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Alfred M. Pollard

General Counsel

Federal Housing Finance Agency

Dear Mr. Pollard:

As a developer and operator of affordable housing for elderly residents, we have first hand experience that the procedures and policies of Fannie Mae and Freddie Mac DISCOURAGE high quality affordable rental housing for elderly residents.

In early 2008 our companies were prepared to launch construction of 400 units of affordable elderly housing using Low Income Housing Tax Credits and Tax-Exempt Housing Bonds. We sought credit enhancement from Freddie Mac and Fannie Mae. The fees and costs associated with these GSE?s precluded our construction commencement.

In early 2010 we went back mortgage bankers representing Fannie Mae and Freddie Mac with a proposed new 106-unit affordable elderly community. That community included 9% LIHTC, HOME and Section 1602 Exchange Funds in the financing calculus. Of the 106 units, 90 were to be reserved for low to moderate income elderly with incomes at or below 60% of Area Median Income. Neither Fannie Mae nor Freddie Mac was responsive. Neither had any interest in fostering job creation while serving the underserved elderly residents we build for. Both quoted rates and fees entirely unrealistic. Neither Fannie Mae nor Freddie Mac would consider addressing the critical lack of construction and interim financing for affordable housing.

Cordially,

David

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