

October 8, 2013

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

Submitted via email to multifamilypolicyissues@fhfa.gov

RE: FHFA Request for Input on Options for Reducing Fannie Mae's and Freddie Mac's Multifamily Businesses

Dear Sir/Madam:

On behalf of Legend Senior Living, LLC and our employees, I thank you for the opportunity to respond to the request for comments issued by the Federal Housing Finance Agency regarding a proposed reduction in Fannie Mae and Freddie Mac Multifamily lending authority in 2014.

Legend Senior Living has financed 15 Assisted Living and Memory Care facilities with Fannie Mae. Within these facilities, we house approximately 1,400 seniors and employ approximately 675 associates – adding valuable care for seniors and jobs and income to each community.

The overall ability to access financing through Fannie Mae and Freddie Mac helps to stabilize the geographic market in which private capital is often limited or non-existent. These types of loans, by nature, are more complex which makes standardized loan products impractical. Fannie Mae and Freddie Mac offer the tailored and specialized financing options critical to our business.

Debt financing for senior housing also involves more specialized underwriting relative to traditional multifamily housing (i.e., apartment real estate). Senior housing faces, to varying degrees, an array of added costs associated with housing and caring for an older, frail population (including 24-hour security and a range of supportive health, dining, social and transportation services). The majority of these essential services are provided as part of the monthly rent, not segregated as separate services (or income). This results in monthly rent that can appear quite high and not within the typical boundaries of affordable. With this in mind, per unit loan limits, maximum rents and financing limits could be crippling to the senior housing market.

Currently, more than 20 percent of senior households (households headed by people age 75+) reside in assisted living communities. And this population is growing at increasing rates - 2.1 percent annually. Without the expansion or continuation of multifamily lending through Fannie Mae and Freddie Mac as well as senior living property construction, we will be unable to keep up with the demand this generation will produce.

As a provider of service to our most vulnerable population, I humbly request that you consider our seniors' ability to find affordable and caring housing communities as you make decisions regarding the "Options for Reducing Fannie Mae's and Freddy Mac's Multifamily Business in 2014".

Sincerely,

Tim Buchanan

CEO and President
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