



# CAMBRIDGE

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## MOST ECONOMISTS THINK IT'S UNLIKELY FED CHAIRMAN BERNANKE WILL RETURN FOR ANOTHER TURN AT THE HELM IN 2014, SURVEY REVEALS

Most economists believe it's unlikely that disaffected members of Congress will have Fed Chairman Ben Bernanke to kick around after his current term expires on Jan. 31, 2014.

More than two-thirds of the economists recently polled by CNN Money believe the Fed Chairman will be moving on next year. But they also think the choice to stay or go will be his.

Most likely, the Fed Chairman will be reappointed if he chooses to stay. But most of those surveyed said they would not be surprised if Bernanke elected to return to teaching at Princeton University instead.

Most of the experts surveyed said they believed it would be better for the economy if Mr. Bernanke returned for another term. But if he does, his tenure as head of the central bank will most likely continue to be the most contentious in recent memory, CambridgeChairman Jeffrey A. Davis observes.

"Chairman Bernanke has been pummeled by various critics, including members of Congress and members of the usually complacent Federal Open Market Committee (FOMC), which makes decisions on interest rates and growth of the nation's money supply. Even the Managing Director of the International Monetary Fund, a French attorney, has criticized Fed policies," he said.

What the experts can't agree on is the continued desirability of the Fed's aggressive quantitative easing (QE3) monetary policies, which are designed to drive interest rates lower to stimulate the economy. So far, since December 2008, the Fed has pumped about \$2.5 trillion into the economy through its purchase of mortgage-backed securities and Treasury notes.

The economy has responded to the stimulus but not fast enough to satisfy anyone.

"As long as inflation remains in check, Chairman Bernanke has vowed to continue spending about \$85 billion a month to purchase these securities until the unemployment rate drops to 6.5 percent. Guesses for when this might occur are all over the lot," Mr. Davis said.

"What impact Mr. Bernanke's decision to stay or go might have on senior housing/healthcare borrowers remains to be seen. For now, borrowers are encouraged to take advantage of bargain basement interest rates at levels that are unlikely to last forever." he added.

Privately owned since its founding in 1983 as a real estate investment banker specializing in commercial real estate properties, Cambridge today has three distinctive business units: FHA-insured HUD loans, conventional financing, and investments and acquisitions. The company is one of the nation's leading nursing home, [assisted living](#) and healthcare debt and equity capital providers, with more than 400 closed transactions totaling more than \$4.5 billion since the early 1990's, when the firm began its specialization in providing senior housing capital.

Cambridge has consistently ranked among the country's top five FHA-insured HUD lenders (now HUD LEAN) over the last 15 years and offers an array of conventional lending options, including permanent construction and interim loans on either a floating or variable rate basis. The company's principal investment strategy includes direct property acquisitions and joint ventures, sale/leasebacks, conventional and mezzanine debt financing, and the acquisition of distressed debt.

Cambridge is the creator of *The Signature Experience*<sup>™</sup>, 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, as well as monthly updates of other relevant news and breaking trends. Additional information is available on the Cambridge website, [www.cambridgecap.com](http://www.cambridgecap.com), and Cambridge can be reached at (312) 357-1601 or via e-mail to [info@cambridgecap.com](mailto: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>, via blog at [www.cambridgecap.com/blog](http://www.cambridgecap.com/blog), via YouTube at <http://www.youtube.com/user/ePulseLive>, 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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