

March 13, 1995

J.P. Morgan & Co. has signed up Norwest Corp. of Minneapolis as a conduit lender, rounding out an impressive, nationwide list of commercial mortgage originators.

The roster of participants in J.P. Morgan's conduit now consists of four big regional banks, the nation's largest thrift, an insurance company and a mortgage banking operation. No other alliance can boast of having such a diverse and high-powered group of players.

The conduit, which J.P. Morgan began assembling last spring, has not yet brought any commercial MBS deals to market. But with its stable of originators now lined up, it is expected to soon start pumping out volume.

J.P. Morgan will acquire the mortgages from originators and pool them for securitization. The program marks the first time that J.P. Morgan is acquiring loans outright, as opposed to acting as a distributor of commercial MBS for clients.

By focusing on regional lenders, Morgan has been able to establish a significant presence throughout the country:

- Northeast — **John Hancock Mutual Insurance Co.** will originate all types of commercial mortgages. The Boston-based insurer will also originate loans in other regions through 10 offices.
- Middle Atlantic — **Midlantic Corp.** of Edison, N.J., will originate in New Jersey and Pennsylvania.
- Southeast — **First Union Corp.** of Charlotte, the ninth-largest bank in the country, will originate commercial mortgages from Florida to Washington, D.C. However, it has reserved the right to securitize multi-family mortgages itself.
- Midwest and Southwest — **Banc One Corp.**, the nation's eighth-largest bank, operates banks throughout the Midwest and in Texas and Arizona.
- Upper Midwest — **Norwest**, the 13th-largest bank, will originate loans in Minnesota, Iowa, Colorado, New Mexico and Arizona.
- West Coast — The nation's largest thrift, **Home Savings of America FA** of Irwindale, Calif., will originate multi-family loans (for more than \$8 million) and mobile-home-park loans through 10 offices in California.

The regional originators will be supplemented by **Amresco Inc.**, a Dallas asset-management firm that has set up a nationwide network of lending offices under a new unit, **Amresco Capital Corp.** That subsidiary and **Holliday Fenoglio Dockerty & Gibson Inc.**, Amresco's Houston-based mortgage banker, will originate multi-family and commercial mortgages. In addition, Amresco will buy the first-loss pieces of some resulting securitizations.

J.P. Morgan is still pursuing one or two lenders that could eventually participate in the conduit. □