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INTEREST RATES FOR POPULAR FHA-INSURED HUD LOANS MOVE LOWER AS ECONOMIC UNCERTAINTIES DRIVE GOVERNMENT BOND YIELDS DOWN

The recent plunge in the 10-year U.S. Treasury bond rate means senior housing/healthcare borrowers will be getting an even more attractive interest rate on their HUD Lean mortgage loans in the weeks ahead, funding expert Jeffrey A. Davis observes.

Davis is Chairman of Cambridge Realty Capital Companies, one of the nation's leading senior housing/healthcare lenders, with more than \$3 billion in closed transactions since the mid-1990s. The company has been ranked among the top FHA-insured HUD lenders for more than a decade.

According to Davis, interest rates for HUD 232 loans tend to mirror developments in the government bond market, in May, there was a significant 50 basis point drop in 10-year Treasury yields, from a high of 3.76 percent in April to 3.25 percent a month later.

Bond yields nudged up slightly in early June but remain well below highs for the current calendar year.

"It's not uncommon for volatility in the equities market to drive bond yields lower. The economic crisis in Europe, a disappointing job report and the calamitous oil spill in the Gulf all have investors on edge.

"Some worry that the U.S. economy could be headed for a double-dip recession, while others, including Fed Chairman Ben Bernanke, see a tepid recovery continuing but with stubbornly high unemployment. Whichever scenario unfolds, it's unlikely that Treasury bond yields will be moving dramatically higher anytime soon," he noted.

Davis said the Cambridge staff is reminding senior housing/healthcare clients that rates for refinancing with the popular new HUD Lean product are probably as low as they're likely to get in the current cycle.

Cambridge is the creator of *The Signature Experience*[™], a four-step process designed to transform the traditional lender/borrower relationship and identify "ideal" capital solutions for worthy projects. The company has a national origination office in Los Angeles, and numerous correspondent and brokerage relationships nationwide.

Cambridge publishes the bi-monthly e-PULSE!(R) electronic newsletter, which delivers company news and feature stories via e-mail to corporate friends and clients. Additional information is available on the Cambridge website, www.cambridgecap.com, and Cambridge can be reached at (312) 357-1601 or via e-mail to info@cambridgecap.com.

The firm also has embraced social media and networking via Twitter at <http://twitter.com/cambridgecap> , via Facebook at <http://www.facebook.com/cambridgecap>, and via LinkedIn at <http://www.linkedin.com/companies/454232> , where information on the firm and its employees can be found.

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