



CMSA® Encouraged by Agreement on Catastrophic Insurance Bill *House Lawmakers Agree to Consider Legislation on ‘Commercial’ Coverage*

New York City, NY (November 9, 2007) – Commercial Mortgage Securities Association (CMSA), the leading expert and voice of the commercial real estate capital market finance industry, today complimented House policymakers for agreeing to move natural disaster legislation that would better protect local businesses and address availability and affordability issues in the ‘commercial’ insurance market.

The agreement came during consideration by the House of Representatives of H.R. 3355, the “Homeowners Defense Act of 2007”, which was introduced by Reps. Ron Klein (D-FL) and Tim Mahoney (D-FL) and focuses on providing insurance coverage relating to catastrophic events for homeowners. As a founding member of the Natural Catastrophe Policyholder Coalition (NCPC), CMSA is working with its industry counterparts to provide feedback on the legislation to policymakers and to attempt to explicitly include language to address ‘commercial’ coverage in order to protect the commercial real estate marketplace.

“The availability and affordability of ‘commercial’ insurance for catastrophic events is critical to the economic strength of the commercial real estate capital market finance sector and overall economy,” said Dottie Cunningham, chief executive officer of CMSA. “By considering legislation to address ‘commercial’ coverage, Congress will protect local businesses that provide jobs and fuel local communities.”

H.R. 3355 aims to address the availability and affordability of homeowners insurance by creating a federal/state consortium that would provide a backstop for state and regional catastrophe programs, securitize and sell catastrophe bonds, and collect and store catastrophe risk and coverage information. Participation in the consortium is voluntary and participating states are required to contribute financially to the entity. The bill also authorizes the Secretary of the Treasury to make liquidity loans and catastrophic loans to state and regional reinsurance programs to ensure the solvency of such programs.

Specifically, CMSA commends Rep. John Campbell (R-CA) for offering an amendment that would extend the provisions of the legislation to ‘commercial’ insurance coverage. The amendment was offered and withdrawn after the bill sponsors and House Financial Services Committee Chairman Barney Frank (D-MA) agreed to consider the inclusion of ‘commercial’ coverage in H.R. 3355 or as a separate bill that would address ‘commercial’ coverage in the upcoming months.

“Commercial insurance for catastrophic events is a critical component in protecting our economy and taxpayers, and we thank Rep. Campbell for his thoughtful amendment and approach to this issue,” said Leonard W. Cotton, vice chairman of Centerline Capital Group and president of CMSA. “Addressing the commercial marketplace will provide stability in the capital markets, and we look forward to working with the Chairman and Rep. Campbell as they consider this legislation.”

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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 470 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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