Commercial Corp Finance

www.CCFDeals.com
Commercial Corp Finance,
D/B/A of Gary Meyers Realty, Inc., founded 1977.
Provides Real Estate Consulting and Lending Service.

Gary S. Meyers, President
GMeyers@CommercialCorpFinance.com
Direct: 224-715-5555 Private Fax: 847-557-1260

Issue date: April 22, 2013

THE MEYERS REPORT

by Gary S. Meyers and Robert Genetski, Ph. D.

Mortgages, Housing, Future

Top 15 States with greatest change in 90+ Days Late Prime Conventional Home Mortgages when comparing March 2012 with February 2013. Note: FHA/VA Loans 90+ Days Late generally are increasing.

Home Mortgages 90+ Days Late

	Prime Conventional		FHA/VA	
State	**Feb. '13**	**Mar. '12**	**Feb. '13**	**Mar. '12**
NV	9.15%	25.82%	10.94%	10.50%
FL	12.06%	25.78%	14.44%	14.46%
HI	4.24%	17.84%	6.26%	5.64%
NJ	8.25%	16.90%	20.18%	17.30%
CA	3.69%	14.45%	5.30%	5.40%
WA	4.31%	13.28%	10.18%	8.68%
AZ	3.24%	13.20%	5.55%	7.31%
NY	5.59%	13.12%	12.40%	10.79%
UT	2.44%	13.10%	7.48%	7.41%
OR	3.75%	13.02%	8.98%	8.20%
NM	3.78%	12.94%	8.50%	7.56%
ID	2.95%	12.90%	7.37%	7.59%
IL	5.66%	12.37%	15.30%	14.84%
RI	5.02%	11.88%	10.61%	9.36%
ME	4.74%	11.52%	11.29%	10.00%

Data Source: CoreLogic, Irvine, CA. Analysis: The Meyers Report

Mortgage Delinquencies

There is good news in the delinquency rate of the nation's home loans. In the past 12 months (ending Feb. 28, 2013), on a state-by-state basis, the average of 90+ days late fell to 3.50% for conventional prime mortgages, down from 9.93% a year earlier. FHA/VA saw slight increases for the same period, rising to 8.56% of the loans being late, up from 8.21%. Some of the reasons for the sharp decline in lates for conventional prime loans are short sales, foreclosures and loan forgiveness. Nonetheless, there is improvement. The challenge is for the economy to keep from weakening.

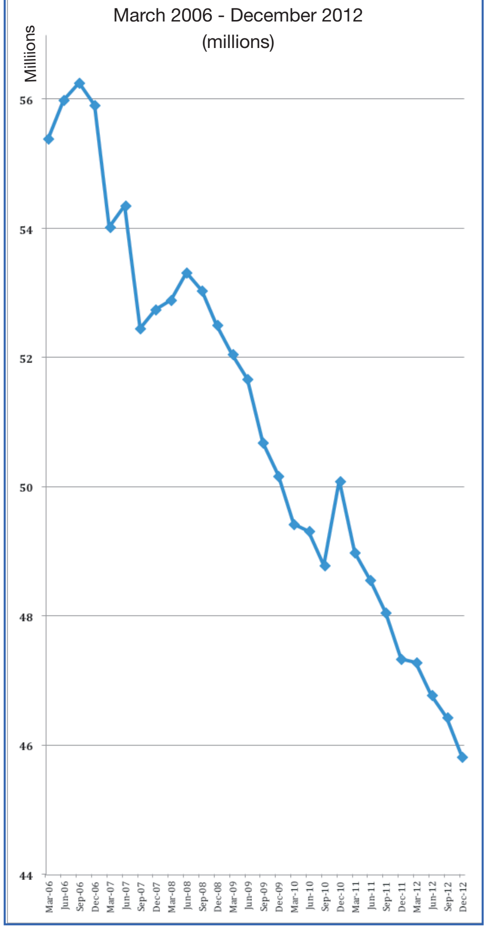
Housing

Are government and regulatory policies holding back the housing market? Consider that historically more than 80% of homes had mortgages on them—generally because the other 20% were paid off loans. Yet, there is growing anecdotal evidence that more homes are being purchased with cash than ever before and that the number of mortgages is shrinking.

This points to a critical problem. The youngest in our society still need mortgages—and they were the ones hurt most by the housing bubble and foreclosures. According to Irvine, CA-based, CoreLogic's own counting, since the beginning of 2006, the number of mortgages has declined by 7.3%. (However, in 2006, CoreLogic was tracking 80% of all mortgages, but by the end of 2012, its coverage climbed to 90%. Allowing for this difference, THE MEYERS REPORT extrapolated estimates that indicate the decline could really be as high as 18.28%. If our estimates are overstated, the impact still is significant.

Regulatory pressures on lenders and appraisers are making it tougher for would-be home buyers. For example, in 2006, the average borrower had a credit score of 716, by the end of 2012 it was 741.

Our conclusion: A pent-up demand is building in the home buying market. It will take time for people and credit scores to recover. The question: when and will the government do anything that retards recovery?



Data Source: CoreLogic, Irvine, CA. Analysis: The Meyers Report

THE MEYERS REPORT Economic Notes

Commercial Real Estate Lending

Multi-family (M-F) lending rates continue to be mixed. HUD program rates have stabilized for the past three weeks, after several weeks of increases. Since five weeks ago, HUD 223(f) and 221(d)4 construction loans are up only 0.03%- and 0.13%-age points, respectively.

However, over the past five weeks, Agency M-F loans continue to fall, with the 30-, 10-, and 7-year term loans declining steadily by 0.22%-, 0.19%- and 0.30%-percentage points, respectively. The April SBA 504 (real estate based) loan rates are down to 3.94%, and have appeared to have broken the string of three consecutive monthly rises.

Commercial Real Estate Lending Rates

Non-recourse Type	Term Yrs.	Current Rate	Last Week	Amort. Yrs.	LTV
HUD 223(f)*	35	3.55%	3.52%	35	83%
HUD 221(d)4*	40	4.05%	3.92%	40	83%
FNMA M-F	30	5.15%	5.36%	30	80%
FNMA M-F	10	4.09%	4.27%	30	80%
FNMA M-F	7	3.63%	3.92%	30	80%

* Includes MIP

Full Recourse Type	Term Yrs.	Current Rate	March Rate	Jan. Rate	Amort. Yrs.	LTV
SBA 504	20	3.94%	4.07%	3.99%	20	90%

Interest Only Loans Liability Varies	Term Yrs.	Current Rate	LTV
Bridge loan	3	4.5-7.5%	70%
Hard money	3	10-12.5%	65%

Rates are subject to change without notice and are subject to property and credit qualifications. For details on any of these and other programs, contact Gary Meyers at 224-715-5555 or email: gmeyers@commercialcorpfinance.com.

This week the key economic news involves additional news on housing activity, new orders for durable goods and a report on economic growth in the first quarter. If the homebuilders' perceptions are on target, sales figures for new and existing homes in March will not be very strong.

HUMOR

Quotes from Henry Ford ... you know, the car guy

"If I had asked people what they wanted, they would have said faster horses."

"Thinking is the hardest work there is, which is probably the reason so few engage in it."

"Don't find fault, find a remedy; anybody can complain."

Robert Genetski's Weekly Financial Update & Stock Impact Gauge

	Fundamental	Actual	Immediate Outlook
Fixed-income: 10-yr Treas.	5.0	1.69	neutral
Equities: S&P 500	2000	1542	neutral
Equities: Dow Jones	16,000	14,537	neutral

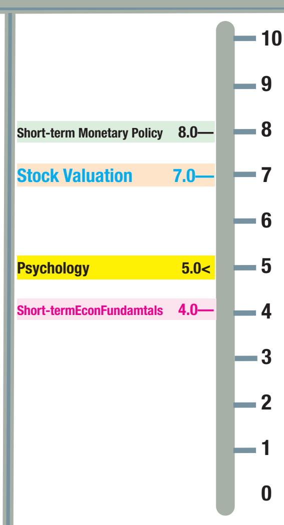
Economic numbers continue to point to a slow, but steady recovery. I expect this week's first quarter GDP report to show real growth of close to 3%, compared to near 0% in the previous quarter.

Market Outlook Stock prices moved sharply lower this past week with key indexes down 2%-5%. The losses all came on higher trading volume.

Technical indicators deteriorated further. For the small cap Russell 2000, the 10-day average crossed below the 50-day average. This negative cross often leads to a further decline in prices.

Other key indexes have not had a negative cross. However, the overall market is close. Of all key indexes, the Dow has held up best. Next is the S&P 500, where Thursday's close was only slightly below its 50-day average.

My technical guru, Joe Barto, recently identified 1536 as a point of major support for the S&P 500. On Thursday, the S&P hit this point intraday before closing slightly higher. If this level of support holds, the bull market should be OK. If not, stocks are likely to move sharply lower.



Ratings for forces impacting stocks	10 is best — means no change > change for better < the other direction

My recommendations to reduce stock holdings to neutral reflect a lack of conviction regarding the market's next move. If the current support level fails to hold I intend to become more defensive. If it holds, I will increase my exposure to stocks.

Long-term interest rates fell again this past week. I expect rates to take their cue from stocks. If support levels hold and stock prices improve, rates will move higher. If not, the downtrend in rates is likely to continue.