CREF Roundup | Week 44, 2026

The CREF Roundup is a periodic digest of noteworthy developments, insights, and commentary in the world of commercial real estate finance (CREF). Curated for industry professionals, this ongoing series seeks to highlight key trends and news shaping the market. For more CREF intel and analysis, visit our blog, The Carveout.

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Fed Holds Rates Steady Despite Concerns Over Inflation

CNBC reported the Federal Reserve held its benchmark federal funds rate at 3.75% to 4.00%, opting to wait for more economic data after raising rates by 25 basis points in September, even as it acknowledged that inflation "remains elevated." Two of the 12 FOMC voters dissented in favor of another quarter-point hike, highlighting growing disagreement over how aggressively the Fed should respond to persistent inflation. The economy remains relatively strong, with low unemployment, solid consumer spending and third-quarter GDP growth tracking around 3.4%, but inflation is expected to remain above 3%, raising questions about whether current rates are sufficiently restrictive. Markets largely expected the hold but are pricing in a meaningful possibility of another rate hike in December and potentially additional increases in 2027 if inflation does not improve.

Key takeaway: The Fed is holding the overnight rate steady while accumulating data on the economy and leaving the door open to further rate hikes.

IRPs May Soon Break Out Data Centers

Green Street reported the CRE Finance Council (CREFC) is developing standardized Investor Reporting Packages (IRPs) for data centers as lenders and CMBS investors seek better visibility into revenue, expenses, debt-service coverage, and other performance metrics for this rapidly expanding asset class. CREFC's working group is tailoring operating statements and analysis reports specifically to data centers, which differ significantly from

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traditional office, industrial, and other commercial properties because their performance can vary based on ownership structure, workload, reliability, and business model. The effort is becoming increasingly important as data-center financing grows, with roughly $50 million in loans already appearing in a recent commercial mortgage-backed securities (CMBS) conduit pool and approximately $872.7 million in transactions tracked by Commercial Mortgage Alert's CMBS database. Industry participants expect more data-center loans to enter CMBS pools, making consistent disclosure critical for investors trying to understand and price the associated risks.

Key takeaway: As data-center lending expands in the CMBS market, standardized financial reporting should improve transparency and give lenders and investors a more reliable framework for evaluating data-center credit performance.

Key Info on Treasury SFR Ban Proposal

CRE Finance Council Government Relations reported on Treasury regulations proposed October 22, 2026, providing initial guidance on the statutory ban preventing large institutional investors that own 350 or more single-family residences (SFR) from making additional purchases, subject to specified exemptions. The proposal limits the build-to-rent (BTR) exemption to new construction generally purchased within 18 months after issuance of a certificate of occupancy, while existing BTR inventory would not qualify. It also provides important lender and servicer relief by exempting SFR and BTR acquired through foreclosure or other loss-mitigation activity and permitting that real estate owned to be sold to large institutional investors (LII), while clarifying exemptions for LII-to-LII transfers, renovate-to-rent programs, and certain passive investors. Several issues remain unresolved, including treatment of student and senior housing, and Treasury expects additional rulemaking on other exemptions, compliance, reporting, and enforcement.

Key takeaway: While some ambiguities remain to be clarified, the proposal provides meaningful clarity and creditor protections for SFR financing and servicing. In addition, the proposal's narrow treatment of the BTR exemption, particularly the exclusion of

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existing BTR stock, could materially constrain institutional transactions unless addressed through further rulemaking or legislation.

Delinquency Rates for Commercial Properties Increased in the Third Quarter of 2026

Mortgage Bankers Association reported that delinquency rates for commercial mortgages rose in the third quarter of 2026, according to its commercial real estate finance (CREF) Loan Performance Survey. CMBS had the highest levels, with 4.97% of balances 30 or more days delinquent, up from 4.82%. Life company delinquencies rose to 1.33% from 1.19% and GSE delinquencies to 1.16% from 1.11%, while FHA fell to 0.90% from 1.06%. Mike Fratantoni said delinquency rates remain historically low across most capital sources but warned that "the large number of scheduled maturities coming due amidst the recent spike in interest rates will continue to be a headwind."

Key takeaway: The survey covers $3 trillion of loans, and its message is that stress is concentrated in CMBS while maturities combined with higher rates threaten performance across capital sources.

Economy, the Fed, and Rates…

CRE Finance Council reported that, with the federal funds target at 3.75%–4.00%, futures pricing strongly favored an October hold but priced in most of a quarter-point hike by the December 9 meeting. It notes that the 10-year Treasury closed October 23 at 4.99% after a flight to safety. Citing Commercial Mortgage Alert, the report says lenders expect Fannie Mae and Freddie Mac to issue new multifamily lending licenses in 2027, the first since 2022, while FHFA's $88 billion 2026 volume caps are expected to go unfilled. It also says Barclays cut its full-year issuance forecast 12% to $327 billion, and that rescue-capital providers now seek higher returns, often with regular cash payments, as extensions become more expensive.

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Key takeaway: The possibility of a December hike, 10-year yields near 5% and possible new GSE licenses all bear directly on refinancing costs, extension economics and agency lending capacity.

The Carveout

A legal blog geared toward sophisticated capital market participants, The Carveout provides insight into current trends and developments in commercial real estate finance (CREF)—with a particular focus on non-recourse carveouts and CREF loan platforms including CMBS, debt funds, private capital, REITs, life insurance companies, and other complex sources of capital.

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