



**JOHN M. CORCORAN  
AND COMPANY**

*Creating Communities Since 1951*

October 7, 2013

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

To Whom It May Concern:

John M. Corcoran & Company and Corcoran Management Company, Inc. appreciate this opportunity to comment on FHFA's proposed strategies to further contract Fannie Mae and Freddie Mac's multifamily mortgage activities. We are privately-held companies, founded in 1951, where we develop, build, buy, invest in and manage multi-family rental housing. We currently manage about 10,000 apartment homes, primarily in the Boston metropolitan area. We have about 300 employees and our apartments are home to approximately 25,000 people.

Over the years we have borrowed money to finance our apartment communities from a wide variety of sources, including banks (both local and national), life insurance companies, Wall Street based conduit lenders, state agencies, FHA lenders, as well as both Fannie Mae and Freddie Mac.

I urge you not to artificially limit the amount of debt that can be originated by Fannie Mae and Freddie Mac. Fannie Mae and Freddie Mac play a vital role in the market place. Because they know multi-family rental housing so well, they provide the widest range of multifamily mortgage products. Their strong market presence influences other lenders to do the same, which leads to more choice and better availability of debt capital to our industry.

Our experience is that Fannie and Freddie are also more ready than private capital to loan on older apartment communities and those that serve low and moderate income households. Life companies typically have marginal interest in older and more urban assets. Banks may lend, but usually at lesser amounts, for shorter periods of time, and at higher rates. We own multiple apartment communities built in the 1970-1990 period. Though without subsidy or restriction, the full market rents for these properties are significantly lower than newly-constructed apartments, and they serve to provide housing

at affordable levels to middle income households. As such, these apartments are filling both important social and economic roles. Absent Fannie and Freddie, debt costs in apartment communities such as these will rise, leading to either to higher rents, or lower values and dis-incentive for owners to reinvest in these important assets.

On top of these important facts, both Fannie and Freddie have strong histories of credit performance in multi-family rental housing lending.

Artificially capping FNMA and Freddie Mac lending will be predictably hurtful to our segment of the multifamily rental housing industry, to the value of our properties, and costly to the middle income residents we serve. We urge FHFA to avoid implementing further reductions or placing caps on Fannie Mae and Freddie Mac's multifamily loan originations.

Sincerely,

A handwritten signature in blue ink, appearing to read 'RJH', with a long horizontal flourish extending to the right.

Richard J. High  
President

RJH:vao

Cc: Nicki Tsongas, Member of Congress  
William Keating, Member of Congress  
Stephen Lynch, Member of Congress  
Senator Elizabeth Warren  
Senator Edward Markey