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# Trump Era: Mix of Optimism, Uncertainty in CMBS

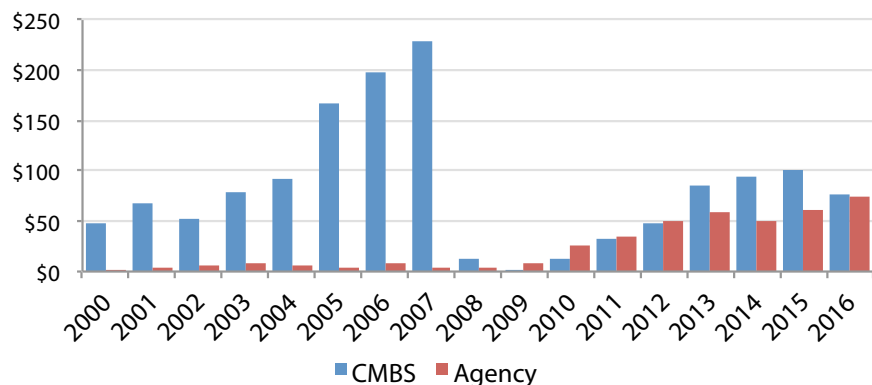
**By Paul Fiorilla, Associate Director of Research, Yardi Matrix**

A year ago, CMBS market players were debating how much new regulations requiring issuers to “eat their own cooking” would disrupt the industry.

Although risk retention proved not to be the negative force envisioned, the regulatory environment is still the dominant theme of the commercial mortgage industry as the market prepares for a slew of changes brought on by the Trump administration. While specific policies remain unclear, there is almost certainly going to be not only a rollback of rules affecting lenders but also less stringent enforcement overall.

Industry executives—speaking at last week’s Commercial Real Estate Finance Council annual investors’ conference—are generally optimistic about the upcoming year. The prospect that the Trump administration will reduce the regulatory burden on banks could produce more lending activity, while at the same time economic growth and demand for commercial real estate are expected to be strong. Clouds to the outlook come from uncertainty due to the fact that policy affecting the industry is not expected to be on the front burner and won’t get resolved soon. Plus, there is the worry about the effect of the new president’s style, which one executive referred to as watching “Government Apprentice.”

## Securitization Volume (Billions)



Source: Commercial Mortgage Alert