



PRESS RELEASE

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NAREIT ENDORSES FEDERAL RESERVE'S EXTENSION OF TALF

Program Can Be "Strong Lever to Re-open Shuttered CMBS Market"

WASHINGTON, DC, August 12—NAREIT, the National Association of Real Estate Investment Trusts, today endorsed the Federal Reserve's decision to extend the Term Asset-Backed Securities Loan Facility (TALF) through March 31, 2010 for legacy CMBS and through June 30, 2010 for newly issued CMBS. The program had been slated to expire at year-end.

The TALF program provides loans for investors who purchase asset-backed and other securities to help restore liquidity to these markets. Commercial mortgage backed securities (CMBS) have been eligible as collateral for TALF loans since June. However, because the underwriting process for new CMBS issues requires several months, no new CMBS deals have yet been brought to market.

"We are very encouraged by the Federal Reserve's decision to extend this extremely important program," said NAREIT President and CEO Steven A. Wechsler. "The TALF program can be a strong lever to re-open the CMBS market, a critical source of funding for commercial real estate that has been shuttered for the past 18 months," Wechsler said. "However, in the CMBS market, TALF simply needs more time to work. We are grateful for the Federal Reserve's vision and leadership in deciding to provide that additional measure of time."

When the CMBS market was functioning, banks that made commercial real estate loans could package them into securities and sell them into this secondary market. Without a functioning CMBS market, bank lending for commercial real estate has been severely curtailed. Approximately \$1 trillion in commercial real estate loans will mature over the next several years and need to be refinanced, and banks alone will not be able to provide the necessary liquidity.

"Continuing dysfunction in the commercial real estate credit market threatens the millions of jobs this industry supports and the hundreds of millions of dollars in tax revenues it produces," Wechsler said. "The TALF program is an important first step in curing this market dysfunction."



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