

# The Role of the Mortgage Banker in the Commercial & Multifamily Real Estate Market

**Mortgage bankers play a critical role in maintaining the efficient allocation of capital, a competitive landscape and a vibrant economy.**

## **BACKGROUND**

Commercial/Multifamily (CMF) mortgage bankers play a key and unique role in the \$3.3 trillion commercial real estate finance market by serving as an active bridge between property owners who seek financing and sources of real estate capital that are integral to making commercial mortgage loans. Property owners and developers require access to capital to develop and maintain multifamily apartments, office buildings, hotels, industrial buildings and retail centers necessary to sustain vibrant communities.

Mortgage bankers facilitate the necessary access to capital by helping borrowers determine the most suitable execution based, on the borrower's needs and the characteristics of the property. At origination, they also expedite and simplify the financial transaction for property owners and developers, and for lenders, by providing services ranging from sourcing product, underwriting, valuation and securing appropriate documentation and debt placement, while bringing broad financial, real estate and market knowledge. Equally important post-closing, over the life of the loan, mortgage bankers address insurance coverage, leasing, loan assumptions, and respond to borrower and lender requests.

Mortgage bankers' varied and diverse business models, accompanied by significant funding source diversification, contribute greatly to a competitive CMF market and result in efficient capital allocation. As a business-to-business marketplace, the majority of CMF capital comes directly from the private sector.

## **MBA VIEWS**

MBA strongly supports the important role that mortgage bankers play in the commercial/multifamily real estate finance debt market. MBA believes that public policy should promote a competitive industry structure, efficient allocation of capital, and a broad range of capital sources and capital solutions that meet market and borrower needs, in a way that enables mortgage bankers to fulfill their important roles.

MBA also provides training and education to support a strong mortgage banking industry that strengthens business practices and ethical standards. For example, MBA's partnership with the Chartered Realty Investor Society (CRIS), a tax-exempt organization whose mission is to recognize ethics-based competency in the global real estate industry for the benefit of the public, advances this objective.

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