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CREF Roundup | Week 33, 2025

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](#).

Banks Herald End of Extend-And-Pretend with Sales of Problem Loans

[BISNOW](#) reported that Banks are increasingly selling off distressed commercial real estate loans as the “extend-and-pretend” era ends, creating opportunities for private credit funds to acquire assets at discounted rates. The surge in private lending has reshaped the debt market, with firms using note purchases and restructurings to gain control of properties. As banks regain lending capacity, private lenders are adapting by offering more strategic, hands-on solutions to manage troubled assets. **Key Takeaway:** The shift from traditional bank lending to private credit is unlocking new pathways for investors to acquire real estate through distressed debt, signaling a fundamental transformation in how capital flows into commercial property markets.

TreppWire Podcast: Episode 344. CRE Maturity Drag, Fed Holds Rates, Tariff Deadlines, Bank Earnings & Executive Commentary

In [Episode 344](#), TreppWire discussed how the commercial real estate market is being impacted by a wave of CMBS loans failing to pay off on time, creating a “maturity drag” that’s straining liquidity. It also covers the latest bank earnings, showing cautious optimism amid economic uncertainty and steady interest rates. Additionally, the episode touches on upcoming tariff decisions and their potential ripple effects across financial markets. **Key Takeaway:** The commercial real estate market is facing increasing pressure

from a combination of stalled CMBS loan maturities, rising delinquency rates, and cautious bank earnings—all amid a backdrop of steady interest rates and looming tariff decisions.

Maturity Drag in Commercial Real Estate: Why \$23 Billion in Loans are Stalling Past Due Dates

For a more in-depth discussion of the maturity drag (or if you're not a fan of podcasts), Trepp published [a report](#) analyzing the issue. The report proposes that this trend is driven not just by poor loan performance, but by capital market bottlenecks, valuation uncertainty, macroeconomic volatility, and execution paralysis—especially in the office sector. As traditional credit metrics like DSCR lose predictive power, debt yield and refinancing viability are becoming more critical in determining whether loans resolve or linger. The report emphasizes that how these bottlenecks are addressed will shape the next phase of the CRE credit cycle—either through orderly refinancing or disorderly loss recognition. **Key Takeaway:** A growing share of commercial real estate loans—over \$23 billion—are stalling past their maturity dates not due to poor performance alone, but because of systemic bottlenecks like valuation uncertainty, macroeconomic volatility, and execution paralysis, especially in the office sector.

CMBS Delinquency Rate Climbs Again in July

[Trepp's July CMBS Delinquency Report](#) noted that CMBS delinquency rate increased for the fifth consecutive month in July 2025, led by an increase in multifamily rates. Year over year, the overall US CMBS delinquency rate is up 180 basis points.

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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