



CAMBRIDGE

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PRESS RELEASE

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FED NOT READY TO THROW CAUTION TO THE WIND

Although projections and expectations grow wilder with every passing day, recently released minutes of the December meeting of the Fed's Federal Open Market Committee (FOMC) indicate central bank policymakers are not ready to throw caution to the wind.

In the wake of President-elect Trump's surprise victory and the changed economic outlook his victory seemingly portends, several members of the committee believe rates may need to rise more quickly than currently anticipated to stem a potential buildup of inflationary pressure.

At its December 13-14 meeting, the Fed boosted the benchmark rate by one-quarter of a point to a range of between one-half and three quarters of 1 percent. At the time the central bankers forecast, but did not commit to, three more such rate increases this year.

Almost all members of the FOMC indicated that the upside risks to their forecasts for economic growth had increased as a result of prospects for more expansionary fiscal policies. But minutes of the meeting indicate that officials aren't inclined to arbitrarily take preemptive action by raising rates more aggressively, Cambridge Realty Capital Companies Chairman Jeffrey A. Davis observes.

Not surprisingly, the nation's central bankers spied some possible negatives that could impact the economy, including the strength of the dollar, financial vulnerabilities in some foreign economies, and the still-low level of the benchmark federal funds rate. At a press conference Fed Chair Janet Yellen described the economic outlook as "clouded by uncertainty," and indicated she is waiting to see what policies are put in place by the new President and how they impact the economy.

"At this point, this is the space most of us find ourselves in," Mr. Davis 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 senior housing and healthcare debt and equity capital providers, with more than 400 closed senior housing 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, joint ventures and sale/leasebacks. The company has acquired 16 facilities totaling approximately \$60 million.

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 Capital Wisdom(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 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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