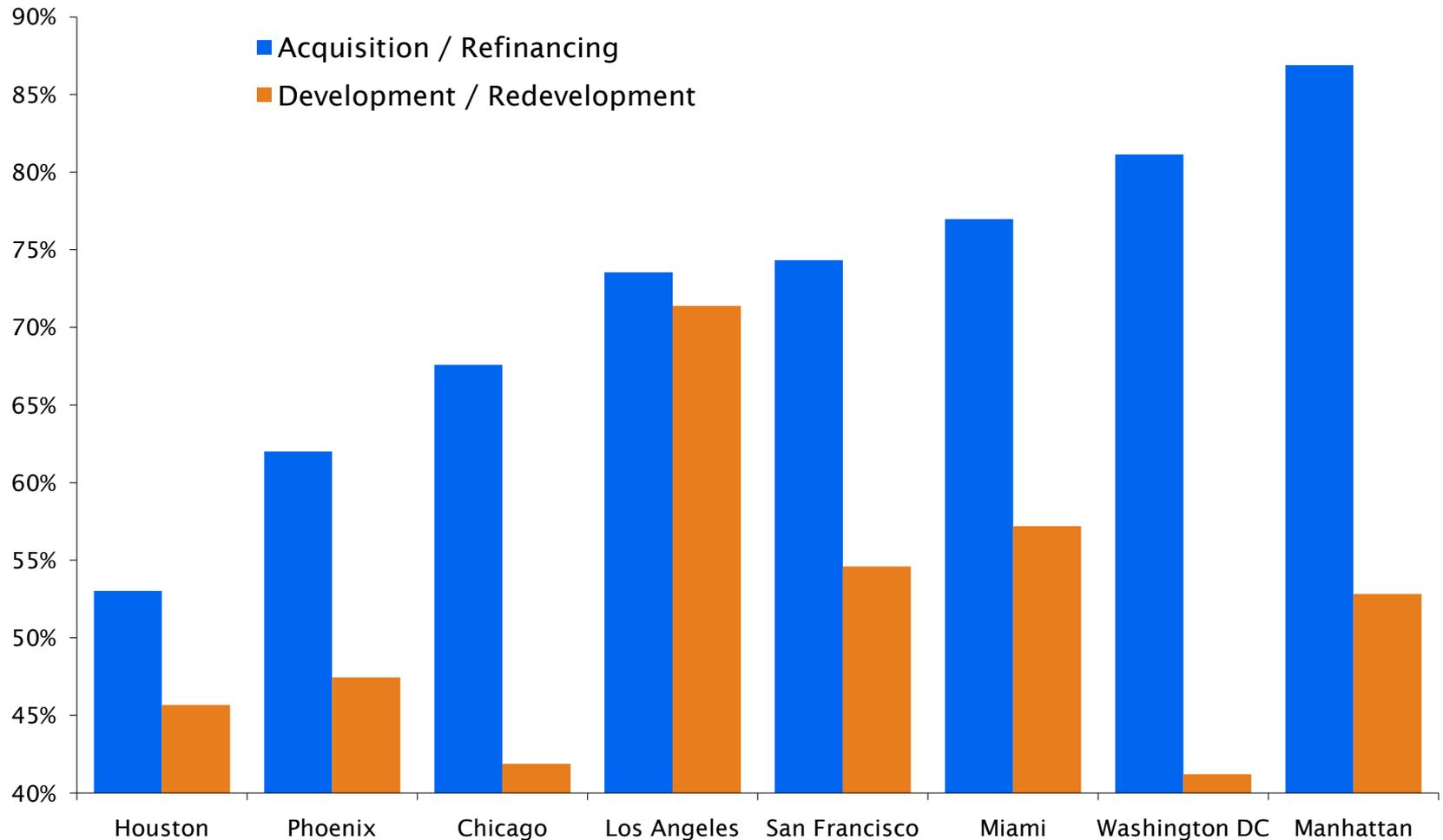
Source: Real Capital Analytics



Loss Mitigation

Average Recovery Rates by Major Metro Area

Source: Real Capital Analytics





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