

GMACCM's MORTGAGE ANALYTICS LAUNCHES WEB-BASED CREDIT RISK CALCULATOR FOR COMMERCIAL REAL ESTATE

8/1/2000 ----- Need to analyze the credit risk for a commercial real estate loan on an office building in Houston . . .a multi-family dwelling in Chicago . . .or an entire portfolio of industrial buildings in Boston?

With a new online "Credit Risk Calculator" from GMAC Commercial Mortgage's (GMACCM) Mortgage Analytics Division, this process has never been faster or easier for commercial real estate professionals.

"The Credit Risk Calculator along with our Risk Analyzer can be run for commercial real estate properties in the top metropolitan areas throughout the U.S.," said Ed Tornick, Vice President of Mortgage Analytics.

"Together, they can be used to determine credit risk for individual loans, with the ability to look at specific buildings under a number of LTV values. You can also look at the credit risk exposure of an entire portfolio for both commercial mortgage loans and commercial mortgage-backed securities," Tornick added.

"These web-based tools give GMACCM customers finer risk-analysis capability than is generally available elsewhere," says Tornick.

GMACCM loan originators and reviewers have been using Mortgage Analytics' "Credit Risk Calculator" and "Risk Analyzer" tools to analyze mortgage loan credit risks, to provide more detailed information to their clients.

"The Web-based Credit Risk Calculator has all the power of the Risk Analyzer, when analyzing one loan at a time," says Charles Francello, Mortgage Analytics' Business Manager.

"GMACCM's loan originators and reviewers have found this a strategic business tool. All they have to do is access our website and enter details about the property and loan. The Credit Risk Calculator will run thousands of simulations of cash flow paths based on various loan factors and property value projections."

Both the Web-based Credit Risk Calculator and the Risk Analyzer also takes into account the probability of default, loss severity and the timing of the credit event to determine an expected probability of loss.

"The key output is 'credit risk premium,' expressed in basis points. Credit risk premium is the amount to reserve over the next 12 months against the

possibility of credit default for a particular loan. Based on that number, the loan is given a rating from AAA to C.”

The Credit Risk Calculator is available free through Mortgage Analytics’ website [HTTP://www.Mortgage-Analytics.com](http://www.Mortgage-Analytics.com). The Risk Analyzer is also available on disk. “You can run the analysis for each loan within a portfolio by MSA and property type, including multi-family, industrial, office and retail buildings,” says Tornick.

With the Risk Analyzer “You can change the coupon rate, loan terms, amortization schedule, growth rate and interest rates to create different scenarios. You can also move the entire yield curve up and down to ‘shock’ the portfolio and also manage the mortgage spread above the Treasury rate to see the effect,” Thornick added.

GMACCM, based in Horsham, is a wholly owned subsidiary of GMAC Commercial Holding Corp. It is the nation’s leading one-stop financial resource in the commercial banking industry. The diverse lending and servicing specialist has more than 50 offices nationwide. GMACCM has a servicing portfolio of over \$81 billion, and provides a variety of financing products and services including permanent, interim and construction, with specialized lending units focused on healthcare and hospitality as well as e-commerce offerings through Internet commercial mortgage lending. It is also the nation’s largest Fannie Mae and Freddie Mac servicer.

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