

Safer investments lift firms above crisis

Money market specialist's assets rise, thrifts see jump in loan applications

BY KIRA BINDRIM

AS INVESTORS AND BORROWERS seek safe havens in the credit crisis, the leading money market firm in New York is seeing its assets soar. Meanwhile, thrifts that specialize in conservative mortgage lending are reporting a sharp jump in applications.

The Reserve, the city's most prominent specialist in money market accounts, saw its assets climb \$3 billion, or 5%, to \$68 billion in the past two weeks. Half of that money went into the firm's ultra-secure U.S. Treasury Fund.

"The world is not coming to an end, but that's the approach investors are taking on it," says The Reserve Chairman Bruce Bent, who invented money market mutual funds 37 years ago.

Meanwhile, conservative thrifts that hold on to their own mortgages rather than reselling them in the secondary markets are the ones benefiting from the turmoil.

Jumbo surge

BOTH HUDSON CITY SAVINGS Bank and Ridgewood Savings Bank, which portfolio their loans rather than relying on the suddenly risk-averse secondary market, are seeing an increase in loan applications.

In the past week alone, Hudson City saw a surge in jumbo-loan applications for two reasons.

For one thing, competitors have curtailed the availability of jumbo loans. In addition, Hudson City Savings Bank, which can set its own terms, left rates unchanged as market rates increased.

Hudson City Savings Bank says it has received 1,000 more applications so far this year, compared with the same period a year ago. It is offering 30-year jumbo mortgages at about 6.75%, compared with rates as high as 8% at competitors.

\$3B
INCREASE
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COMMENTS? KBindrim@crain.com or TFredrickson@crain.com

Additional reporting by Tom Fredrickson

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INSTITUTIONAL

Institutional Sales
888-851-7237
isales@TheR.com

BROKERAGE

Joe Martin
212-401-5797
800-637-1700, ext. 5797
jmartin@TheR.com

BANK

Steve Genereau
212-401-5759
800-637-1700, ext. 5759
sgenereau@TheR.com

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