

Dear Sir or Madam-

My name is Kim Herman and I am the Executive Director of the Washington State Housing Finance Commission. I had intended to respond in much more detail to your request for information regarding the multifamily businesses of Fannie Mae and Freddie Mac. However, due to other commitments, I have not been able to do that. What I am able to offer you is the following comment and information.

The Washington State Housing Finance Commission is a traditional State Housing Finance Agency. We are a member of the National Council of State Housing Finance Agencies. Our mission is to finance affordable housing for low and moderate income persons in Washington State.

We have been financing affordable multifamily housing since 1984 and we have found Fannie Mae and Freddie Mac to be very important partners in our multifamily business. To reduce the multifamily business of either agency with regard to their mission of helping finance affordable multifamily housing would be a significant problem for our agency. They play a key role in our ability to finance affordable multifamily housing, particularly with for-profit developers in the metropolitan markets of Washington State.

We issue tax exempt bonds and federal housing tax credits (most often in combination with for-profit developers) to finance affordable multifamily housing in cooperation with Fannie Mae and Freddie Mac. As of 9/25/2013, the Commission had issued \$2.632 billion in bonds for multifamily housing and of that total \$1.213 billion (46%) of our bonds were enhanced, permanently financed, and/or purchased by Fannie Mae and Freddie Mac. Unit wise, of the 42,268 units financed with Commission bonds or Commission bonds and housing tax credits 16,985 (41%) were made possible thanks to the participation of Fannie Mae and Freddie Mac.

Reducing the market share or limiting the ability of Fannie Mae and Freddie Mac to help finance affordable housing through our programs and expecting the private sector to make up the difference is simply going to reduce the amount of affordable multifamily housing we can successfully finance in Washington State. Given the growing need and higher rental costs, this would be a tragedy.

I would be happy to provide more information at your convenience and I regret that I am not able to address your specific questions at this time. Please contact me if you want more specific information.

Sincerely,
Kim Herman
Executive Director
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