

I have been a real estate investor for 35 years and a Fannie Mae multifamily customer for over 10 years. The agencies have given our industry a solid backbone which helped survive the recent financial crisis comfortably while providing affordable housing.

The changes proposed will reduce the amount of financing available and will raise the cost of financing thus lowering values and discouraging new development. Private capital will never be able to replace the agencies role in financing multifamily. If there had to be some cutback in products offered, the 5 year term is a product local banks can provide but anything longer term the banks will not provide thus pushing the financing risk onto multifamily owners which will have the effect of reducing values by raising cap rates and cutting back supply. The adjustable rate product is another type of financing the banks do provide and won't be impacted much by the agencies cutting back.

This has been a segment of the economy that has performed well in many ways due to the agencies. It would be a grave mistake to weaken our industry by cutting back financing and hoping that banks will replace the role of the agencies because they absolutely won't .

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