

# N A A H L

**NATIONAL ASSOCIATION OF AFFORDABLE HOUSING LENDERS**

April 10, 2009

Mr. Robert E. Feldman, Executive Secretary  
Attention: Comments  
Federal Deposit Insurance Corporation  
550 17<sup>th</sup> Street, NW  
Washington, DC 20429

Dear Sir:

Thank you for the opportunity to comment on the new Legacy Loans Program (LLP). I would like to specifically address your question regarding which asset categories should be eligible for sale through the LLP. One small but significant piece of the financial services industry has been overlooked in the efforts to help revitalize lending: the blue-chip, nonprofit multifamily lenders which provide critical financing and mortgages for affordable rental housing in states as diverse as New York, Alabama, Massachusetts, California, and the Carolinas.

While it is important to resolve the legacy loan situation at our nation's insured depository institutions, the LLP should also address the dire straits of these not-for-profit lenders, who have no troubled assets, most have never had a loss on loan, and the rest have total losses under one percent. Like other financial companies, these lenders depend on the availability of credit to finance housing, so the seizing up of the credit markets has hindered their ability to help mitigate the crisis and finance additional properties.

With millions of homes expected to go into foreclosure over the next few years, an ample supply of affordable multifamily rental housing is more crucial than ever. The severe liquidity constraints faced by our nation's leading nonprofit lenders threaten that supply. These lenders make loans which are the building blocks of community development, often expertly combining multiple Federal subsidy programs. The liquidity crisis is significantly impairing these lenders' ability to meet the affordable housing needs of our urban and rural communities.

Through the LLP, the Federal government could help supply the needed liquidity to these lenders at time when affordable rental housing is most needed. We look forward to working with you to increase the flow of private capital to underserved areas.

Sincerely,

Judy Kennedy  
President and CEO

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