



30 Broad Street, 28th floor, New York, NY 10004-2304
Tel: 212.509.1844 Fax: 212.509.1895
www.cmbs.org

FOR IMMEDIATE RELEASE

CMSA Supports Introduction of Comprehensive Covered Bond Bill by Rep. Garrett

Legislation Would Expand Financing Options For Commercial Real Estate

FOR IMMEDIATE RELEASE

Washington, D.C., July 31, 2008 - Commercial Mortgage Securities Association (CMSA) applauds Rep. Scott Garrett (R-NJ), a member of the House Financial Services Committee, for introducing [legislation](#) that would include high quality commercial mortgage loans and commercial mortgage-backed securities (CMBS) as eligible collateral in the emerging covered bond marketplace. The timely legislation comes as borrowers in fundamentally sound markets, such as commercial real estate, are finding limited financing options due to the recent credit crisis.

On July 15, the Federal Deposit Insurance Commission (FDIC) issued their policy statement promoting the development of the covered bond market in the United States, based on the positive and widespread market experience with these securities in Europe. Covered bonds would act as an additional source of liquidity for Insured Depository Institutions. Last month, CMSA submitted a [comment letter](#) to the FDIC requesting the inclusion of commercial mortgage loans and CMBS in the cover pool. However, the FDIC policy statement includes residential loans only, and not commercial mortgages.

"We applaud Representative Garrett for his approach to facilitating a covered bond market that would enable commercial mortgages and CMBS to be used as collateral," said Dottie Cunningham, CEO of CMSA. "The development of a U.S. covered bond market for commercial mortgage loans and CMBS will enhance the quality of these products for investors. Covered bonds are not a 'silver bullet' for ending the credit crunch but can provide supplemental liquidity for commercial real estate finance."

(MORE)



30 Broad Street, 28th floor, New York, NY 10004-2304
Tel: 212.509.1844 Fax: 212.509.1895
www.cmbs.org

FOR IMMEDIATE RELEASE

Page 2: CMSA Supports Introduction of Comprehensive Covered Bond Bill by Rep. Garrett

ABOUT CMSA

Commercial Mortgage Securities Association (CMSA) is a trade association dedicated to promoting the ongoing strength, liquidity and viability of commercial real estate capital market finance worldwide.

With commercial mortgage-backed securities (CMBS) currently valued in excess of \$900 billion, the commercial real estate capital market finance industry is a responsible, healthy and vital contributor to the overall economy.

CMSA's diverse membership represents the full range of market participants including investment banks and commercial banks, rating agencies, insurance companies, service providers and investors at all levels of risk.

CMSA provides a forum for continuous and timely dialogue among its members through programs that offer meaningful opportunities to address issues. CMSA acts as a voice of the marketplace encouraging the development of consensus positions and advocating before government agencies and legislators on vital concerns facing the industry. CMSA supports professional growth through a wide variety of educational and research efforts.

Contact:

Kenneth Reed
CMSA
ken@cmbs.org
212-589-0961