



CAMBRIDGE

Realty Capital Companies

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PRESS RELEASE

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SENIOR HOUSING HEALTHCARE BORROWERS WELL ADVISED TO BECOME STUDENTS OF THE WORLD ECONOMY, CAMBRIDGE CHAIRMAN SAYS

What do falling oil prices, the currency crisis in Russia and the Europe's worsening economic outlook have to do with the challenge of successfully managing senior care properties in America?

"More than you might think," says Cambridge Realty Capital Companies Chairman Jeffrey A. Davis.

"In our global economy, dramatic headlines heralding significant economic developments at home and abroad routinely reverberate in the U.S. bond market - with an almost immediate impact on borrowing costs," he noted.

Cambridge is one the nation's leading senior housing/healthcare lenders and has consistently ranked among the top FHA-approved HUD lenders in the current century. Davis observes that interest rates for popular HUD loans roughly track or parallel yields for 10-year Treasury notes, which swiftly respond to changing perceptions about developing economic trends.

For example, when Russia recently devalued its currency and raised short-term interest rates in the country to 17 percent, headlines announcing this development touched off a major buying spree for U.S. Treasuries. Also, the rapid drop in oil and natural gas prices over the past year spurred a global buying spree for U.S. Treasury bonds.

"In turn, interest rates nudged higher for senior housing/healthcare borrowers," Davis said.

In still another example, Davis says when Fed Chairman Janet Yellen speculated that rates would begin rising later in 2015, the market response was instantaneous. Interest rates rose dramatically over a 24-hour period.

"We live in a global economy that is impacted by both local and international developments. Our recommendation to owners and operators is to become students of the world economy, as there are many forces impacting their business," he said.

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(TM)*, 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](tel:3123571601) 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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