



MORTGAGE BANKERS ASSOCIATION

December 12, 2018

The Honorable Brian D. Montgomery  
Assistant Secretary for Housing and FHA Commissioner  
U.S. Department of Housing and Urban Development  
451 7<sup>th</sup> Street, SW  
Washington, DC 20410

**Re: Federal Financing Bank Program for Multifamily Housing Finance**

Dear Commissioner Montgomery:

We are writing with regard to the Federal Financing Bank HFA Risk Sharing Program created on a temporary basis in 2014, and which is set to expire December 31, 2018. In particular, we are writing to share our views as HUD considers whether to extend that program in its current form or as modified.

MBA recognizes the vital importance of affordable housing, and many of our members are active in financing a wide range of affordable rental housing. We also recognize that government programs foster the production of additional affordable rental housing, and that state and local Housing Finance Agencies play important roles supporting and providing affordable single-family and multifamily housing through various funding sources.

MBA has expressed concerns about the FFB program since its inception. Our concerns remain today -- which focus on the following:

- Ensuring that the standards by which HFAs participate in the FFB program are as stringent and equivalent to those required for Multifamily Accelerated Processing (MAP)-approved lenders;
- Providing for additional measures that ensure separation of the HFA's authority for allocating low-income housing tax credits (equity) and for providing debt financing;
- Providing for ongoing credit risk monitoring and disclosure to ensure the protection of taxpayer interests;
- Providing clarity as to the scope and scale of the program, given the government's role and the waivers that have been granted under the program that are not be consistent with MAP standards; and
- Providing for strong oversight to ensure program compliance.

MBA and our members appreciate your consideration of our views and would be pleased to participate in further discussions with you and your staff. If you have any questions or for further information, please contact me or Sharon Walker at [swalker@mba.org](mailto:swalker@mba.org) or 202-557-2747.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas T. Kim", is written over a light gray rectangular background.

Thomas T. Kim  
Senior Vice President, Commercial/Multifamily  
Mortgage Bankers Association