IV. Forecasting

Projected New Loan Production

	2015	2016	2017	TOTAL
Life Cos.	$63 B	$62 B	$63 B	$187 B
CMBS	$110 B	$125 B	$125 B	$360 B
Agencies	$72 B	$73 B	$73 B	$218 B
Banks, Others	$169 B	$170 B	$170 B	$509 B
	$414 B	$430 B	$431 B	$1,275 B

COLUMBIA NATIONAL
Real Estate Finance, LLC

Maturing Mortgage Debt (Non-Bank)

	$	CMBS %
2014	$92 B	46%
2015	$121 B	60%
2016	$223 B	60%
2017	$209 B	60%
Total	**$645 B**	

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Constraints on Liquidity

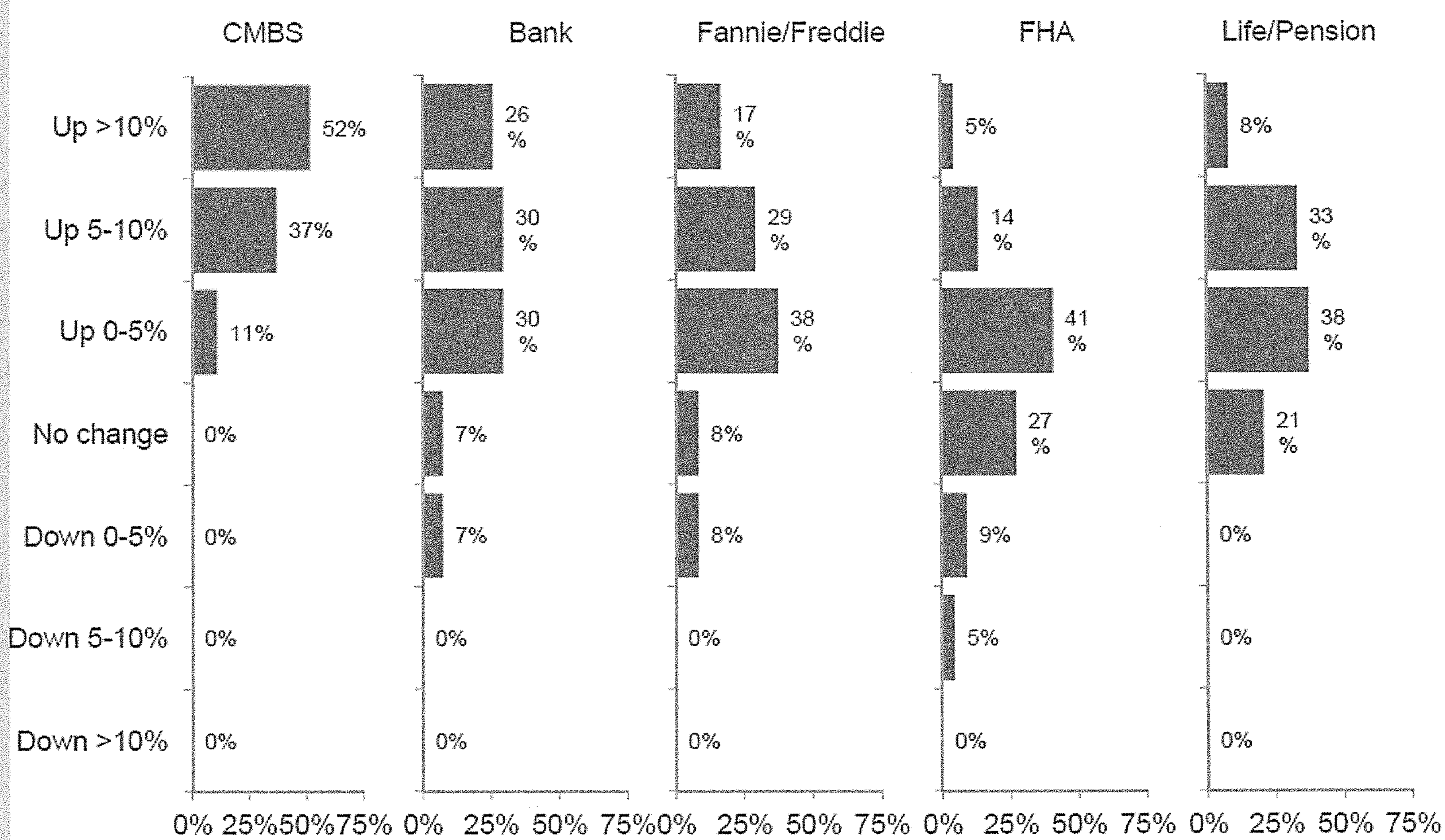
Life Cos. – Limited to no more than 15%-18% of invested assets in real estate. Currently +/- 11%

Agencies, GSE – Limited by Conservatorship constraints, political strains, and Treasury movements

CMBS – No self limits. Constrained by capital markets, perception of credit risks & available B- class buyers

Forecasting

For each investor group, what is your outlook for TOTAL MARKET originations volume in 2015, compared to total volume in 2014



Source: Mortgage Bankers Association, 2015 CREF Outlook Survey

KEY CONCLUSIONS

- **Loan risk is expected to increase in 2015.** Most respondents characterized the loans made in 2014 as "medium" risk (73 percent). In 2015, more respondents expect loans to be "somewhat high" (38 percent in 2015 versus 9 percent in 2014).

- **Loan return is expected to moderate in 2015.** Half of respondents (52 percent) characterized the loans made in 2014 as "somewhat" or "very low" return. Nearly three-quarters (74 percent) expect loans to be "somewhat" or "very low" return in 2015.

Questions & Answers