



July 31, 2023

The Honorable Sandra Thompson
Director
Federal Housing Finance Agency
400 7th Street, SW
Washington, DC 20219

RE: Tenant Protections for Enterprise-Backed Multifamily Properties – Request for Input (RFI)

Dear Director Thompson:

On behalf of Northmarq, we are grateful for the opportunity to provide input on Tenant Protections for Enterprise-Backed Multifamily Properties. Northmarq is the largest privately held provider of capital markets solutions for commercial real estate in the U.S. We provide debt, equity, investment sales, and commercial loan servicing through our 40 offices across the country. The company provides financing through life companies, CMBS platforms, and local, regional, and national banks, as well as having a long track record of multi-family loan origination through the Freddie Mac Optigo™ program, the Fannie Mae DUS™ program, and the FHA program, resulting in more than \$33 billion in annual production volume and a loan portfolio of more than \$70 billion.

We have been in business for over 60 years, providing liquidity to the housing market in every corner of the country. As a private company, without the natural oversight of a bank or publicly-traded entity, we created and apply our own strict adherence to property condition and asset

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management during the entire life cycle of a loan. We take this responsibility extremely seriously and have worked for many decades to ensure that our business supports safe and affordable housing in every community. We proactively manage our portfolio to ensure that these properties are well maintained and work with the owners and management companies to address any issues when they are identified. Our whole company recognizes that these properties are people's homes, and these on-going efforts benefit all the stakeholders.

As you can see, Northmarq takes pride in the work that we do on the front end and back end to support these beliefs. Therefore, we firmly believe that a national tenant protection effort will be very difficult to coordinate with the patchwork of existing local and state requirements, will restrict the liquidity flowing into these communities by making the enterprises' loan offerings less competitive than the myriad of other sources, and ultimately provide minimal support to the residents of the apartment communities that we are serving. In addition to the comments here, Northmarq supports comments submitted by the Mortgage Bankers Association (MBA) and the Fannie Mae Dus Advisory Council.

We appreciate the importance of providing safe and affordable housing in every community. However, we believe this Tenant Protection effort is counterproductive to solving our affordable housing crisis. The focus for FHFA and Enterprises should remain on both housing supply (so that tenants can choose to live in properties that are well-maintained and affordable) and on loan structures that remain applicable to market conditions and community needs.

Sincerely,

Jayson F. Donaldson

Jayson F. Donaldson
President – Agency Lending
Northmarq