



September 15, 2014

Federal Housing Finance Agency
Office of Budget and Financial Management
400 Seventh Street, SW
Washington, DC 20024

To Whom It May Concern,

On behalf of the multifamily industry, the National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA) appreciate the opportunity to respond to the request for comment on the proposed FHFA Strategic Plan for Fiscal Years 2015-2019 (the "Plan"). We applaud FHFA's dedication to a reliable, stable, and liquid housing finance system demonstrated in the Plan, with additional emphasis on the acknowledged ongoing role Fannie Mae and Freddie Mac (the "Enterprises") play in the multifamily market. FHFA's commitment to the preservation and conservation of the assets and business operations of the Enterprises in the Plan will further promote market stability now and encourage private capital participation in the future. In concert, the strategies detailed in the Plan will position the multifamily industry for long term stability and success.

For more than 20 years, the National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA) have partnered in a joint legislative program to provide a single voice for America's apartment industry. Our combined memberships are engaged in all aspects of the apartment industry, including ownership, development, management and finance. NMHC represents the principal officers of the apartment industry's largest and most prominent firms. NAA is a federation of more than 170 state and local affiliates comprised of 63,000 multifamily housing companies representing 7.5 million apartment homes throughout the United States and Canada.

With over one third of all Americans choosing to rent their housing, the multifamily industry plays a key role in serving the housing needs of more than 25 million households. The ability of our industry to continue meeting the demand for rental housing depends on a continued effort to support and improve the housing finance markets from FHFA. The Enterprises play a key role in providing a stable source of capital to the apartment industry, and in turn help deliver an inherently affordable product to consumers. In their role, the Enterprises are a critical partner to the industry, serving all sectors in all areas of the country, and through all economic cycles. The Plan recognizes this important role, and commits to a thoughtful and deliberate approach to FHFA's role as regulator and conservator of the Enterprises.

The decision to carefully monitor and evaluate the Enterprises' role during the Plan years in order to better inform policy decisions is a welcome change from previous approaches to policy formation the industry considered arbitrary and destabilizing. This shift is appropriately reflected in the fact that the cap on multifamily business implemented in 2013 has not changed in the Plan and that any financing activity related to affordable housing does not count against the cap. We believe the critical ongoing role of the Enterprises applies to the entire multifamily industry, with local markets being closely joined across product types. We further agree with statements in the Plan regarding the supportive role FHFA can play for affordable multifamily properties and underserved markets.

Finally, in a recent comment letter to FHFA we recommended that FHFA adopt a long term approach to their role as regulator and conservator, and focus efforts on promoting current market stability, increased participation of private capital, and helping facilitate an improved future housing finance system. We made these recommendations as an alternative to disruptive short term goals regarding multifamily business activities which were not adequately

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supported by data or market realities. We acknowledge and commend FHFA for issuing a plan reflecting our view which steers away from arbitrary contractions of the GSE multifamily businesses, and chooses instead to promote a reliable, stable, and liquid housing finance system. The Plan acknowledges the key role the Enterprises play in the multifamily housing market today, it promotes increased participation of private capital, and it adopts a thoughtful and inclusive approach to policy decisions in the future.

We look forward to working with you and to your support of multifamily housing finance that broadly serves rental housing needs. If you have any questions, please contact David Borsos (NMHC) at 202-974-2336.

Sincerely,



Douglas M. Bibby
President
National Multifamily Housing Council



Douglas S. Culkin, CAE
President
National Apartment Association