



September 27, 2013

Via Email

multifamilypolicyissues@fhfa.gov

Via Federal Express

Federal Housing Finance Agency
OHRP Multifamily Housing Policy
400 7th Street, S.W.
Room 9-261
Washington, DC 20024

Re: Reducing Fannie Mae and Freddie Mac's Multifamily Businesses

To the FHFA:

The Federal Home Loan Bank of New York ("FHLBNY") is submitting this letter in response to the Federal Housing Finance Agency's ("FHFA") August 9, 2013 request for public input on strategies for reducing Fannie Mae and Freddie Mac's presence in the multifamily housing finance market in 2014.

We agree with the goal of contracting the market presence of Fannie Mae and Freddie Mac. Specifically, we call for limiting Fannie Mae and Freddie Mac's involvement with multi-family mortgage loans to only when there is a market failure and private lenders are not able and/or willing to assist with these loans. Based on our experience and what we observe in our district, it is clear that there are already ample and numerous sources of liquidity in the marketplace that are available to help support multifamily lending. As such, Fannie and Freddie's involvement in multifamily housing should be reduced to helping those communities or projects that actually need government assistance. They should not be permitted to compete with private lenders.

To be clear, we are not calling for the elimination of Fannie Mae and Freddie Mac's presence in the multifamily area. But we are saying that there should be a recalibrated focus on making sure that Fannie and Freddie provide backing only in connection with those projects that truly require support. In fact, there are pockets of multifamily areas in some cities where blight has occurred and lending by the government sponsored enterprises would stabilize the market. Fannie and

Freddie should be encouraged to lend in those limited areas in order to encourage the private sector to return to those markets. Moreover, we strongly recommend that safeguards should be in place directing, to the maximum extent possible, the financial benefits derived from any involvement of Fannie Mae and Freddie in the multi-family market to the working-class renter and not to the investor speculators. To help achieve this goal, FHFA should consider employing HUD fair market rents in order to require that the benefits of Fannie and Freddie mortgages reach the tenants.

We appreciate the FHFA's consideration of our comments. Please do not hesitate to contact us if you have any questions.

Very truly yours,

A handwritten signature in black ink that reads "Alfred A. DelliBovi". The signature is written in a cursive style with a horizontal line under the "i" in "Bovi".

Alfred A. DelliBovi
President and CEO