



Citizens' Housing and
Planning Association, Inc.

President
Joseph Flatley

Vice Presidents
Jack Cooper
Jeanne Pinado

Treasurer
Chrystal Kornegay

Clerk
Vacant

Executive Director
Brenda Clement

October 8, 2013

Acting Director Edward J. DeMarco
c/o OHRP Multifamily Housing Policy
Federal Housing Finance Agency
400 7th Street, S.W. Washington, DC 20024

RE: Response to FHFA request for public input on reducing Fannie Mae and Freddie Mac multifamily businesses

Dear Acting Director DeMarco:

I am writing on behalf of Citizens' Housing and Planning Association (CHAPA) to urge the Federal Housing Finance Agency not to proceed with its plan to reduce the GSE multifamily businesses. The proposed reduction is arbitrary, unnecessary, ill-timed and would hurt efforts to meet the needs of renters nationwide wide.

CHAPA is a statewide nonprofit organization which promotes affordable housing production and preservation and community development through advocacy, research, education and training, and coalition building. We also oversee homeowner and foreclosure counseling programs and operate a program to promote the responsible disposition of foreclosed single- and multi-family properties. Our members include non-profit and for-profit developers, housing providers and advocates, lenders, property managers, architects, homeowners, tenants, planners, local, state and government officials, housing authorities, CDCs, foundations, and others.

We second the comments submitted to you on this topic by the Center for American Progress Mortgage Finance Working Group. As they noted, now is not the time for Fannie and Freddie to begin withdrawing from the multifamily sector. The importance of rental housing is growing, the need for affordable rental housing is at record levels and the GSEs have been a critical source of financing for all types of multifamily housing. They have played a critical role in maintaining liquidity in times of financial crisis. In addition, privatizing the multifamily business does not appear to offer any benefit to taxpayers since the multifamily business has been consistently profitable.

As the Center noted in its comments, Fannie Mae and Freddie Mac's multifamily businesses serve many low and moderate income households and households living in geographies often overlooked by the private sector. These are the groups that will be most hurt by a reduction in GSE multifamily business activity, as few expect non-GSE actors to step up and fill the gap for those income groups and geographies. It is particularly important to note that the GSEs offer long-term financing for affordable housing that is rarely available elsewhere.

In short, we strongly disagree with FHFA's plan to reduce the GSEs' multifamily business.

However, if the agency does proceed with the proposed reduction, it must ensure that it prioritizes financing affordable and workforce housing, and target the reduction to the types of projects (market rate) and geographies most likely to be financed by non-GSE sources.

Sincerely,

A handwritten signature in black ink that reads "Brenda Clement". The signature is written in a cursive style with a large, sweeping flourish at the end.

Brenda Clement
Executive Director