

SECURITIZATION PROGRAMS

CMBS Issuance Could Be Choppy This Year

With regulatory changes looming and spreads blowing out, conduit shops expect an uneven pace of commercial MBS issuance this year.

The sharp spike in spreads this month has caused a pullback in originations. Lenders say that will lead to a slowdown in issuance when loan warehouses become depleted, probably around late March.

Another lull is likely later in the year — perhaps starting in October or November — as issuers grapple with the December implementation of risk-retention regulations. Those rules have injected so much uncertainty that market pros widely expect lenders to slow originations. The reason: to avoid being stuck with warehoused loans if issuance is disrupted as the implications of risk retention are sorted out.

By the same token, that anticipated late-year lull could in turn prompt a borrower stampede over the summer, with property owners rushing to close mortgages before lenders become more cautious. “People will want to hurry up and get in before risk retention re-prices the whole market,” said one lender.

If those scenarios play out, issuance could go on a roller-coaster ride, complicating the jobs of bond buyers trying to spread out their purchases over the year.

Just a few weeks ago, a panel of bond pros predicted that CMBS issuance would grow by 9% this year, to \$110 billion. But the rough start to 2016 — with stock and oil prices plunging, China’s outlook softening and CMBS spreads widening sharply — has left conduit lenders wondering if they should push the reset button on expectations.

In the wake of that spread volatility, some lenders have widened their loan spreads or temporarily suspended quotes altogether — a pullback that wasn’t factored into 2016 projections.

“You had borrowers and brokers calling in for loan quotes while spreads were blowing out, and everybody was getting sticker shock,” said one lender. “They couldn’t believe that spreads could move out by 30 bp from one week to the next.”

Commercial Mortgage Alert’s annual review of securitization programs has identified 36 active conduits — flat with a year ago (see list of lenders and origination goals on Pages 16-30). But while the overall tally was unchanged, there was some shuffling of individual programs. Three firms joined the list: **Freedom Commercial Real Estate**, **Hunt Mortgage** and **KGS-Alpha Real Estate**. And three were removed: **Annaly Commercial Real Estate**, **GE Capital Real Estate** and **Liberty Island**. Annaly is focusing on portfolio loans, GE exited the real estate sector, and **Perella Weinberg** dropped out of Liberty Island, leaving partner **Prudential Mortgage** in limbo.

The review, which doesn’t include “table-funding” lenders that sell mortgages to securitization programs, found that the firms expect to write \$138 billion of mortgages in aggregate, up from \$111 billion in 2015, according to figures provided by the companies and, in a few cases, estimates by Commercial Mortgage Alert.

Those figures should be read with caution. Firms were asked to provide projections only for CMBS loans, but some probably included portfolio or mezzanine loans. Also, some shops no doubt cited upper-end estimates that will be hard to achieve. The inflation factor can be seen in last year’s review, when the shops’ \$146 billion projection of originations far exceeded the \$95 billion they actually ended up securitizing.

There is a widespread sentiment that small conduit shops are especially under pressure from competitive forces and the impending regulations. According to one industry veteran, predictions of a shakeout will likely come true this year.

“The small lenders are going to be more and more marginalized, because they won’t be able to make enough money to justify the risk they are taking on, and you will see some of them fade away,” he said. “That’s just the way it is.”

But even if that happens, it wouldn’t have a broad impact on the sector. The 10 firms that supplied the smallest volume of loans to conduit deals last year accounted for just 4% of total contributions. By contrast, the market share of the 10 biggest operations was almost 75%. ❖

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Origination Targets for Securitization Programs

Loans originated for securitization. Origination figures were supplied by the lenders and weren't independently verified. Commercial Mortgage Alert estimated originations for Credit Suisse, Freedom Commercial Real Estate, J.P. Morgan, Redwood Commercial Mortgage and Walker & Dunlop.

	Projected 2016 Originations (\$Mil.)	Reported 2015 Originations (\$Mil.)	Actual 2015 Securitized (\$Mil.)
Bancorp Bank	\$1,250	\$1,000	\$407
Bank of America	9,000	7,600	6,397
Barclays	8,000	5,800	5,313
Basis Investment	1,000	454	396
Benefit Street Partners	3,000	900	637
BNY Mellon	1,300	1,100	660
C-III Commercial Mortgage	1,000	1,000	629
CCRE	7,000	5,500	4,093
CIBC	2,200	1,450	1,237
Citigroup	7,000	9,000	6,462
Credit Suisse	6,000	6,000	5,983
Deutsche Bank	12,000	12,000	9,621
Freedom Commercial Real Estate	150	100	93
Goldman Sachs	14,000	9,000	6,259
Guggenheim-Pillar	1,200	575	95
Hunt Mortgage	750	100	0
J.P. Morgan	12,000	12,000	11,143
Jefferies LoanCore	3,000	1,700	1,216
KeyBank	1,500	845	856
KGS-Alpha Real Estate	500	250	53
Ladder Capital	3,000	3,000	2,585
MC-Five Mile	1,250	1,000	968
Morgan Stanley	10,000	8,500	8,056
Natixis	3,500	2,100	2,549
NCB	440	397	275
Principal Commercial Capital	2,000	935	820
RAIT Financial	1,500	1,000	916
ReadyCap Commercial	350	220	219
Redwood Commercial Mortgage	750	750	741
Rialto Capital	3,250	2,600	2,413
Silverpeak Real Estate Finance	2,500	1,400	981
Societe Generale	2,500	739	534
Starwood Mortgage	2,250	2,100	2,069
UBS	3,600	3,000	2,752
Walker & Dunlop	300	300	280
Wells Fargo	9,000	7,000	6,115
OTHERS	0	0	780
TOTAL	138,040	111,415	94,601

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The following is a list of conduit shops that aggregate loans for securitization. In many cases, some or all of the originators aren't listed.

Bancorp Bank

Contact: Ron Wechsler, 646-495-7470

2015 originations: \$1 billion

2016 originations (projected): \$1.25 billion

2016 offerings (projected): 6

Originators:

Southern California/others: John McGlynn, 239-207-0696

Northern California/Northwest: Gary Wong, 510-529-4045

New York: Tim Hallock, 646-495-7472

New York/New Jersey/Florida: David Kra, 646-495-7488

New York/Chicago/Ohio: Jon Kohan, 646-495-7479

Texas/Southern/Midwest: John Barker, 646-495-7505

Florida/Others: Anne Stewart, 813-784-5714

Bank of America

Contact: Kenneth Cohen, 646-855-3608

2015 originations: \$7.6 billion

2016 originations (projected): \$9 billion

2016 offerings (projected): 20

Originators:

National: Jason Ourman, 646-855-3562

Barclays

Contact: Larry Kravetz, 212-526-5838

2015 originations: \$5.8 billion

2016 originations (projected): \$8 billion

2016 offerings (projected): 18

Originators:

U.S. large loans: Eric Wu, 212-526-4890

U.S. conduit loans: Frank Gilhool, 212-526-6970

East Coast/Texas: Christopher Burke, 212-526-2359

East Coast/Texas: Dennis Suh, 212-526-6613

East Coast: Brett Gaffan, 212-526-4301

Southeast: Marcus Perry, 212-526-1918

Midwest: Alison Coen, 212-526-4932

West Coast: Josh Greene, 310-481-2627

West Coast: Eliav Dan, 310-481-2631

Basis Investment

Contacts:

Tammy Jones, 212-842-5713

Kunle Shoyombo, 212-842-5713

2015 originations: \$454 million

2016 originations (projected): \$1 billion

2016 offerings (projected): 5

Originators:

National: Kunle Shoyombo, 212-842-5713

National: Mark Bhasin, 212-915-0696

National: Brendan O'Brien, 212-915-0698

National: Shaunak Tanna, 212-915-0699

Benefit Street Partners

Contact: Scott Waynebern, 212-588-6740

2015 originations: \$900 million

2016 originations (projected): \$3 billion

2016 offerings (projected): 8

Originators:

Michael Comparato, 212-588-9404

Aaron Casden, 212-588-9242

Brian Nowakowski, 212-588-9283

David Elgart, 212-588-9241

Peter Touhill, 212-588-6984

BNY Mellon

Contact: Chuck Wolter, 646-795-5410

2015 originations: \$1.1 billion

2016 originations (projected): \$1.3 billion

2016 offerings (projected): 6

Originators:

Head of originations: Ken Dickey, 646-795-5411

Jake Stahler, 646-795-5412

Chance Johnson, 469-622-0020

Chris Troutman, 704-972-8085

Ken Margala, 949-535-4113

Ernie Iriarte, 949-535-4116

C-III Commercial Mortgage

Contact: Paul Hughson, 212-705-5046

2015 originations: \$1 billion

2016 originations (projected): \$1 billion

2016 offerings (projected): 6

Originators:

National: Michael Pierro, 212-705-5096

National: Rob Bernstein, 212-705-5149

National: Gary Newman, 212-705-5089

National: Amy Sackin, 212-705-5080

National: Ian Schwartz, 212-705-5070

National: Ellison Quijano, 212-705-5079

CCRE

Contact: Michael May, 212-610-2319

2015 originations: \$5.5 billion

2016 originations (projected): \$7 billion

2016 offerings (projected): 20

Originators:

East Coast: Bill Weber, 212-829-5268

West Coast: Jonathan Schurgin, 310-788-5808

CIBC

Contact: Michael Higgins, 212-667-5601

2015 originations: \$1.45 billion

2016 originations (projected): \$2.2 billion

2016 offerings (projected): 4-6

Originators:

New York: Jim Baranello, 212-667-5603

Newport Beach, Calif.: Barry Schumacher, 212-667-7027

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Citigroup

Contacts:

Paul Vanderslice, 212-723-1295
Joe Dyckman, 212-816-6457

2015 originations: \$9 billion

2016 originations (projected): \$7 billion

2016 offerings (projected): 25

Originators:

New York: Michael Mestel, 212-816-8777
New York: Eric Mirvis, 212-816-0808
New York: Peter Gruber, 212-816-4624
New York: Michael Corridan, 212-816-0135
Charlotte/Southeast: Michael Cohen, 704-552-3712
Los Angeles/West Coast: Ed Balazs, 213-239-2074
Los Angeles/West Coast: Smith Daley, 213-239-1912
Texas/Southwest: Darrell Graf, 972-202-9990
Chicago/Midwest: Chris Pilat, 212-816-7529
Michigan/Midwest: James Goldberg, 212-816-7335

Credit Suisse

Contact: Mark Brown, 212-325-4093

2015 originations: \$6 billion (CMA estimate)

2016 originations: \$6 billion (CMA estimate)

Originators:

National: Jeremy Stoler, 212-325-6776
National: Stefanos Arethas, 212-325-0736

Deutsche Bank

Contact: Ed Adler, 212-250-4542

2015 originations: \$12 billion

2016 originations (projected): \$12 billion

2016 offerings (projected): 20

Originators:

U.S. large loans: Stephen Choe, 212-250-6911
U.S. conduit loans: Kevin Pivnick, 212-250-3437
U.S. special situations: Dino Paparelli, 212-250-5013
U.S. loan syndication: Jim Rolison, 212-250-3352
U.S. loan syndication: Darrell Gustafson, 212-250-3282
New York: Marc Waldman, 212-250-3315
New York: Joseph Vassallo, 212-250-2982
Los Angeles: Mark Fluent, 310-788-6174
Atlanta: Bill Lafferty, 404-920-7120
Dallas: Tom Burns, 214-740-7723
Chicago: Brien Wloch, 312-888-3068
San Francisco: Collin "CJ" Karthaus, 415-617-3211
New York large loans: David Goodman, 212-250-0136
New York large loans: Tom Traynor, 212-250-5125

Freedom Commercial Real Estate

Contact: Kevin Tatro, 212-897-9849

2015 originations: \$100 million (CMA estimate)

2016 originations: \$150 million (CMA estimate)

Goldman Sachs

Contacts:

Ted Borter, 212-902-3857
Jon Strain, 212-902-3857

2015 originations: \$9 billion

2016 originations (projected): \$14 billion

2016 offerings (projected): 25

Originators:

Dallas: Roddy O'Neal, 972-501-3915
Dallas: Rod Reppe, 972-501-3961
Dallas: James Abbee, 972-501-3922
Dallas: Will Waters, 972-501-3974
Dallas: Nick Losada, 972-501-3953
Dallas: Jeff Frank, 972-501-3960
New York: Ted Borter, 212-902-3857
New York: Rene Theriault, 212-902-2172
New York: Miriam Wheeler, 212-902-2056
New York: Matt Higgins, 212-357-0806
New York: Sidd Shrivastava, 917-343-4684
New York: Tiffany Thurber, 212-934-2880
New York: Jeremy Woodward, 212-902-3188
Chicago: Chris Kosonen, 312-655-4618
Los Angeles: Brad Wilmot, 310-407-5811
Los Angeles: James Ko, 310-407-5885

Guggenheim-Pillar

Contact: Prashant Raj, 212-381-4115

2015 originations: \$575 million

2016 originations (projected): \$1.2 billion

2016 offerings (projected): 8

Originators:

National: Kieran Quinn, 404-805-3573
National: Robert Lawrence, 212-518-5381

Hunt Mortgage

Contact: Dan Wolins, 212-521-6366

2015 originations: \$100 million

2016 originations (projected): \$750 million

2016 offerings (projected): 6

Originators:

National: William Hyman, 212-317-5750
New York: Steven Cox, 212-317-5752
New York: R.J. Guttroff, 212-588-2011
Dallas: Victor Clark, 972-868-5757
Cleveland: Daniel Eibler, 216-407-3213
Irvine, Calif.: Peter Clasquin, 949-221-6681
Irvine, Calif.: Paul Angle, 949-221-6685
Chicago: Greg Cazel, 847-490-5390
Atlanta: John Beam, 404-921-2555
Washington: Bryan Cullen, 703-663-5868
San Francisco: Richard Olrich, 415-482-3410
Miami: Marc Suarez, 305-714-3188
Boston: Hayley Suminski, 617-299-8864

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J.P. Morgan

Contact: Dennis Schuh, 212-834-9378
2015 originations: \$12 billion (CMA estimate)
2016 originations: \$12 billion (CMA estimate)

Jefferies LoanCore

Contact: Dan Bennett, 203-861-6037
2015 originations: \$1.7 billion
2016 originations (projected): \$3 billion
2016 offerings (projected): 10

Originators:

Greenwich, Conn.: Brett Kaplan, 203-861-6015
 Greenwich, Conn.: Steve Anderson, 203-861-6025
 Greenwich, Conn.: Dana Arrighi, 203-861-6014
 Greenwich, Conn.: Richard Small, 203-861-6005
 Greenwich, Conn.: Chad Jones, 203-861-6021
 Greenwich, Conn.: Jeff Santoro, 203-861-6016
 Chicago: Paul Stepan, 312-750-4412
 Chicago: Steve Kay, 312-750-4442
 Chicago: Patrick Walker, 312-750-4462
 Los Angeles: Chapin Hunt, 310-281-4420
 Los Angeles: Steve Graines, 310-281-4426
 Atlanta: Tom Aschmeyer, 404-877-3210
 Atlanta: Bryan Collins, 404-877-3211
 Irvine, Calif.: Dave Kennard, 949-681-2840
 Irvine, Calif.: David Froschauer, 949-681-2841
 San Francisco: Jean Baker, 415-284-8410

KeyBank

Contact: Joe DeRoy, 913-317-4230
2015 originations: \$845 million
2016 originations (projected): \$1.5 billion
2016 offerings (projected): 6

Originators:

National: Matt Ruark, 913-317-4237

KGS-Alpha Real Estate

Contact: Andrew Noonan, 646-658-3932
2015 originations: \$250 million
2016 originations (projected): \$500 million
2016 offerings (projected): 4

Originators:

New York: Greg Porter, 646-560-7034
 New York: Joe Iorizzo, 646-640-1003
 Chicago: Dave Camins, 646-640-1131

Ladder Capital

Contact: Michael Mazzei, 212-715-3196
2015 originations: \$3 billion
2016 originations (projected): \$3 billion
2016 offerings (projected): 10

MC-Five Mile

Contact: Matt Philip, 212-485-2585
2015 originations: \$1 billion
2016 originations (projected): \$1.25 billion
2016 offerings (projected): 8

Morgan Stanley

Contact: James Flaum, 212-761-4405
2015 originations: \$8.5 billion
2016 originations (projected): \$10 billion
2016 offerings (projected): 24

Originators:

National: Nailah Flake-Brown, 212-761-3455
 National: George Kok, 212-761-0327
 West Coast: Gary Duff, 310-788-2253

Natixis

Contact: Greg Murphy, 212-891-6282
2015 originations: \$2.1 billion
2016 originations (projected): \$3.5 billion
2016 offerings (projected): 9

Originators:

Head of CMBS securitization: Jerry Tang, 212-891-5752
 New York: Brian Clark, 212-891-5749
 New York: Gavin Elwes, 212-891-5718
 New York: Michael Girimonti, 212-891-5709
 New York: Bruce Habig, 212-891-5728
 New York: Michael Magner, 212-891-5723
 New York: William Chen, 212-891-5734
 New York: Marc Zuliani, 212-891-5712
 New York: Zineb Bouazzaoui, 212-891-5789
 New York: Stanislav Pertsev, 212-891-1920
 New York: Jared Zimmel, 212-891-5810
 Los Angeles: Vishal Vanjani, 310-432-7978
 Los Angeles: Jon Scott, 310-432-7979
 Los Angeles: Brian Staley, 310-432-7981

NCB

Contact: Casey Fannon, 703-302-1917
2015 originations: \$397 million
2016 originations (projected): \$440 million
2016 offerings (projected): 5

Originators:

New York: Edward Howe, 212-808-0880
 New York: Mindy Goldstein, 212-808-0880
 New York: Harley Seligman, 212-808-0880
 Southeast: Larry Mathe, 703-302-1909
 Southeast: Robert Bernstein, 703-302-1923
 Mid-Atlantic: Greg Daniszewski, 703-302-1927

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Principal Commercial Capital

Contact: Margie Custis, 515-247-7987

2015 originations: \$935 million

2016 originations (projected): \$2 billion

2016 offerings (projected): 4-6

Originators:

West: Kevin Catlett, 515-283-9986

Midwest/Texas: Phil Friedrich, 515-362-0495

Northeast: Doug McKinstry, 515-283-5360

Southeast: Kerry Studer, 515-235-5369

RAIT Financial

Contact: Scott Davidson, 215-243-9035

2015 originations: \$1 billion

2016 originations (projected): \$1.5 billion

2016 offerings (projected): 6

Originators:

Philadelphia: Greg Marks, 215-243-9041

ReadyCap Commercial

Contact: Jim Going, 469-706-7064

2015 originations: \$220 million

2016 originations (projected): \$350 million

2016 offerings (projected): 2

Originators:

National: Craig Barnes, 469-706-7060

New York: John Drennan, 917-545-5125

Southern California: Lisa Cappelletti, 949-491-8081

Austin: Dan Gaylord, 512-942-0019

Los Angeles: Joel Covington, 323-380-6929

Washington: Oliver Harris, 202-251-9372

Charlotte: Kevin Leonard, 704-399-2131

Atlanta: Russell Grigg, 404-992-3505

Chicago: Jeff Joyner, 312-841-3001

Dallas: Jeff Bottoms, 469-706-7063

Dallas: Michel Gilbert, 469-706-7072

Redwood Commercial Mortgage

Contact: Aaron Dunne, 415-380-2332

2015 originations: \$750 million (CMA estimate)

2016 originations: \$750 million (CMA estimate)

Rialto Capital

Contacts:

Brett Ersoff, 212-415-4853

John Herman, 212-415-4853

2015 originations: \$2.6 billion

2016 originations (projected): \$3.25 billion

2016 offerings (projected): 12

Silverpeak Real Estate Finance

Contact: Doug Tiesi, 646-560-1755

2015 originations: \$1.4 billion

2016 originations (projected): \$2.5 billion

2016 offerings (projected): 8

Societe Generale

Contact: Wayne Potters, 212-278-6107

2015 originations: \$739 million

2016 originations (projected): \$2.5 billion

2016 offerings (projected): 10

Originators:

Head of originations: Gary Romaniello, 212-278-7968

REITs: Stew Whitman, 212-278-6224

Southeast: Joey Petras, 404-942-3701

Southeast: Marty Black, 404-942-3700

West Coast: Gary Swon, 949-225-4416

West Coast: Peter Lewicki, 310-566-8154

Northeast: Rich Kirikian, 212-278-7498

Northeast: Chris Kramer, 212-278-6171

Balance sheet lending: Powell Robinson, 212-278-7191

Starwood Mortgage

Contact: Larry Brown, 704-362-1979

2015 originations: \$2.1 billion

2016 originations (projected): \$2.25 billion

2016 offerings (projected): 15

Originators:

Northeast: Jim Freel, 212-600-2837

Northeast: Tim Szalay, 212-600-2836

Southeast/Central: David Auerbach, 305-695-5519

Southeast/Central: Steve DeRose, 305-695-5845

Southeast/Central: Lance Johnson, 704-264-3509

Southeast/Central: Sam Rosen, 646-884-6425

Southeast/Central: Mike Stone, 646-884-6430

Southeast/Central: Keith Thompson, 704-973-9035

Western: Craig Pickett, 212-600-2839

Western: Gerry Santos, 949-885-8262

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UBS

Contact: Chris LaBianca, 212-713-4706
2015 originations: \$3 billion
2016 originations (projected): \$3.6 billion
2016 offerings (projected): 10
Originators:
 National: Chris LaBianca, 212-713-4706

Walker & Dunlop

Contact: Robert Restrick, 646-438-7701
2015 originations: \$300 million (CMA estimate)
2016 originations: \$300 million (CMA estimate)
Originators:
 New York: Geoff Smith, 646-438-7715

Wells Fargo

Contact: Doug Mazer, 212-214-7574
2015 originations: \$7 billion
2016 originations (projected): \$9 billion
2016 offerings (projected): 20
Originators:
 New York: Joe Tufariello, 212-214-7588
 New York: Michael Sarkozi, 212-214-7614
 Northeast: Jeff Schor, 212-214-7581
 Northeast: Terry Livingston, 212-214-7604
 Northeast: Michael Petrizzi, 212-214-7592
 Mid-Atlantic: Jon Albertell, 212-214-7584
 Southeast: John Tinkey, 704-715-9959
 Midwest: Ed Gras, 704-374-7086
 Midwest: Andrew Laughlin, 704-383-6903
 Midwest: A.J. Walker, 312-345-7665
 Texas/Colorado: Duane Hastings, 469-729-7523
 Texas: Edward Brady, 713-576-1025
 Texas: Billy Hurst, 469-729-7525
 West: Todd Barnett, 949-251-4380
 Southwest: Eric Gunderson, 213-253-3065
 Southwest: Keith Williams, 213-253-3374
 Northwest: William Whalen, 415-396-7415
 Northwest: Eric Smith, 415-801-8553
 Northwest: Courtney Boscoe, 415-801-8555
 National: Wayne Brandt, 213-253-3727
 Large loans: Jon Martin, 704-715-0571
 Large loans: Rob Rosenberg, 212-214-7600
 Large loans: Bob Cade, 212-214-7598
 Large loans: Kevin Cowan, 212-214-7589
 Large loans: Rick Oberman, 212-214-7597

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