



CMSA® Lauds Fitch Statement on the Need For Terrorism Insurance *New Fitch Ratings Statement Lays Out Need for Sustainable Terrorism Insurance*

New York City, NY (October 9, 2007) – Commercial Mortgage Securities Association (CMSA), the leading expert and voice of the commercial real estate capital market finance industry, again stressed the need for the “Terrorism Risk Insurance Revision and Extension Act of 2007,” in light of the just-released [Fitch Ratings](#) statement on the necessity for such coverage. Fitch Ratings is a leading global rating agency providing the world's credit markets with timely and prospective credit opinions and is a member of CMSA.

Today, Fitch Ratings issued a statement indicating that the commercial real estate capital market finance industry is at risk without a federal backstop for terrorism insurance.

The statement indicates that the absence of a long-term solution regarding terrorism insurance would continue to provide negative repercussions for the commercial real estate sector, including commercial mortgage-backed securities (CMBS).

The terrorism insurance legislation, H.R. 2761, was passed by the House of Representatives on September 26, and was first introduced by Rep. Mike Capuano (D-MA) and House Financial Services Committee Chairman Barney Frank (D-MA). It includes CMSA’s top three priorities in the extension of the program:

- A 15-year extension of the current Act that will provide a sustainable risk insurance program
- A requirement that insurers “make available” coverage for nuclear, biological, chemical and radiological (NBCR) attacks
- Elimination of the distinction between “foreign” and “domestic” acts of terrorism

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“As the Fitch Ratings statement illustrates, a long-term extension is necessary to ensure that insurance is available and more affordable,” said Dottie Cunningham, chief executive officer of CMSA. “A sustainable solution will protect our country’s economic security and ensure that new construction, jobs and economic growth can continue without disruption.”

“The Fitch Ratings statement confirms that terrorism insurance is critical to the commercial real estate capital market finance, which provides capital and liquidity to our economy,” said Leonard W. Cotton, vice chairman of Centerline Capital Group and current president of CMSA, who testified on the availability of terrorism insurance before the House Financial Services Subcommittee on Capital Markets in April. “Put simply, lenders require terrorism insurance coverage, and investors and credit rating agencies demand it.”

ABOUT CMSA

Commercial Mortgage Securities Association™ (CMSA®) is an international trade association dedicated to promoting the ongoing strength, liquidity and viability of commercial real estate capital market finance worldwide. With more than 400 member companies worldwide, CMSA offers unparalleled leadership in the commercial real estate markets. Our diverse membership base spans the globe and represents the full range of the industry's market participants, from senior executives at the largest money-center banks and investment banks, rating agencies, insurance companies, and investors to service providers. Member-driven, CMSA is dedicated to insightful, forward thinking that encourages vision, innovation and continuous professional growth for market participants. It is committed to being responsive to its members and providing them a culture of collaboration, collegiality, open and inclusive dialogue, consensus building and respect for diverse views.

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