



THE CT GROUP, LLC

SERVING OWNERS, RESIDENTS AND
COMMUNITIES SINCE 1981

October 3, 2013

Federal Housing Finance Agency
Multifamily Housing Policy
400 7th Street, S.W., Room 9-261
Washington, DC 20024

**RE: Notice For Public Input on 2014 Multifamily Scorecard
August 9, 2013**

Dear Sir/Madame:

On behalf of The CT Group LLC, our 250 employees and most importantly, the more than 15,000 residents in our apartment communities, we welcome the opportunity to provide feedback on the proposal by the Federal Housing Finance Agency (FHFA) to reduce Fannie Mae and Freddie Mac's multifamily mortgage activities.

Our companies have been managing and developing affordable housing since 1981 and we have a current management portfolio of over 7,000 units in seven (7) states. Our portfolio represents a diverse cross section of affordable housing and includes properties developed with Fannie Mae/Freddie Mac financing as well as Low Income Housing Tax Credits, HUD Project Based Section 8, Public Housing (both regular ACC and mixed income/Hope VI developments), HOME and SAIL.

We strongly believe that the proposed program changes designed to shrink Fannie Mae and Freddie Mac's capacity will adversely impact the availability of affordable rental housing in the US. Our understanding is that share of loans originated by Fannie/Freddie has declined more than the ten (10%) percent that FHFA mandated at the start of the year. Indeed, the Mortgage Bankers Association has estimated that the multifamily origination market in 2012 was approximately \$143 billion, with Fannie Mae and Freddie Mac financing 44% of that total. If estimates for a thirty (30%) percent or larger increase in multifamily lending in 2013 are accurate, Fannie Mae's and Freddie Mac's market share likely will decline to a level of 30% or below. This drop reflects the fact that private capital sources have been, and will continue to be, the primary source of mortgage debt for the apartment industry.

On a macroeconomic level, our firm's experience leads us to conclude that limiting the debt provided by the Fannie Mae and Freddie Mac's multifamily programs will harm the families that rent affordable housing by limiting the options for investors in affordable multifamily real estate. Private commercial real estate debt is often very limited and/or unavailable in local sub-markets, making it critical that Fannie Mae/Freddie Mac continue to serve as a national debt source featuring a full range of mortgage options.

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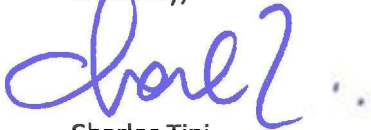
Page 2

Furthermore, we would note that by providing a wide range of multifamily mortgage products in today's market, Fannie Mae and Freddie Mac have broad influence on other debt providers and lead the industry in standard setting for loan origination. As such, without the robust and vibrant involvement of Fannie Mae and Freddie Mac, the multifamily rental market will experience a loss of the competition and innovation that has benefitted both borrowers and renters.

The multifamily lending programs developed and administered by Fannie Mae and Freddie Mac are a model of careful and deliberate real estate lending. Their programs have a long history of strong credit performance as well as serving as a critical source of financing for underserved affordable multifamily rental communities. We would respectfully ask that FHFA avoid any further reductions on the loan origination and/or securitization activities provided by Fannie Mae and Freddie Mac.

We sincerely appreciate the opportunity to share our views and would ask that if you have any questions that you feel free to contact us.

Sincerely,



Charles Tini
President

cc: Senator Benjamin L. Cardin
Senator Barbara A. Mikulski
Representative Donna F. Edwards