



CAMBRIDGE

Realty Capital Companies

125 SOUTH WACKER DRIVE | SUITE 1800 | CHICAGO, IL 60606 | M 312-357-1601 | F 312-357-1611
WWW.CAMBRIDGECAP.COM

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CAMBRIDGE CHAIRMAN URGES BORROWERS NOT TO OVERREACT TO LATEST BUMP IN INTEREST RATES

Concerns the Fed may soon be quantitatively extricating itself from the monetary strategy that has successfully stimulated economic growth in the current cycle drew this cautionary advice from senior housing/healthcare finance expert Jeffrey A. Davis.

"Interest rates have started to inch higher based on reports that we're near the beginning of the end for the Fed's controversial quantitative easing program. In fact, the Fed has set some target dates, but timing is conditionally based on developments that are difficult to predict or control," he says.

Davis is Chairman of Cambridge Realty Capital Companies, one of the nation's leading senior housing/healthcare lenders with more than \$4.5 billion in closed transactions. The company's principal investment strategy includes direct property acquisitions and joint ventures.

"In its so-called quantitative easing program, the Fed has been purchasing \$85 billion in a mix of Treasury bonds and mortgage-backed securities on a monthly basis. This strategy has succeeded in stimulating economic growth by driving interest rates to historically low levels," he said.

It's unlikely the Fed will end the purchases because some critics don't like the program, he maintains.

"Chairman Bernanke has repeatedly indicated that certain things must happen before any change in policy can be considered. For example, the unemployment rate needs to drop to 6.5 percent, or the projected rate of inflation must not exceed the central bank's long-term goal of holding inflation near 2 percent," he said.

Davis says he advises clients to stay focused on the big picture.

"No one can predict how interest rates will progress over the next 18 months. But we know there will be the usual cyclical ups and downs.

"Refinancing takes time and energy. We remind our clients that interest rates remain near historic lows and urge them not to berate themselves for not moving sooner.

"There's still time for many borrowers to realize substantial interest rate savings," he maintains.

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*[™], 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, 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>, via blog at 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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Contact:

Evan Washington

Phone: (312) 521-7604

Fax: (312) 357-1611

E-Mail: ew@cambridgecap.com