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PRESS RELEASE

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FEDERAL RESERVE BOARD'S DECISION TO SLOW BOND PURCHASES INDICATES CONFIDENCE IN THE ECONOMY, CAMBRIDGE CHAIRMAN SAYS

When former Chairman Ben Bernanke recently presided over his final meeting of the Federal Reserve Board's Open Market Committee, he had to be pleased that the massive stimulus program he initiated at the Fed to jumpstart the economy was starting to wind down as the economy shifted into a higher gear.

From the perspective of senior housing/healthcare borrowers, higher interest rates is the price to pay for the Fed's apparent success in helping coax the economy back to health using the controversial quantitative easing (QE3) bond purchasing program, said Cambridge Realty Capital Chairman Jeffrey A. Davis.

The bond purchase program was implemented to boost the economy by lowering long-term interest rates and providing extra capital for financial institutions to lend. A PulsePoints blog post on Cambridge's website notes the monthly purchase amount is now down from $85 billion in December to $65 billion in February.

"The central bank's decision to taper the program or wind it down apparently signals its belief that the economy is growing and no longer needs this support. But it also increases the likelihood we will see interest rates rising this year," Davis said.

He points out that the Fed has repeatedly linked the QE3 program with developments in the job market. When the December jobs report was released in January, the number of new jobs created was surprisingly low.

"The 74,000 jobs created was a much smaller number than the 205,000 analysts were expecting. But apparently the Fed was swayed by a host of other economic data indicating the economy was moving in the right direction," Davis said.

Although the housing recovery has slowed somewhat, household spending and business investment has advanced more quickly than expected.

"Last year the Fed Chairman told news reporters that he expected the Fed to continue to reduce its monthly bond purchases by $10 billion each month. The central bank's latest Fed move clearly indicates that even with a sub-par jobs report, the Fed is looking at a range of economic data, and presumably liked what it saw in the fourth quarter and early this year," he said.

The message for senior housing/healthcare borrowers is obvious, Davis believes. "With a window of opportunity narrowing, we're urging clients to address their funding issues with a greater sense of urgency," 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 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 athttp://www.facebook.com/cambridgecap, via blog at www.cambridgecap.com/blog, via YouTube athttp://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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