

Real Estate Update

Would You Like to Attend a Real Estate Webinar?

To better serve our clients, we are considering offering periodic internet-based seminars ("Webinars") on relevant real estate and/or business topics, and would appreciate your input. These would be 30–60 minute presentations that you can attend in the comfort of your own office via your own computer—no travel time, no traffic, less time away from work, and you can even attend in your jammies and slippers! These free Webinars would be real time with the ability for questions and answers via telephone, your computer speakers and microphone, or both. Will you please take a moment to answer this survey so that we may determine the level of interest?

[Click here to respond to our brief survey. The survey results will be in our next newsletter.](#)

TALF, TARP and FSP – More Alphabet Soup or Better Liquidity?

Treasury Secretary Thomas Geithner recently announced that Treasury will expand the Term Asset-Backed Securities Lending Facility (TALF) (a/k/a "second bailout") – which is a follow-on part of the Troubled Assets Relief Program (TARP) under the Emergency Economic Stabilization Act of 2008 (a/k/a "first bailout") – to include new commercial real estate securities. This expanded plan allows the Federal Reserve Bank of New York to lend up to \$200 Billion on a non-recourse basis to holders of AAA-rated securities backed by new and recently originated commercial and multi-family real estate loans. Now, as part of the just-passed Stimulus Plan, comes the Financial Stabilization Plan (FSP) (a/k/a "third bailout"). This program's primary objective is to unfreeze credit that banks need. It addresses two of the three main issues facing banks: "troubled" assets

and undercapitalization. The plan also addresses securitized lending and mortgage modifications. FSP expands TALF from \$200 billion to \$1 trillion in capacity and would allow AAA commercial mortgage backed securities (CMBS) as collateral, in addition to AAA consumer related asset-based securities (ABS).

Industry organizations such as the Building Owners and Managers Association International (BOMA), Institute of Real Estate Management (IREM), National Association of Industrial and Office Properties (NAIOP), International Council of Shopping Centers (ICSC), National Association of Realtors, Mortgage Bankers Association, and the U. S. Chamber of Commerce view this expansion as an important proactive measure to help ease the lending crisis that has fueled the down-

turn in the U. S. economy and impacted the commercial real estate market. They hope that taking this action will prevent a more severe impact on the real estate sector and the national economy by helping to help free up liquidity in the marketplace in which hundreds of billions of commercial real estate mortgages are maturing this year alone.



For further information on this or other real estate matters, contact:

**John D. Sullivan,
Real Estate Practice
Group Chair and Partner
(206) 682-3333
jsullivan@scblaw.com**