



NATIONAL
MULTIFAMILY
HOUSING
COUNCIL



June 29, 2017

The Honorable Mike Crapo
Chairman
Senate Committee on Banking, Housing
and Urban Affairs
534 Dirksen Senate Building
Washington, DC 20510

The Honorable Sherrod Brown
Ranking Member
Senate Committee on Banking, Housing
and Urban Affairs
534 Dirksen Senate Building
Washington, DC, 20510

Dear Chairman Crapo and Ranking Member Brown:

We are writing on behalf of the members of the National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA) who represent the \$1.3 trillion apartment industry and its nearly 39 million residents. Thank you for your leadership regarding housing finance reform and your examination of this critical issue through the hearing before the Committee titled “Principles of Housing Finance Reform”.

As we near the beginning of our tenth year of conservatorship of Fannie Mae and Freddie Mac (the Enterprises), the need to address the current status of the Enterprises is vitally important. To reform a system as complicated as housing finance, policy makers should begin with a strong cornerstone. We believe the multifamily system of the Enterprises can and should serve as that cornerstone, having operated with distinction during the recession.

Delayed marriages, an aging population and immigration are just some of the factors leading to an increasing and pressing need for new apartments, according to a new study conducted by Hoyt Advisory Services and commissioned by the National Multifamily Housing Council (NMHC) and the National Apartment Association (NAA). This increased apartment demand means a critical need for 4.6 million new apartments at all price points by 2030. Currently, nearly 39 million people live in apartments, and the apartment industry is quickly exceeding capacity. In the past five years, an average of one million new renter households were formed every year, which is a record amount. Meeting this current and growing demand for multifamily housing will prove challenging and any disruption in access to capital will further exacerbate a housing affordability crisis already impacting millions of Americans.

NMHC/NAA urge the Committee to recognize the unique needs of the multifamily industry. We believe the goals of a reformed housing finance system should be to:

1. Maintain an explicit federal guarantee for multifamily-backed mortgage securities available in all markets at all times;
2. Ensure that the multifamily sector is treated in a way that recognizes the inherent differences of the multifamily business; and

3. Retain the successful components of the existing multifamily programs in whatever succeeds them.

We look forward to working with the Committee as you undertake this important work.

Sincerely,

A handwritten signature in black ink, appearing to read "Douglas M. Bibby". The signature is fluid and cursive, with the first name being the most prominent.

Douglas M. Bibby
President
National Multifamily Housing Council

A handwritten signature in black ink, appearing to read "Robert Pinnegar". The signature is more stylized and less legible than the one on the left, with a long horizontal line extending from the end.

Robert Pinnegar, CAE
President & CEO
National Apartment Association