OVERSIGHT OF THE FEDERAL HOUSING ADMINISTRATION'S MULTIFAMILY INSURANCE PROGRAMS

HEARING

BEFORE THE

SUBCOMMITTEE ON
INSURANCE, HOUSING AND
COMMUNITY OPPORTUNITY

OF THE

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U.S. HOUSE OF REPRESENTATIVES

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OVERSIGHT OF THE FEDERAL HOUSING ADMINISTRATION'S MULTIFAMILY INSURANCE PROGRAMS

Thursday, June 7, 2012

U.S. HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON INSURANCE, HOUSING
AND COMMUNITY OPPORTUNITY,
COMMITTEE ON FINANCIAL SERVICES,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:04 a.m., in room 2128, Rayburn House Office Building, Hon. Judy Biggert [chairwoman of the subcommittee] presiding.

Members present: Representatives Biggert, Hurt, McHenry, Dold, Stivers; Gutierrez, Waters, Cleaver, and Sherman.

Also present: Representatives Grimm and Green.

Chairwoman BIGGERT. Good morning. I would like to welcome everyone to today's hearing entitled, "Oversight of the FHA's Multifamily Insurance Programs." During the 112th Congress, the subcommittee has reviewed the role of the Federal Housing Administration, or FHA, in today's mortgage finance market, particularly with regard to single family housing.

We have also examined ways to reduce the government's role and increase private sector participation in mortgage finance. Today, we will continue our work, but with a closer examination of the FHA's multifamily housing programs.

Multifamily mortgage insurance can reduce the cost of capital available to fund the construction, rehabilitation, and purchase of multifamily buildings, thereby increasing the supply and, at times, the affordability of rental housing.

Since the 2008 crisis, FHA's annual insurance commitments have nearly quadrupled. Today's hearing will examine reasons for the increased volume of FHA multifamily programs, the solvency of these programs, and finally, a few FHA and Ginnie Mae multifamily housing related proposals.

In the midst of continued real estate market challenges, it is important that we continue to explore ways to reform Federal housing programs, protect taxpayers, encourage private sector financing without a government guarantee, and ensure that sufficient financing is available to meet market demand.

So, I look forward to an informative discussion, and I welcome our witnesses.

At this time, I recognize the gentleman from Illinois for 2 minutes, after he takes my place here.

Unfortunately, I have several things going on, but I will be back.

Mr. DOLD [presiding]. I want to thank the chairwoman for yielding.

I certainly want to thank all of you for taking the time to be here. It is certainly a unique opportunity. I think I can take even more than my 2 minutes if I need to. I don't think I am going to have any objection.

So I do want to thank all of you for taking the time to be with us here today. And certainly, we will have other Members come in and join us, as my good friend from New York has just arrived.

I am certainly happy to see that Illinois is so well-represented on this distinguished panel. Certainly, Professor Pagliari, thank you so much for being here, from the University of Chicago. Although I attended Northwestern at Kellogg, please don't hold that against me.

We also have Mary Kenney, the executive director of the Illinois Housing Development Authority. And she and her entire staff do a fantastic job for the people of Illinois.

Under Director Kenney's leadership, we have a very well-operated and self-supporting State housing and finance agency that should serve as a model for other State housing financing agencies.

So I thank both of you and all of our witnesses for sharing your time and testimony and experience with us here today.

I think all of us here today share a common objective: to create conditions for a stronger, more sustainable, and more effective mortgage finance system. This means protecting taxpayers from future bailouts and seemingly unlimited liability exposure, encouraging the private sector to become the primary vehicle for mortgage financing, and otherwise effectively restoring long-term stability to the real estate sector.

Certainly, the FHA multifamily portfolio raises some concerns that we should all examine carefully. But as we consider the FHA's role in the multifamily market, we should also examine the successful programs that have been supported by both Republicans and Democrats alike.

For example, the Low Income Housing Tax Credit Program has been called the most successful affordable housing program since its inception in 1986, and has a default rate below 1 percent. Credits are distributed by State housing agencies to competing private sector developers and investors, so we have market-driven incentives and enforcement mechanisms that help ensure continued housing affordability at a much lower cost than that of the direct government participation.

So with multifamily housing demand continuing to grow, I hope that we can move forward with proposals that ensure affordable housing units, incorporate free market principles, lay the foundation, increase private sector participation, and significantly diminish taxpayer risk.

I look forward to hearing from each and every one of you. And thank you again.

And at this time, I would like to yield 2 minutes to the gentleman from New York, Mr. Grimm.

Mr. GRIMM. Thank you, Mr. Chairman. That sounds pretty good, "Chairman Dold."

In all sincerity, I want to thank this distinguished panel for being here today. We had to add a table, because there are quite a few people here.

Don't be discouraged by the lack of Members. This is an extremely important issue, because anything right now dealing with housing is going to be of the utmost importance.

I have said many, many times that if we don't get housing moving again, the overall economy is not going to get moving again. And this is an integral part and a big piece of that puzzle. But more importantly, I think that some of the issues before us on multifamily housing are a great place to find true bipartisan efforts.

I think that there is a lot of commonality on both sides where we can come together to find common ground. And that is greatly needed right now. I think that segues into the need for multifamily housing that is growing and is going to continue to grow.

So it is something that we have had to focus on. It is something that we should be focusing on together, not using it as a political wedge, but rather as a common ground to bring the parties together. And that is why I am here today.

I look forward to hearing your testimony. I know that some of the issues we are going to discuss today are extremely important to my constituents in Staten Island and Brooklyn. And I am very eager to hear the testimony.

So with that, I will yield back. Thank you again.

Mr. DOLD. At this time, we will introduce the panel. With us today, we have: Ms. Marie Head, Deputy Assistant Secretary, Multifamily Housing Programs, in the Office of Housing at HUD; Mr. Michael Bodaken, president of the National Housing Trust; Ms. Sheila Crowley, president of the National Low Income Housing Coalition; Ms. Mary Kenney, executive director of the Illinois Housing Development Authority, on behalf of the National Council of State Housing Agencies; Mr. Rodrigo Lopez, president and chief executive officer of AmeriSphere, on behalf of the Mortgage Bankers Association; Mr. Richard Mostyn, vice chairman and chief operating officer of the Bozzuto Group, on behalf of the National Multi Housing Council and the National Apartment Association; Mr. Robert Nielsen, immediate past chairman of the board of the National Association of Home Builders; Mr. Joseph Pagliari, clinical professor of real estate at the University of Chicago Booth School of Business; and Mr. Peter Schiff, chief executive officer and chief global strategist of Euro Pacific Capital.

Welcome to you all. Without objection, your written statements will be made a part of the record, and you will each be recognized for 5 minutes for a summary of your testimony.

We will begin with Ms. Head.

STATEMENT OF MARIE D. HEAD, DEPUTY ASSISTANT SECRETARY, MULTIFAMILY HOUSING PROGRAMS, OFFICE OF HOUSING, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Ms. HEAD. Good morning. Chairwoman Biggert, Ranking Member Gutierrez, and members of the subcommittee, thank you for the opportunity to testify today regarding the FHA's multifamily housing programs. When this Administration took office, the economy was on the brink. The Nation was losing over 750,000 jobs a month. Our economy had shed jobs for 22 straight months. And consumer confidence had fallen to a 40-year low.

In the face of this turmoil, this Administration took dramatic steps to prevent a complete financial meltdown in the housing market. And as a result of those steps, today an economy that was shrinking is growing again, and we continue our efforts to speed that growth, as we fight back from the worst economic crisis since the Great Depression.

The housing market in particular has suffered through this crisis, requiring swift and aggressive response. And while Secretary Donovan and others have testified many times concerning steps taken in the single family market, no less important is the role that this Administration, and particularly the FHA, has played in providing critical liquidity in the multifamily mortgage market.

For example, responding to the collapse of the Low Income Housing Tax Credit Program, this Administration implemented the Tax Credit Assistance Program and the Tax Credit Exchange Program.

Together, these two programs jump-started construction on 126,000 homes, adding needed supply as low-income renters, including many foreclosed homeowners, were struggling to access affordable housing.

The Treasury Department's New Issue Bond Program is another example of decisive action by the Administration. The liquidity this program provided to State housing finance agencies allowed them to issue new housing bonds to fund affordable housing construction.

And of course, FHA has been critically important in ensuring the continued availability of mortgage credit for the multifamily properties. Over the last 3 years, FHA has seen a substantial increase in demand. Endorsements for FHA multifamily insurance rose from $2.3 billion in Fiscal Year 2008 to $12.4 billion in Fiscal Year 2011.

FHA's multifamily programs have helped fill the gaps left with the shrinkage of the conventional financing forces. And while the market continues to improve, we expect high volume for FHA insurance activity for the remainder of Fiscal Year 2012, into Fiscal Year 2013.

While FHA has stepped up to the plate during this time of market constriction, we have also focused on improving our risk management capabilities and processes. The steps we have taken to date include: strengthening FHA's lender approval and capital requirements; strengthening underwriting and credit evaluation requirements; implementing a loan committee approval structure to better analyze credit risk; and creating a more efficient loan review process through our Breaking Ground Initiative.

In just 7 months, through Breaking Ground, we have reduced the number of applications in our processing pipeline. The number of applications that sat for more than 90 days decreased from 191 to 50. In addition, the Department will shortly embark on a similar initiative called Sustaining Our Investment, to make our asset management processes and policies more efficient and effective, as we focus on a portfolio that is increasingly market rate, as opposed to traditional assistance.

Given the unprecedented increase in the number and dollar volume of loans insured through FHA programs, the Department has proposed premium increases for FHA's general insurance and special risk insurance funds. This is the first multifamily mortgage insurance premium increase in 10 years.

This increase reflects new realities within the portfolio, and will ensure that FHA products are priced appropriately to compensate for FHA's risk. And yet, even with this proposed MIP increase, FHA multifamily loans are still priced substantially below other capital sources, by estimate per program type of 75 to 200 basis points.

The proposed change in MIP is a step towards not only managing our risk, but encouraging the return of private capital. It is important to note that premiums for affordable housing loans, such as those with rental subsidies and low income housing tax credits, will not be increased.

Also, to further the Department's mission to preserve affordable housing, HUD has launched a tax credit pilot program to make it easier to use these credits. We are also seeking legislation to lend to small multifamily properties, with two legislative changes.

In conclusion, Chairwoman Biggert, while FHA must remain a key source of safe mortgage financing, we recognize the risk and mission must be balanced. We continue to work hard to ensure the availability of financing for safe, decent, and affordable housing, contributing to creating an America built to last.

Thank you for the opportunity to testify. I would be pleased to answer any questions the members of the subcommittee may have.

[The prepared statement of Deputy Assistant Secretary Head can be found on page 183 of the appendix.]

Mr. DOLD. Thank you, Ms. Head.

Mr. Bodaken?

STATEMENT OF MICHAEL BODAKEN, PRESIDENT, NATIONAL HOUSING TRUST

Mr. BODAKEN. Good morning, Chairman Dold, Ranking Member Gutierrez, members of the subcommittee, and Representative Grimm. I am Michael Bodaken, head of the National Housing Trust.

Through our work in real estate development and affordable housing, we help save and improve 21,000 affordable apartments throughout the United States, in 41 States, helping to leverage over $1 billion in private investment.

The majority of these apartments are HUD-subsidized or have uninsured mortgages. We regularly engage with HUD, FHA, the GSEs, and the Federal Home Loan Banks through our work.

Time does not permit me to detail all of my written testimony. The focus of my statement today relates to the following four issues.

Number one, the role of FHA in preserving project-based Section 8 housing. Historically, FHA has been pivotal in the development of HUD-insured Section 8 housing. Fully 40 percent of the Section 8 portfolio is FHA-insured, constituting almost $14 billion in FHA loans.

Therefore, we find it totally short-sighted and a risk to the American taxpayer that the Administration has proposed short-funding Section 8 contracts. Underfunding or short-funding these contracts would expose FHA to significant exposure. As the HUD Inspector General himself has said, owners must be assured a reliable, predictable funding from the Government in the Section 8 Program.

Short-funding puts FHA at risk. It should not be a mystery to this committee as to what impact it has on your particular districts: in Mrs. Biggert's district, there are $25 million of FHA-insured contracts; in Ms. Waters' district, there are $17 million of FHA-insured contracts; in Mr. Dold's district, there are $34 million of FHA-insured contracts; in Mr. Stiver's district, there are $50 million of FHA-insured contracts; and in Mr. Hurt's district, there are $5 million of FHA-insured contracts.

So the connection between the short-funding of Section 8 and FHA cannot be ignored by the committee.

Number two, FHA market share. The committee is interested in knowing whether the private sector could assume some of the risk that FHA is now taking in multifamily lending.

And the answer is yes, so long as the market is healthy. As shown in a chart on page six of my testimony, when the housing market was healthy, approximately $100 billion of FHA lending occurred in 2006. Of this, almost 60 percent was done by the private market, meaning commercial banks, mortgage-backed securities, banks, lenders, depository institutions, and so on. In 2007, that increased to 63 percent of all multifamily originations.

But what occurred in 2008 and 2009 is instructive for this committee. By 2008 and 2009, the CMBS market had virtually gone away, and the insurance and depository institutions only constituted 3 percent of the total market. So there is no question that there needs to be a strong, functioning FHA for both good times and bad. There is no question that the private market will be here while the market is healthy.

But if and when a downturn occurs, you need a strong FHA to be there to provide liquidity to the market, as it did, and Ms. Head explained, in 2008 and 2009. That explains the increase in FHA insurance. Without it, we would not have been able to do the kind of work that we did in those years.

Time does not permit me to talk about the reforms of FHA programs, but let me first say, in both Democrat and Republican Administrations, there has been an issue with respect to the timing of FHA loans, and trying to do that work with low income housing tax credits.

There is a lot of bureaucracy, cumbersome, with FHA loans, sometimes duplication. And I applaud the Administration for trying to address with their Super F Program. That program is targeted to tax credit properties, targeted to those same Section 8 properties I just mentioned, and has a lot of potential.

Right now, the pilot does not have any use or deployment in the south or midwest. And we would encourage the Administration to expand that pilot.

Finally, you have asked us to talk about H.R. 4253, which was sponsored by Representative Paulsen and Representative Grimm. It was introduced to enable owners of rental properties, Low Income Housing Preservation and Resident Homeownership Act (LIHPRHA) properties to access the excess project funds and refinance their properties.

We strongly support this goal. However, we are concerned that the legislation, as filed, may enable owners to strip a property of its equity, improve refinancing, and not act to ensure long-term feasibility. We know that is not the authors' intent. We intend to work with the committee and the sponsors of this legislation to make changes to the bill so that we can achieve our common goals.

We are confident we can get there. Thank you for your time.

[The prepared statement of Mr. Bodaken can be found on page 43 of the appendix.]

Mr. DOLD. Thank you, Mr. Bodaken.

Ms. Crowley, you are recognized for 5 minutes.

STATEMENT OF SHEILA CROWLEY, PH.D., PRESIDENT, NATIONAL LOW INCOME HOUSING COALITION

Ms. CROWLEY. Good morning, Chairman Dold, and members of the subcommittee. I am pleased to have the opportunity to testify today about the Federal Government's role in rental housing.

I am Sheila Crowley, the president of the National Low Income Housing Coalition. And because we focus on housing for the lowest-income households in our country, we have a key interest in the health of the rental housing market.

Nationwide, 35 percent of all households are renters, but renters comprise 53 percent of low-income households, 60 percent of very low-income households, and 67 percent of extremely low-income households.

Almost everybody will be renters at some point in their lives. Young people, single people, and people with disabilities are more likely to rent than own. Renters have more flexibility to move to new job opportunities.

And while renters may face annual rent increases, their costs are predictable and they do not incur sudden large home repairs, which makes rental housing more suitable for many seniors on fixed incomes.

But the rental housing market is most important for the low-income families and individuals who make up 41 percent of all the households in the United States. Federal housing policy, however, has long favored single family homeownership over rental housing, with most of the Federal housing programs and the subsidies going towards homeownership.

The FHA mortgage insurance programs are just one case in point. FHA's current portfolio consists of 4.8 single family homes and just 13,000 multifamily properties.

The number of renters in the United States is on the rise in the aftermath of the 2007/2008 housing crisis. Vacancy rates are falling and rents are rising. Rents were up in 63 of 64 metro areas recently examined, with west coast markets increasing by as much as 12 percent.

The United States has had a shortage of affordable housing for the lowest-income households since the 1970s. And the "Great Recession" has only made it worse. In the United States, there are 9.8 million extremely low-income renter households, up from 9.6 million in 2009, while the number of rental housing units they can afford fell from 5.9 million in 2009 to 5.5 million in 2010.

Thus, for every 100 extremely low-income renter households, there are only 30 rental units that they can afford and that are available to them. So consequently, over two-thirds of these households have to spend over half of their income on rental housing.

And while the shortage is less in the very low-income category, the shortage literally disappears for households with incomes between 50 and 80 percent of—income.

For every 100 low-income households, there are 98 affordable and available units. And in 42 States, there is indeed a surplus of rental housing at that level.

So where the most need is at the lowest level. The shortage of rental housing for very low- and extremely low-income households is both a housing problem and an income problem. The growth of income inequality in the United States means that there are simply more lower-income people in the market for low-cost rental housing.

Income supports such as housing vouchers increase access to existing housing for low-income people lucky enough to get a voucher. But in many households, families are not able to find single housing that they can afford, or landlords do not accept vouchers.

Increasing the supply of rental housing that is affordable to extremely low-income households must be part of a solution. But there is no evidence that the private market is willing to invest in this housing on its own, despite the huge demand.

The main engine of affordable rental housing production and preservation today is the loan from housing tax credits, but affordability for the lowest-income households can only be achieved by coupling tax credits with vouchers or other subsidies.

The other Federal program that supports Federal low housing production is HOME, but only 38 percent of HOME dollars have been used for rental housing. Filling this gap is why Congress enacted the National Housing Trust Fund in 2008. At least 90 percent of the funds must be used for rental housing, and at least 75 percent of the funds must benefit extremely low-income households.

With sufficient funding, the National Housing Trust Fund would achieve our national goal of ending homelessness in the United States. In an era of severe housing restraint, the conventional wisdom is that we can't afford the National Housing Trust Fund. We disagree.

Funding for the Housing Trust Fund will not only be good for the millions of families who need affordable rental homes; it will create many jobs in hard-hit construction trades.

There are several proposals for funding the National Housing Trust Fund. I want to close by telling you that we believe that the Housing Trust Fund can and should be funded in a manner that is both budget-neutral, and would rebalance Federal housing policy to place more emphasis on rental housing.

The campaign supports a modest reform to the mortgage interest deduction that would provide tax benefits to a much greater number of low- and moderate-income homeowners and would produce enough savings to fund the National Housing Trust Fund.

The mortgage interest deduction is under scrutiny today due to its large size, $100 billion, and its role in over-subsidizing homeownership by the Federal Government. We don't support eliminating it, but modest, carefully phased-in reform would make Federal housing policy much fairer and more efficient.

The challenge would be to ensure that savings achieved from reform, that is sure to happen, will be used in recalibrating the Nation's longstanding housing need.

Thank you.

[The prepared statement of Dr. Crowley can be found on page 172 of the appendix.]

Mr. DOLD. Thank you, Ms. Crowley.

Ms. Kenney, you are recognized for 5 minutes.

STATEMENT OF MARY KENNEY, EXECUTIVE DIRECTOR, ILLINOIS HOUSING DEVELOPMENT AUTHORITY, ON BEHALF OF THE NATIONAL COUNCIL OF STATE HOUSING AGENCIES

Ms. KENNEY. Good morning, Chairman Dold, and members of the subcommittee. I appreciate the opportunity to testify today in support of simple, sensible steps that would have a big impact by helping FHA and State housing finance agencies, or HFAs, address our Nation's growing affordable rental housing need.

As set forth in my written statement, the need for affordable rental housing in our country has never been greater. The Administration's Fiscal Year 2013 budget contains a proposal that would allow Ginnie Mae to securitize FHA-insured multifamily loans under the FHA/HFA risk-sharing programs.

This proposal would allow States to better address this need within their communities at no cost to the Federal Government. And I highly recommend that the Congress allow Ginnie Mae to securitize FHA-insured multifamily loans under this program.

As you may recall, the full Financial Services Committee included this authority in the Housing Preservation and Tenant Protection Act, which it reported in 2010. In addition, HUD, FHA, Ginnie Mae, and various affordable housing industry groups all support this proposal.

I am testifying on behalf of the National Council of State Housing Agencies (NCSHA). NCSHA is a national, nonprofit, nonpartisan association that represents States' HFA interests before Congress and the Administration.

State HFAs are widely known for their safe and sound first-time home buyer lending programs, and have provided a reliable source of affordable mortgage money for working families over many decades in both strong and weak economies.

We also provide low-cost multifamily financing to facilitate the development of affordable rental homes. Established in 1992, the risk-sharing program has been very successful, with 26 State HFAs financing nearly 1,000 loans, totaling more than $5 billion in principal, and supporting more than 100,000 affordable rental homes.

This activity has generated jobs, increased tax revenue, and promoted economic growth. In Illinois, IHDA has financed 56 such properties, providing more than 5,800 affordable homes, and creating an estimated 8,500 jobs Statewide. IHDA's investment in these projects totals $411 million and has leveraged an additional—I am sorry, $370 million.

And significantly, the loan default rate in this portfolio has been very low; only 1 of the 56 loans has defaulted.

By allowing Ginnie Mae to securitize loans under this program, Congress would increase the supply of affordable multifamily rental opportunities while reducing FHA's workload and risk; achieve greater affordability within FHA-insured rental housing; and better utilize the well-established State-based HFA delivery system, allowing States to better address local needs, all while generating revenue for the Federal Government.

The FHA/HFA risk-sharing program increases efficiency by delegating processing, underwriting, and servicing to State HFAs. This reduces the workload on HUD staff and speeds up loan processing.

Moreover, unlike other FHA products, HFAs share in the risk of default, lowering the exposure of FHA. In addition, it is estimated that permitting Ginnie Mae to securitize risk-sharing loans could reduce the cost of financing rental housing developments by as much as 200 basis points, or 2 percent.

This rate reduction would lower debt service payments by the owner and reduce the need for and cost of other Federal housing subsidies.

Finally, unlike virtually all other FHA multi-loan insurance programs, developments financed under the risk-sharing program must meet the same income targeting and rent restrictions as the housing credit and housing bond programs, providing real affordable housing to the communities they serve.

Best of all, all of these benefits can be achieved at no cost to the Federal Government. Because the loan default rates in this program are very low, insurance premium revenue has exceeded total claims, generating net revenue for the Federal Government over the 20 years that this program has been in existence.

In fact, the Congressional Budget Office estimates that implementing this proposal would result in $20 million in mandatory savings over 10 years to the Federal Government.

In conclusion, the FHA/HFA risk-sharing program has been very successful. Given the program's proven track record, allowing Ginnie Mae to securitize risk-sharing loans is a sensible step that would help the States meet our Nation's affordable housing challenges with minimal risk and no additional cost to the Federal Government.

Thank you for the opportunity to testify today.

[The prepared statement of Ms. Kenney can be found on page 193 of the appendix.]

Mr. DOLD. Thank you, Ms. Kenney.

Mr. Lopez, you are recognized for 5 minutes.

STATEMENT OF RODRIGO LOPEZ, PRESIDENT AND CHIEF EXECUTIVE OFFICER, AMERISPHERE, ON BEHALF OF THE MORTGAGE BANKERS ASSOCIATION

Mr. LOPEZ. Good morning. My name is Rodrigo Lopez and I am president and CEO of AmeriSphere Family Finance, headquartered in Omaha, Nebraska. We are a top 25 FHA multifamily and health care lender, with more than $200 million in FHA production last year. I am here this morning representing the Mortgage Bankers Association (MBA).

The recent crisis put a spotlight on the importance of rental housing and FHA's critical countercyclical role. One in every three American households lives in rental housing. And over the course of a lifetime, most Americans will rent at one time or another.

During the recession, FHA significantly increased its presence in the multifamily rental market as other market participants pulled back. We are seeing that private capital is steadily reentering the markets, which is a very positive sign for our economy.

FHA, however, remains critical in many markets and for many types of properties, particularly older ones, affordable properties that investors are less willing to finance.

I want to acknowledge the strong leadership at HUD under Secretary Donovan, acting FHA Commissioner Galante, and newly appointed Deputy Assistant Secretary Marie Head, who is with us today. These three individuals bring extensive knowledge and experience in multifamily finance to FHA that is refreshing and welcome.

While the multifamily programs have been providing critical liquidity to the market, they also continue to have low delinquency rates and show a positive cash flow. In fact, MBA commissioned its own study last year that FHA multifamily and health care loans originated between 1992 and 2010 have generated positive net cash flows of $927 million.

This period covers years with strong economic growth, and the more recent recession. And HUD's new tighter underwriting standards should further improve loan performance going forward.

MBA commissioned this study because good data on the financial viability of the multifamily programs is not readily available at HUD. While there is extensive data available on the income and expenses of the GI/SRI Fund, it is difficult to create an accurate picture of the overall health of multifamily programs because the fund contains a substantial number of single family loans.

Congress should require HUD to separate the multifamily loans from the single family loans in the GI/SRI Fund, in order to provide policymakers with a better understanding of the financial performance of multifamily programs.

Another critical component for achieving and sustaining the housing market's long-term vigor is ensuring that FHA has the resources it needs to operate effectively. Since 2008, HUD's multifamily staffing levels have dropped significantly. At the same time, loan volume has increased more than threefold.

Technology planning has also suffered. And the multifamily programs still operate without the ability to submit applications electronically.

HUD has tried to improve its processes, but there is still a lot of room for improvement. MBA has recommended a more streamlined approach to HUD's review of applications. And FHA is moving in that direction with a pilot program for properties with low income housing tax credits.

We would recommend nationwide expansion of the pilot program as quickly as possible.

Finally, I want to touch on the proposed increase of mortgage insurance premiums for multifamily programs. The strong performance of these programs and recent tightening of underwriting standards all seem to run counter to the proposed increase.

MBA believes any MIP increase has to be supported by careful actuarial analysis. Unfortunately, as I noted earlier, appealing this—because the Administration's budget does not account for multifamily programs separately.

MBA also believes that mortgage insurance premiums should be used only to manage risk associated with these programs, and not for any unrelated budgetary reason. Currently, the excess income generated by these programs is returned to the Treasury, rather than used to improve the programs or set aside in a reserve fund.

Mr. Chairman, thank you for your focus on this vital segment of our Nation's real estate market. The Mortgage Bankers Association stands ready to work with you on strengthening FHA and its multifamily programs.

Thank you.

[The prepared statement of Mr. Lopez can be found on page 199 of the appendix.]

Mr. DOLD. Thank you, Mr. Lopez, for your testimony.

Mr. Mostyn for 5 minutes?

STATEMENT OF RICHARD MOSTYN, VICE CHAIRMAN AND CHIEF OPERATING OFFICER, THE BOZZUTO GROUP, ON BEHALF OF THE NATIONAL MULTI HOUSING COUNCIL AND THE NATIONAL APARTMENT ASSOCIATION

Mr. MOSTYN. Good morning, Chairman Dold.

On behalf of this Nation's 17 million households who call an apartment their home, the National Multi Housing Council (NMHC) and the National Apartment Association (NAA) would like to thank you for the opportunity to testify today on the Federal Housing Administration's role in multifamily mortgage markets.

NMHC and NAA represent the Nation's leading multifamily renting housing firms, including owners, developers, property managers, and financiers.

My name is Rick Mostyn, and I serve as the vice chairman and chief operating officer of the Bozzuto Group, a firm actively engaged in the development, instruction, management, and ownership of the apartment community.

Our firm is familiar with and a borrower of construction and mortgage capital through the FHA multifamily loan guarantee program.

As detailed in my written testimony, the Nation is experiencing a fundamental shift in its housing dynamics. In this decade alone, renters could make up half of all new households, for a total of more than seven million new renter households.

Although an estimated 300,000 units must be built annually to meet expected demand, ground was broken on just 167,000 apartments last year. FHA has been a cornerstone for construction and permanent financing and refinancing for apartments for over 50 years, and needs to remain a viable market participant to meet future housing needs.

FHA has provided a predictable and quantifiable source of project debt for developers and owners of rental housing, and provided a renewable source of liquidity for multifamily housing through Ginnie Mae securitization.

This is particularly important as developers must invest as much as $2 million or more in development costs for a project prior to the closing of an FHA loan. In normal economic times, FHA plays a limited role, due to the availability of alternative financing, offering construction financing to developers as well as loans to borrowers who lack access to bank and other private construction capital sources.

During the economic crisis, however, the demand for FHA financing surged from $2 billion to $10 billion annually. HUD anticipates that this demand will remain high for the next several years.

This escalation in demand, coupled with new processing procedures, has subjected FHA borrowers to processing times that can exceed 18 months, a dramatic departure from industry standards and prior FHA performance.

NMHC and NAA strongly support FHA's efforts to introduce sound credit and underwriting policies. But there are areas in which processing improvements can be achieved.

We would like to commend HUD for its demonstrated willingness to work with stakeholders in this regard. We remain committed to working with FHA on outstanding issues associated with maximizing the industry's access to FHA credit, improving the application process, and addressing credit risk, which is in the mutual interest of the industry and the taxpayer.

Additionally, we view HUD's December 2011 announcement that it will impose more stringent requirements on those seeking so-called large loans of over $40 million is counter to HUD's stated goal of improving housing in our cities, where the cost of development is substantially higher than in the suburbs.

Furthermore, FHA has not presented evidence that the credit issues specific to larger loans exist that would justify the proposed program changes.

Finally, some have suggested that FHA could replace the role GSEs currently play in the multifamily market. NMHC and NAA strongly oppose such efforts. Because FHA serves a fundamentally different market segment than the GSEs, such a move would exacerbate liquidity issues facing the multifamily industry and could reduce the availability of workforce housing.

The fact is that fully 90 percent of the apartment units financed by Fannie Mae and Freddie Mac—over the past 15 years, more than 10 million units were affordable to families at or below the median income for their community.

NMHC and NAA are working on a framework for spinning out Fannie and Freddie's multifamily businesses, which have generated $7 billion in net revenues to the taxpayer during the conservatorship, as rechartered, stand-alone entities. The plan also calls for the retention of a Federal credit guarantee that would be tied to the security, not the entity, a necessary provision to attract global investors.

In addition, the proposal would fully compensate and protect the government for its guarantee and empower a strong regulator to oversee the new entities, and would address the multifamily sector's capital concerns by ensuring that liquidity remains available in all markets.

Thank you again for the opportunity to testify this morning.

[The prepared statement of Mr. Mostyn can be found on page 208 of the appendix.]

Mr. DOLD. Mr. Mostyn, thank you so much.

Mr. Nielsen is recognized for 5 minutes.

STATEMENT OF ROBERT F. NIELSEN, IMMEDIATE PAST CHAIRMAN OF THE BOARD, NATIONAL ASSOCIATION OF HOME BUILDERS

Mr. NIELSEN. Chairman Dold, Representative Waters, and members of the subcommittee, I am pleased to appear before you today on behalf of the National Association of Home Builders (NAHB).

My name is Bob Nielsen. I am a multifamily builder from Reno, Nevada. And I am the immediate past chairman of the board of the National Association of Home Builders.

Of importance to NAHB's multifamily members are the Section 221(d)(4) and 223(f) programs. In addition to providing mortgage insurance for market rate apartments, the programs are often used in tandem with the low income housing tax credit program to provide affordable rental housing.

FHA historically has played an important part in the financing of multifamily rental housing. As the current economic conditions worsened, the traditional sources of funding withdrew from the market, leaving FHA and the GSEs as the largest source of financing.

FHA stepped up to the plate. Its issuance of firm commitments, including health care, grew from just over $2 billion in Fiscal Year 2008 to $13 billion in Fiscal Year 2011. To ensure that the multifamily portfolio remains safe and sound, HUD turned its attention to implementing new risk management protocols.

We commend HUD for working with NHB and the other multifamily stakeholders as these new policies were implemented. Although much has been accomplished, we remain concerned that loan processing times continue to lag, and staffing levels are not adequate for the volume of work.

We fear that this could further hinder the flow of needed credit. Of key importance to NAHB is the Administration's Fiscal Year 2013 budget proposal to increase the multifamily mortgage insurance premium (MIP).

NAHB is opposed to the increase. We do not believe that HUD has provided compelling justification for them. The purpose of the MIP is not to increase receipts to the Treasury, nor is it to adjust pricing of credit risk relative to current private marketplaces. Historically, HUD has not raised the MIP to generate revenue beyond that needed to cover expected credit losses and associated program costs.

Currently, the MIP is set at a level where the programs will break even, providing only a minimal amount of excess income. The proposed increases will not provide a buffer against future FHA losses, because there is no segregated fund and excess income is simply returned to the Treasury each year.

Increases will only add to a property owner's costs, thus raising rents and discouraging the production of rental housing. Further, these increases will hurt market rate rental properties in the secondary market where credit is limited, because private capital currently is focusing lending activities in the strongest markets and for well-capitalized, large developers.

HUD does not differentiate among markets in setting MIPs. Thus, the increases will penalize the borrowers who need HUD financing the most. Related to this, health of the GI and the SRI fund and whether minimum capital standards are needed; NAHB does not believe it is appropriate to apply the concept of capital ratios, as used in the MMIF to the GI or the SRI fund.

The nature of the multifamily portfolio is significantly different from the single family portfolio, insured under the MMIF.

Also of concern is the Administration's proposal to short-fund Section 8 project-based rental assistance contracts. NAHB does not believe this is a true cost-saving measure, and will only exacerbate the problem for the next fiscal year, causing uncertainty among those who have contracts with HUD.

On the legislative front, NAHB is supportive of HUD's proposals for small multifamily financing, as they would expand the availability of financing for small multifamily rental properties and provide a secondary market outlet for loans on properties between 5 and 50 units.

Further, NAHB would like to express its support for H.R. 4253. In essence, the bill simply accelerates the owners' access to their own funds, without threatening the fiscal or financial well-being of the property.

In conclusion, as the future of the Nation's housing finance system remains in flux, the future of FHA multifamily mortgage insurance programs must be a part of the discussion. NAHB believes that the needs of the moderate- and middle-income renters must not be neglected.

FHA has an important role to play in serving a range of rental housing needs. Its mission must remain broad to ensure that access to credit is available in all geographic areas of the country, and that both affordable and market rate rental housing is produced.

Thank you again for the opportunity to speak.

[The prepared statement of Mr. Nielsen can be found on page 223 of the appendix.]

Mr. DOLD. Thank you, Mr. Nielsen.

Mr. Pagliari for 5 minutes?

STATEMENT OF JOSEPH L. PAGLIARI, JR., CLINICAL PROFESSOR OF REAL ESTATE, THE UNIVERSITY OF CHICAGO BOOTH SCHOOL OF BUSINESS

Mr. PAGLIARI. Thank you for inviting me to testify today. My name is Joe Pagliari and I am a clinical professor of real estate at the University of Chicago. However, the viewpoints expressed in this testimony are my own.

In this regard, my testimony will focus on three major areas. One, pricing structure. As a starting point, consider that private market commercial mortgage lenders charge increasingly higher interest rates as the project's loan ratio increases, representing the lender's compensation for the increasing probability and severity of a borrower default.

Now it is also the case that the lender's estimates of default additionally vary with the lender's perception of assets and borrower quality. A simple comparison is illustrated in exhibit one of my written testimony, where the lender charges the lower-quality asset/borrower a higher interest rate across all loan-to-value ratios.

In contrast, the FHA lending programs do not vary the interest rate either by the leverage ratio or by borrower asset quality. The result of these two very different set of practices create two main effects: adverse selection; and excessive leverage.

To appreciate these effects, consider exhibit two. Consider the rate setting possibilities shown in exhibit two at the maximum FHA leverage ratio of approximately 85 percent. In all instances in which FHA is originating loan volume, FHA underprices the likelihood and severity of borrower defaults, and in so doing disproportionately attracts lower-quality assets/borrowers.

Exhibit two also suggests that—borrowers may be persuaded to utilize more leverage in their capital structure. In turn, the increased leverage increases the probability and severity of borrowers' potential defaults.

Two, costs; forgoing notions of adverse selection and excessive leverage beg the question as to whether or not the private sector does a better job of pricing default risk and of underwriting the asset/borrower than is found with the FHA experience.

This is an empirical question, but I have not been privy to such data with regard to the FHA experience. If such an analysis were to take place, it should cover a sufficient length of time. It should incorporate the incremental costs of FHA to originate and monitor the loans, and should be careful to control for various effects, for example the vintage year, that may help explain differential performance.

Additionally, risk may be changing. Over the last 30 years, the multifamily market has been the commercial property type that has generally displayed the best risk/return characteristics. Consider exhibit three.

However, there are two potential reasons to be concerned that the past may not be perfect prologue for the future. Declining capitalization rates; over much of the last decade, capitalization rates have been lower and declining more steeply for multifamily properties. See exhibit four.

The implication for declining capitalization rates is that future returns may be lower. NIMBY versus YIMBY; for some time I have contended that apartment investors and lenders had benefited from the reluctance of many suburban municipalities to encourage multifamily development.

The euphemism for this type of behavior, "NIMBY, or not in my backyard." However, in many urban markets, municipal authorities are increasingly in favor of multifamily development. NIMBY in reverse, "YIMBY, or yes in my backyard."

While these attributes may be laudable goals from the municipality's perspective, these increasingly pro-development attitudes of urban officials may pave the way for lower apartment returns as well as greater volatility in these returns.

Three, the benefits; of course the cost of the FHA multifamily lending program ought to be weighed against the benefits. As illustrated in exhibit six, an increase in the marginal supply of apartments produces lower rents and expands the number of rental choices.

However, this analysis ignores other effects which may mitigate the benefits identified above. Among those effects is that the surplus illustrated in exhibit six may be shared with sellers.

In the case of apartment development, the developer is able to pay more for the land or the to-be-demolished building because the credit subsidies implicit in the FHA lending programs permit the developer to pay more for the to-be-developed property than would otherwise be the case.

Another potential effect is the adverse impact on home prices attributable to the increased supply of multifamily properties. Because the homeownership and rental markets are interconnected, there is a substitution effect. For example, a decrease in the rental rates of apartment properties leads to a fall in the value of owner-occupied homes.

The effect ought to be considered in light of other governmental efforts currently designed to stabilize and enhance home values.

Thank you.

[The prepared statement of Professor Pagliari can be found on page 235 of the appendix.]

Chairwoman BIGGERT. Thank you very much.

I now recognize Mr. Schiff for 5 minutes.

STATEMENT OF PETER D. SCHIFF, CHIEF EXECUTIVE OFFICER AND CHIEF GLOBAL STRATEGIST, EURO PACIFIC CAPITAL

Mr. SCHIFF. My name is Peter Schiff and I am the CEO of Euro Pacific Capital, although I am better known as having been one of the few voices who very publicly and accurately forecast the financial crisis of 2008, the housing bubble that preceded it, and the "Great Recession" that followed.

Among my many forecasts was that Fannie Mae and Freddie Mac, the two Government-Sponsored Enterprises at the heart of the housing bubble, would in fact go bankrupt. And I also forecast that Congress would make the mistake of bailing them out.

I bring this up now in the hopes that what I have to say, these warnings will not fall on deaf ears. Although judging by how few Congressmen have shown, unfortunately, not too many are listening. In fact, this very hearing proves that Congress still doesn't understand the problem or its culpability in creating it.

I am not saying the Congress acted alone in inflating a housing bubble. It had a lot of help from the Federal Reserve. They supplied most of the air. And that is probably the subject of another hearing.

But we cannot underestimate the role that this body played in enabling millions of Americans to buy houses they could not afford based on government-guaranteed mortgages. These are loans that never would have been made but for those guarantees.

And ironically, it was not even the home buyers who benefited from the subsidies. It was the housing industry. It was the sellers and the home builders. They got to sell the overpriced homes. REALTORS® earned commissions on them. Bankers received fees on them.

And it is no coincidence that the same lobbyists who benefit at the taxpayers' and the economy's expense are back again looking for more. And while I am here, I don't represent any industry.

See, I represent the American taxpayer who is on the hook for all this. Right, I don't want to pay for this. Contrary to what has been said, these loan guarantees do not come without costs.

Look at how much the defaults cost the taxpayers already on Fannie Mae and Freddie Mac. And we haven't even seen the final price tag. If you guys want to guarantee mortgages, do it with your money. Don't do it with mine.

But the actual price is just the tip of the iceberg on costs. When Congress diverts our resources to the housing market, it diverts them away from other sectors of the economy, sectors where the free market would have otherwise put those resources.

And so, the economy suffers. Americans have to live and work in an economy that is far less productive as a result of congressional meddling. Rather than figuring out ways to expand government's involvement and compound the damage, let us actually undo it.

How about talking about ways of getting the government out of the housing market, out of the mortgage finance market? We are broke. Maybe you haven't noticed this as you are paying taxpayer money.

How about just shutting down the Department of Housing? It is a waste of money. Why don't we get rid of the FHA, get rid of Fannie and Freddie? They have done enough damage already. We can't afford to perpetuate these problems.

We need to get the government out so that we can bring the free market in. Unfortunately, the financial crisis, the economic collapse, has only just started, right? We have seen the overture. The opera is about to play out.

Rather than sitting around and trying to figure out how we can pour more gasoline on this fire, I am here to talk to you about ways of putting it out. If we really want to talk economics and not politics, and not try to find ways to make all these lobbyists happy, right, and try to get reelected, let us actually do something for the American public, for the taxpayers of this country who pay all your salaries.

I am happy to sit here as long as you want and answer all the questions you have on exactly what we need to do to turn this economy around, to turn the housing market around.

And you might not like what I have to say. But what I have to say is correct and it is going to work.

Thank you for inviting me here to speak to you.

[The prepared statement of Mr. Schiff can be found on page 247 of the appendix.]

Chairwoman BIGGERT. We are now going to recognize each of the Members for 5 minutes to ask questions in the order of the opening statements. And I will start with myself.

I will begin with Mr. Pagliari. On page two of your testimony, you note that the private market multifamily mortgages attempt to price the probability of default by varying the interest rates depending on several loan quality measures that the FHA does not measure. What are those measures? And how do they lead to adverse selection and excessive leverage?

Mr. PAGLIARI. In the private market, lenders are concerned about things like loan-to-value ratios, debt coverage ratios, the quality of the assets, and the quality of the borrowers. And that is not to say that FHA and HUD don't consider those things.

It is to say, on the other hand, that in the private market, those factors are priced, which means, as one example, as you increase the leverage ratio, the interest rate charged by the lender increases as a form of compensation for taking on additional potential defaults.

In the FHA/HUD lending practices, essentially the interest rate is fixed or constant irrespective of the leverage ratio and/or asset/borrower quality. Around the edges, there are some changes made with regard to reserves and escrow requirements. But in my view, they are not terribly substantive.

Chairwoman BIGGERT. Does this make any difference as far as single family? Is it different than what you would do with single family mortgages?

Mr. PAGLIARI. Before the government guarantee programs that others have mentioned in the single family market, it used to be the case that private—excuse me, that single family home borrowers who had less than a 20 percent downpayment had to look for private mortgage insurance.

And that was a way to make more costly putting down less money. That has largely gone away with regard to governmental lending programs designed for the single family market.

The only other point I would like to make is that what happens in the rental market does affect the single family home market. So to the extent that we increase supply of rental properties, we probably decrease the value of homes.

Chairwoman BIGGERT. Thank you.

Ms. Head, for single family programs, the FHA publishes a quarterly report to Congress that shows serious delinquency rate by quarter for years in the past. Multifamily delinquency rates for all major investor groups, including banks and commercial mortgage-backed securities, like insurance companies and the GSEs, are publicly available. Does FHA multifamily publish or publicly release historical delinquency rates and claim rates?

Ms. HEAD. Thank you for that question, Chairwoman Biggert. Let me assure you that we are committed to transparency in publishing our data.

We post information regarding the FHA insurance program, including our multifamily program, in the FHA Reading Room on our Web site. With respect to multifamily specifically, we have been refining our internal processes in all aspects of the portfolio for the last 2 years.

And we are happy to discuss if there are any other ways that we can provide data or information to you that you might need about our program.

Chairwoman BIGGERT. So the answer is no, you don't publish those?

Ms. HEAD. We do publish some information on our Web site.

Chairwoman BIGGERT. But not the delinquency rates and the claim rates?

Ms. HEAD. No, ma'am, we have not published those.

Chairwoman BIGGERT. Could you provide those to us?

Ms. HEAD. Yes, we could provide them.

Chairwoman BIGGERT. Would you please—because it seems like it kind of suggests a lack of transparency and ability for the public and the Congress to assess whether the multifamily programs are being operated in a safe and prudent manner.

Ms. HEAD. Chairwoman Biggert, may I also state that we have had some IT challenges with our reporting system. We thank you for the Transformation Initiative to allow us to do a better job of that. That has been one of our challenges.

Chairwoman BIGGERT. Okay. Thank you.

I don't know whether to go to Mr. Schiff or not. But I guess I will go.

You believe that FHA should leave the multifamily mortgage market all together?

Mr. SCHIFF. It should leave the single family market as well.

Chairwoman BIGGERT. We are focusing on the multifamily.

Mr. SCHIFF. You have to learn from your mistakes, so that you don't repeat them. But I think it is ironic.

One of the reasons why maybe the multifamily market might be devoid of credit is because too much of it has been diverted by government to single family. In fact, I mentioned in my statement that the subsidies didn't help the home buyers. They helped the home sellers.

Because what happened was, once Americans could get cheap money based on Federal loan guarantees, they simply used that cheap money to bid up home prices. And so, they just paid more for houses that, absent those subsidies, they might have bought for a lot less money. And we wouldn't have that bubble.

The government needs to recognize that the market knows more than Congress. Let the free market allocate—

Chairwoman BIGGERT. All right, so let me ask you this: Do you believe that private funders would come into the market without FHA support?

Mr. SCHIFF. Absolutely. But if you get the government out of housing completely, not just FHA but Fannie and Freddie, and let interest rates rise to an appropriate level, let people buy houses they can actually afford, based on their creditworthiness—don't put taxpayers on the hook. Don't try to get people to buy houses when they would be better off renting. Look at all the renters that Congress put into homes they couldn't afford.

Chairwoman BIGGERT. Let me ask another question. Do private funders engage in affordable housing?

Mr. SCHIFF. Sure they do, if there is a market for affordable housing.

Chairwoman BIGGERT. Give me an example.

Mr. SCHIFF. You have to get the government out to have a free market. But capitalists are always looking to sell things to lower-income people. You can make a lot of money.

There are a lot more low-income people than rich people. And you can make a lot of volume. One of the richest men in the country was Sam Walton. He made money selling things to low-income people.

If there is a demand for low-income housing, and if Congress stays out of the way, profit-seeking private entrepreneurs will satisfy that demand. The problem is you have all these private businesses looking to government, because they don't want to deal with a competitive marketplace.

Chairwoman BIGGERT. All right, my time has expired.

The gentleman from Missouri, Mr. Cleaver, is recognized for 5 minutes.

Mr. CLEAVER. I am going to resist my temptation.

Mr. SCHIFF. Oh, don't do that on my account.

Mr. CLEAVER. I wasn't talking to you.

Mr. SCHIFF. Forgive my presumptuousness.

Mr. CLEAVER. Ms. Crowley, are you familiar with the new term that seems to be used more and more—maybe it is a new term altogether—"rentership?" Since the economic crisis, it seems that we have moved from homeownership to rentership.

And I mention that because we are now reaching a period where many people cannot find affordable rental housing. How could capitalization of the Affordable Housing Trust Fund help households affected by the housing crisis? And what would you recommend to us?

Ms. CROWLEY. Thank you for your question, Mr. Cleaver. On the issue about rentership versus homeownership, I think that in any healthy housing market, there has to be a range of housing choices for the people who live in that community or that society, and that renting is an important and appropriate choice for many people.

The notion that we are moving from being a homeownership society to a renter society doesn't really ring true, because we edged up in homeownership, up to 67, 68 percent, but the ratio of homeowners to renters has remained pretty much steady for a very long time.

On the question of the Housing Trust Fund, as I said in my testimony, there is ample evidence from lots of different places, including our analysis, that where we have the most serious housing shortage—and it is a shortage; it is not just a lack of choice—is for households at the lowest income levels.

And that is, in HUD terms, the 30 percent—income or extremely low income. That is where there is the most need. And that is where the serious resources are going at this point.

And we think it is perfectly reasonable to say that there are lots of resources going into subsidizing housing for higher-income homeowners that could be better spent if we were to figure out how to fund the Housing Trust Fund and get more housing built for the lowest-income people.

The benefits would be across-the-board. The number of people who would be able to afford rental housing and not pay excessive percentages of their income for rent would grow considerably.

They would have more money to be able to spend in the economy. They would have money, God forbid, to save for retirement or for the potential of buying a house. It is just really foolhardy for us not to pay close attention to this problem.

Mr. CLEAVER. Thank you.

Ms. Kenney, would the securitization of FHA and HFA risk-sharing loans actually cost taxpayers?

Ms. KENNEY. Thank you, Representative, for your question. Actually no, it would come at no cost. And this is a program that has existed for 20 years. So it has a proven track record of working, in addition to having no cost to the Federal Government.

It would reduce the workload at FHA, which has had some backlogs in applications in terms of processing. And also, States would actually share in the risk of insurance that is provided for FHA.

Currently, all FHA loan products can be wrapped with this Ginnie Mae wrap and take advantage of that lower interest rate. And this program is excluded from that possibility.

So I just think it would be a very prudent way that the Congress could help States like mine that participate in that program to provide more affordable rental housing at a time when the country truly needs it.

Mr. CLEAVER. Without putting the taxpayers at risk.

Ms. KENNEY. Correct.

Mr. SCHIFF. That is not true.

Mr. CLEAVER. I yield back the balance of my time.

Mr. SCHIFF. There is tremendous cost here. Can I address this? There is tremendous cost to the taxpayer. That is why everybody is here. It is not because there is no benefit.

Mr. CLEAVER. Sir?

Chairwoman BIGGERT. Time has expired.

Mr. SCHIFF. Can I address that?

Chairwoman BIGGERT. The gentleman from Virginia, Mr. Hurt, is recognized for 5 minutes.

Mr. HURT. Thank you, Madam Chairwoman. I wanted to talk a little bit about the proposed increase in mortgage insurance premiums. There has been some criticism that really the purpose of this is to just cover FHA shortfalls, and it is not rationally related to any purpose or any long-term sustainability of what you all are trying to do.

Could you talk a little bit about that?

Ms. HEAD. Yes, sir. I am happy to talk about that.

Since the start of this Administration, we have taken a number of steps to improve the risk management profile and the capabilities of the FHA multifamily programs. Those actions reflect our need to balance our mission along with providing this broader role in the marketplace.

We provided liquidity to the marketplace during the recession. And during the time from 2011, the FHA volume increased by fivefold. Because of this, our risk profile has changed. And the MIP increase will ensure that the fund is compensated for the increased risk.

We are trying to make very prudent, business-like decisions to ensure that we are managing that risk appropriately, while at the same time trying to bring the private market capital back into the marketplace.

So we really, really want to encourage this private capital back into the marketplace.

Mr. HURT. What other things are you doing to encourage that, bringing the private capital back into the marketplace?

Ms. HEAD. Over these last several years, we have strengthened our underwriting risk, which changes the loan-to-value ratios of many of our programs. We have also pushed back on some of the larger loans, as you heard mentioned earlier here today, so that we can encourage the market to come back into that place for those types of loans.

I want to be sure that everyone understands that we are not raising the MIP on any of our affordable housing programs, because we feel that we need to still be very, very active in that marketplace.

Mr. HURT. Okay, thank you.

Mr. Schiff, I am intrigued by some of the things that you said. Despite all the sound and fury, there are not a lot of details and proposals in terms of how you get to what you are talking about.

Obviously, what FHA does is promote liquidity. And as a consequence of that, I think that if you are talking about dismantling that, it is going to be very complicated and could have unbelievable consequences in the process.

What would you propose would be a process for doing it in a way that would not wreck the economy and needlessly harm individuals?

Mr. SCHIFF. It would liberate the economy. Remember, it is not providing—

Mr. HURT. But I am talking about specific—

Mr. SCHIFF. Yes.

Mr. HURT. —specific steps, not more sound and fury.

Mr. SCHIFF. Because where does the liquidity come from? See, it is being redirected. There are plenty of businessmen who can't borrow for capital investment because somebody else got a government guaranteed loan.

The ladies spoke about the fact that these loan guarantees don't cost anything. They cost a tremendous amount of money. The obvious cost being that, well, what if the loan ends up in default? The taxpayer is on the hook.

So the government is adding contingency liabilities to its balance sheet. And again, we are already hopelessly in debt. We don't want to take on more liabilities.

But I think the greater cost to the economy is that the other sectors are deprived of that money that went towards housing, because the government guaranteed that loan and didn't guarantee something else.

Mr. HURT. But you would agree—I assume you would agree that there is a need for a secondary mortgage market in multifamily housing?

Mr. SCHIFF. If there is a need for it, the free market will provide it.

Mr. HURT. All right, how do you get there?

Mr. SCHIFF. That is how markets function.

Mr. HURT. I am asking how you get there?

Mr. SCHIFF. The government has to get out of the way, right? Because as long as the government is there distorting it—look, 90 percent of the mortgages now are now guaranteed by the government.

Nobody is going to step in. Who can compete with the Treasury, because the Treasury has the taxpayers behind them? So there is no private market when the government comes in. It chases everybody else out.

But you have people here looking for the government to come in, to provide a guarantee so that loans can be made that the free market would deny. If the free market wants to deny a loan, there is a reason for that.

And somebody who is more deserving—we don't need more houses. We need more factories. We have this huge trade deficit because too much of our resources are going to the things that the government wants to promote and not enough things that we actually need, and that the free market would provide if the government simply got out of the way.

Because the government doesn't have money. There is no money for housing. The government has to take money from someplace else and direct it to housing.

Mr. HURT. I would suggest, Mr. Schiff—I think what you say is interesting. There may be some truth to it. But I would suggest that if you have a proposal—

Mr. SCHIFF. I have a proposal.

Mr. HURT. You have talked for 2½ minutes and we haven't heard anything.

Mr. SCHIFF. No. The proposals—

Mr. HURT. I yield back.

Mr. SCHIFF. The proposal is free market capitalism. Why is the government involved? What difference does it make—

Chairwoman BIGGERT. The gentleman yields back.

Mr. SCHIFF. —whether somebody rents a house or buys a house?

Chairwoman BIGGERT. Mr. Schiff?

Mr. SCHIFF. Yes.

Chairwoman BIGGERT. The time has expired.

Mr. SCHIFF. Unfortunately, you are right.

Chairwoman BIGGERT. The gentleman from Texas, Mr. Green.

Mr. GREEN. Thank you, Madam Chairwoman. I thank all of the witnesses for appearing today. And I would like to, if I may, engage in a process that will help me to better understand where you are on some of these issues.

In court, we call this voir dire, or voir dire, depending on where you are from. It is a French term. And it means to speak the truth. So please permit me to just ask you to raise your hand if you agree.

If you agree that there is a need for FHA, would you kindly extend a hand into the air?

Mr. SCHIFF. Let the audience—

Mr. GREEN. Excuse me, Mr. Schiff, if you don't mind, I will conduct this voir dire. And I will ask that you be kind. We will get to you in just a moment.

So let the record reflect that all but two hands were raised.

And I would like to, if I may, ask my builder to have some comment. Would you give some indication as to why you are of the opinion that FHA is necessary, please, sir?

Mr. NIELSEN. Sure.

Mr. GREEN. And thank you for appearing.

Mr. NIELSEN. Thank you. The home builders believe that there should be an entire range of housing available to all citizens of this country at all income levels. The problem with taking the government out of housing is that you create a "have and have not" society.

And we believe that everyone should have the right to the American dream, which is owning their own home. We believe that along the way, we are going to have renters. And we need to have rental housing available to those folks who need to rent.

So it is a stepped process. And we think the full range needs to be available.

Mr. GREEN. Permit me to ask Ms. Crowley to respond as well, if you would?

Ms. CROWLEY. To the value of the FHA?

Mr. GREEN. Yes, please.

Ms. CROWLEY. I think that the important thing about the FHA is that when there is a crisis, like we had in the Great Depression, where the FHA was created, and a crisis like we had more recently, what has happened is that those programs have been able to come in and keep everything from falling apart.

And I think that is the role of government, is to be there to make sure that the economy is stabilized when it goes into these serious fluctuations. So I think the FHA is critical from that perspective.

I think the FHA programs are also extremely critical in the preservation and the production of housing, the multifamily programs' production of housing that is affordable to low-income people.

Mr. GREEN. Thank you. Let me intercede, because I do have a couple of additional people that I have to go to.

Let us go to Mr. Lopez, please. Mr. Lopez, you are here on behalf of the mortgage bankers. Is that correct?

Mr. LOPEZ. That is correct.

Mr. GREEN. Could you kindly give us your rationale for why we need FHA? And if you can be as terse as possible, I would greatly appreciate it.

Mr. LOPEZ. Yes. First of all, the most important role that FHA plays is the countercyclical. We saw the private sector exit the market in 2009/2010. If it wasn't for the GSEs and FHA, we would not have been able to finance multifamily housing.

Second, you would not have private investors going into secondary tertiary markets to finance needed workforce housing. So those two elements make it important for FHA, over the long term, to be active and be part of the availability of funds for multifamily rental housing.

Mr. GREEN. The president of the National Housing Trust Fund, I hope I am pronouncing your name correctly, Mr. Bodaken. Thank you. Would you please respond?

Mr. BODAKEN. FHA has been critical, in particular in the financing and preservation of project-based Section 8. They have $14 billion of financing for project-based Section 8.

Ms. Crowley has made the point that extremely low-income renters are not served by the private market. Project-based Section 8—50 percent of the people who live there are elderly or disabled. They make less than $12,000 annually. The private markets cannot possibly serve them.

FHA insures $14 billion. Everyone on this committee has over $10 million or more of FHA-insured commitments on multifamily housing for Section 8 in their district. And so, FHA plays a critical role in ensuring their extremely low-income population can be housed.

Mr. GREEN. Thank you.

And Madam Chairwoman, if I may just say, those who have perused history are very much aware of what housing was like prior to FHA and the GSEs—large downpayments, huge balloons, only those who had some degree of wealth could afford housing, in the main.

We did not have the American dream that we have now. And I would hope that we would not retrogress to the point that we now have to defend whether or not there should be an FHA. I think our goal is to improve it and make it a better FHA.

And I yield back.

Chairwoman BIGGERT. All right, thank you, Mr. Green, for that. And we are working on a bill, as you know.

The gentleman from Illinois, Mr. Dold, is recognized for 5 minutes.

Mr. DOLD. Thank you, Madam Chairwoman.

Professor Pagliari, let me start with you, if I may. Besides the Low Income Housing Tax Credit, what other policies should the Federal Government pursue to incentivize greater private sector development of affordable housing?

Mr. PAGLIARI. I guess, just to back up one step, there seems to be a difference of opinion with regard to whether the marketplace works, whether the market can fill a vacuum. So I would say in the main, if there is a need that is unmet, the marketplace will figure out a way to meet that need.

What we haven't talked about much today in terms of the answer to your question is the voucher program. So rather than providing financing directly to apartment owners, developers, another way to think about solving the problem or mitigating the problem is to provide income assistance to low-income families.

Thank you.

Mr. DOLD. Okay. Director Kenney, let me just turn over to you, if I may.

Is there a multifamily liquidity or capital problem for State housing finance agencies? In essence, are State housing finance agencies able to access capital easily? Or are they finding themselves locked out of the market?

Ms. KENNEY. That is a very good question. HFAs have had to adapt a great deal. And we have changed our financing mechanisms largely. We used to really access the bond markets and avail ourselves of the tax exempt bonds.

I think the liquidity problem on the multifamily side is the crunch on soft resources that need to be provided to developers in order to make a project work. And by that, I mean the Federal

HOME Program. In Illinois, we are very blessed to have a State Affordable Housing Trust Fund.

And because of the economic crisis, those funds have become stressed. There was a 40 percent reduction in the HOME funds this year on the Federal level, and the State trust funds continue to be pressured with the States' budget problems.

So I think the proposal that we have set forth is one good reason for advancing it is just that. If we lower the interest rate to the developer and allow him to provide more private debt onto the project, it will lower the pressure on those soft resources and allow us to provide more multifamily rental housing.

So, this is a very cost-effective way to really give State HFAs a tool to go out there and take some pressure off of those funds.

Mr. DOLD. From your perspective, what do you think the role of the Federal Government should be in multifamily housing development?

Ms. KENNEY. At the risk of disagreeing with the prior speaker, I just don't think that this is a role that the private sector has served traditionally. And they don't serve it well. We don't have to hearken back too far in our Nation's history to the tenement housing and things that existed.

So, I don't feel that this is a need that the private sector has traditionally filled. And I also disagree that the private sector wasn't the larger part of the problem that was created in the housing market.

Mr. DOLD. Would you also agree, though, if I may, that if in a situation of default, government would be on the hook?

Ms. KENNEY. True. And in this particular program, the State HFAs actually participate in the risk. So it is an insurance policy. The premium revenues have exceeded any of the losses in this program. And there is a—

Mr. DOLD. And the default rate, I think, is fairly low.

Ms. KENNEY. It is. In Illinois, it is 1.7 percent.

Mr. DOLD. Okay. Mr. Lopez, if I can turn to you just for a second in the minute and 13 seconds that I have left, your company is among the top 25 FHA lenders and does business, in essence, all over the country. How has your experience with HFA been in recent years? And what do you think FHA should be doing differently?

Mr. LOPEZ. First of all, FHA has been the source of capital during times, as I indicated earlier, where other private sources of capital were not available, along with GSEs. I believe that they have added a whole array of proven changes to the underwriting requirements. That, over the long term, is going to make the portfolio stronger.

This is probably the best time in history to be making the loans that we are making. The fundamentals for the multifamily rental market are very strong. I think the changes to the loan documents that were also implemented, all of those—although there have been a lot of changes, and perhaps more than we can adopt over a short period of time, I think what FHA has been doing is in the right direction.

I do think that we need to streamline the process, so we can provide the funds to those who need it quicker than what it is right now.

Mr. DOLD. Thank you, Madam Chairwoman. My time has expired. I yield back.

Chairwoman BIGGERT. The gentleman's time has expired.

The other gentleman from Illinois, Ranking Member Gutierrez, is recognized for 5 minutes.

Mr. GUTIERREZ. Thank you so much. And my apologies. I was in an Intelligence Committee meeting, and came over here as quickly as possible. I am very happy. And I thank the chairwoman for calling this.

As I know we have heard from a number of witnesses, I also believe that Ginnie Mae's securitization of FHA-endorsed risk-shared loans would generate revenues and increase liquidity, reduce financing costs, and make more loans possible. Implementing the proposal would extend and enhance, in my opinion, the use of a sound, proven housing program, and the delivery system to support the development of more affordable housing rental units.

I have been working on a bill to develop this proposal, which I think will save the taxpayers money. And I look forward to working with colleagues on both sides of the aisle in order to accomplish and introduce such a bill.

I would like to ask Ms. Mary Kenney, what would it mean for the people of Illinois who are in pretty dire need of affordable housing if Congress authorizes Ginnie Mae to securitize FHA/HFA risk-sharing loans, in your opinion?

Ms. KENNEY. In my opinion, it would greatly increase my agency's ability to increase the production of multifamily rental housing. To date, my agency has been underwriting these loans since 1994. We have done approximately 5,800 units.

I estimate that it could increase our production by up to 25 percent, having that more attractive interest rate available in the first position loan.

Mr. GUTIERREZ. And would it cost taxpayers any more money in order to do that?

Ms. KENNEY. No. That is the wonderful thing about this program, is it has a proven track record of 20 years. And there has been revenues to—and the CBO estimates that it would actually save the Federal Government $20 million over the next 10 years.

So it is a net neutral or slight positive.

Mr. GUTIERREZ. Maybe even positive fiscal—right?

Ms. KENNEY. Yes.

Mr. GUTIERREZ. How about the rents? Would it do anything for rents?

Ms. KENNEY. Actually, unlike a lot of FHA insurance products, this actually requires the tax credit and tax exempt bond requirements on rent restrictions and affordability restrictions. It actually provides more affordable housing than the standard FHA insurance as well, so it would help us to reach lower-income people.

Mr. GUTIERREZ. I look forward to continuing to work with you on this. I am going to be sharing with Members on both sides of the aisle, doing exactly that. That is without spending any money and probably getting a CBO that saves it saves money, enhancing and expanding affordable housing opportunities for people without putting any risk, any monetary risk.

Ms. KENNEY. You have been a wonderful advocate for us. And we appreciate your support.

Mr. GUTIERREZ. We are going to work on that. And again, I apologize to all the panelists for being tardy to this hearing.

Chairwoman BIGGERT. The gentleman yields back.

The gentleman from Ohio, Mr. Stivers, is recognized for 5 minutes.

Mr. STIVERS. Thank you, Madam Chairwoman.

I wanted to ask a question. Both Ms. Crowley and Ms. Head said earlier that the insurance program that FHA's multifamily housing has does not cost the taxpayers any money. But unlike the single family housing program, there is no capital requirement. Single family housing is supposed to keep a 2 percent surplus. The multifamily program does not have a similar surplus that I know of. Maybe you can inform me and help me if I am misinformed.

But because of that, isn't it true that if the program didn't make money, the taxpayers would have to step in and bail them out?

I will let Ms. Head go first, and then Ms. Crowley.

Ms. HEAD. Thank you for that question. All of FHA's programs have a high level of accountability of financial performance, first to OMB as part of the annual budget review.

Mr. STIVERS. No, I understand that. Could you please focus your comments on capital reserves?

Ms. HEAD. On the capital—

Mr. STIVERS. Thank you, yes.

Ms. HEAD. Yes. So—

Mr. STIVERS. Because I don't have much time. I want to use it wisely.

Ms. HEAD. Sure. FHA agrees with a physically conservative approach to financing its loan guarantee programs. We know that there have been several discussions and a history about the capital reserves for multifamily.

Our principal problem with that proposal is that for the GI/SRI Fund, almost 45 percent of the outstanding insurance for existing single family loans no longer being underwritten under the fund, but the new insurance for single family programs are now under the MMI Fund.

So to comply with the GI/SRI Fund capital requirement, as it exists, that would mean that FHA would have to further increase premiums on the currently active multifamily and health care programs.

Mr. STIVERS. Okay, you can stop there.

Ms. Crowley, do you have any comments on that?

Ms. CROWLEY. I didn't say anything about reserves in my—

Mr. STIVERS. You did say that it didn't cost the taxpayers any money. It is directly related to reserves. And if there are no reserves—

Ms. CROWLEY. Ms. Kenney said that.

Mr. STIVERS. I'm sorry. I apologize.

Ms. KENNEY. So yes, I was referring to the CBO estimate.

Mr. STIVERS. I am sorry. I didn't realize it was Ms. Kenney. I apologize.

Ms. KENNEY. Yes—in the FHA risk-share program, and the historical operation of that program. And it has run at a surplus.

Mr. STIVERS. But if they didn't have a surplus on any given year, wouldn't it cost taxpayers money, because there is no capital reserve?

Ms. KENNEY. Yes, potentially it could. I think the benefit of this program that can't be underscored enough is that the States actually share in the risk with the Federal Government.

Mr. STIVERS. And the problem I have is that the government typically misprices risk. That is what happened in Fannie and Freddie. That is what happened in FHA's single family program. That is why the reserves have gone from 2 percent now. They were 1 percent last year and then—well, the year before last. And then they lost 0.6 percent last year.

So they are a little over 0.5 percent of reserves now. And they lost more than that last year. If they continue to lose, it will be below zero this year. I guess I just think we need to manage every program as close to the free market as we can.

And so, I just wanted to bring up that issue.

I want to shift a little bit and ask Mr. Lopez, because I do think the other point here is—and Mr. Schiff brought it up as well—we need to encourage the private marketplace to do as much as it can.

And in my home of Columbus, Ohio, my multifamily housing builders are—people who are building multifamily housing are finding the only people they can get a loan from right now is FHA. Mr. Lopez, are there things we could do to encourage private lenders to put money back in multifamily housing?

Why is it? I know that the crisis caused a lot of people to pull back from some multifamily commercial lending. Are there things that we could do that could allow private capital to compete with FHA? And then I think that would help drive the government to know what a fair market rate price is.

Mr. LOPEZ. You are correct. And we are already seeing the shift. What we saw in 2009 and 2010, when your constituents in Ohio saw that the only source of loans were the GSEs and FHA, 2009, 2010. Today, that has shifted. And you begin to see life insurance company, banks, thrifts that have come back into the market.

Historically, that has been the role that FHA and the GSEs play. They are countercyclical to the market. So we are seeing the private market. I think the FHA has done a good job in increasing the underwriting requirements.

Mr. STIVERS. I just have 16 seconds left. And so, I would like you to comment on the capital piece, because obviously all of your lenders have to have capital behind them. What do you think about the fact that FHA's multifamily housing doesn't have a capital surplus requirement?

Mr. LOPEZ. There has been a negative credit subsidy. And you look at the history of delinquencies for the GSEs. And although we don't have numbers for FHA, we can tell that money is going to the Treasury. So money is not being lost.

And overall, those portfolios are performing quite well.

Mr. STIVERS. My time has expired. I would like to follow up on that if there is a second round, Madam Chairwoman.

Chairwoman BIGGERT. Thank you, Mr. Stivers.

I am going to ask a couple more questions, if I may.

Mr. Mostyn, according to your testimony, you support HUD's proposal to expand taxpayer-backed Ginnie Mae securitization of loans on buildings to 49 units.

Would this proposal require taxpayers to take more risk on—

Mr. MOSTYN. I don't believe so. I think that the housing needs in smaller communities are just as important as they are in the larger communities. And I think that if the underwriting is solid and is done in a format that we have seen the improvement through the FHA here recently, I think it should be a good investment, a good guarantee, if you will, for the FHA and the government.

Chairwoman BIGGERT. I guess that is not quite the question I was trying to get to. If you expand taxpayer-backed Ginnie Mae securitization of loans, will there be more taxpayer risk?

Mr. MOSTYN. Again, I don't believe so. I think that the asset, if underwritten correctly, which Ginnie Mae's process would do—

Chairwoman BIGGERT. All right, then, Ms. Head, currently the Rural Housing Service, under the U.S. Department of Agriculture, administers multifamily housing programs to rural communities nationwide. Are these rural communities also eligible for multifamily housing programs under FHA?

Ms. HEAD. The multifamily programs that already exist in the rural housing, are they eligible for FHA?

Chairwoman BIGGERT. Yes.

Ms. HEAD. They are insured by the rural housing programs.

Chairwoman BIGGERT. Are the communities eligible for FHA? The Department of Agriculture has the rural housing—

Ms. HEAD. The USDA 515 Program, is that what you are referring to for the rural housing?

Chairwoman BIGGERT. Yes.

Ms. HEAD. Yes, so the FHA small multifamily risk program will provide new opportunities for those that are financing loans in rural communities. So they have their own government, and outside of the FHA-insured guarantee.

Chairwoman BIGGERT. But can FHA do it in rural communities too? There has been this thing about moving the rural housing around.

Ms. HEAD. We also are part of a rental policy working group between agencies that enables us to be consistent between our programs. So the main objective that we have right now is being able to provide more financing in the rural communities.

But in answer to your question, yes, we could.

Chairwoman BIGGERT. Okay, thank you.

Thank you. Mr. Cleaver is recognized.

Mr. CLEAVER. Thank you, Madam Chairwoman.

Mr. Schiff, I just have one question. Do you oppose government-backed flood insurance?

Mr. SCHIFF. Yes, I do.

Mr. CLEAVER. Thank you.

Mr. SCHIFF. I think it encourages people to build in flood zones. And therefore, we end up using more money. Your colleague there, Mr. Green, wanted to know who is in favor of HUD. And just about everybody here raised their hand because they directly benefit from HUD.

Sure, a home builder can sell a home at an inflated price because of the FHA. But there are people on the other side of these transactions who are losing money. There are plenty of people who are not at this table who suffer because Congress decides to subsidize the industries that are representing here.

I was asked, where is my solution. My solution is the free market.

Mr. CLEAVER. What—

Mr. SCHIFF. That doesn't require government. It requires abolishing government.

Mr. CLEAVER. You are answering your question. I want you to answer mine.

So with regard to flood insurance, with which this committee deals—

Mr. SCHIFF. Yes.

Mr. CLEAVER. —should we then use the Federal Government to force the people out of New Orleans?

Mr. SCHIFF. The Federal Government shouldn't be forcing people to do anything. First of all, there is nothing in the Constitution—

Mr. CLEAVER. So they should—

Mr. SCHIFF. —and you guys all swear an oath to uphold it, that says that you are supposed to get involved in flood insurance. But a lot of the flood insurance goes to millionaires who have beach homes. Let the private sector—

Mr. CLEAVER. But I didn't ask you about the millionaires.

Mr. SCHIFF. But you asked me about flood insurance.

Mr. CLEAVER. I asked you about New Orleans.

Mr. SCHIFF. Yes. I think that New Orleans and the people down there can take care of New Orleans. It is not up to the Federal Government to tax people in Maine or New Hampshire or California to deal with the problems in New Orleans.

Mr. CLEAVER. So—

Mr. SCHIFF. There are State governments. There are city governments. And there is a free market. If you guys would let it function, it would work.

Mr. CLEAVER. So Louisiana should back State-backed flood insurance?

Mr. SCHIFF. No, I think there should be private insurance.

Mr. CLEAVER. You just said it was the State's responsibility.

Mr. SCHIFF. I don't believe that the States should be doing that either.

Mr. CLEAVER. No, but that is what you said.

Mr. SCHIFF. Well, I said that there are States. But let the State make the mistake, and not the Federal Government, because at least it is just the local taxpayers who will suffer.

But the private sector can supply flood insurance. The problem is when the government subsidizes it and it is too cheap, it encourages people to build in flood zones. Absent the government backing, the insurance would be more expensive, so fewer people would build in those areas and so we wouldn't be damaged.

It is called moral hazard. It is unfortunate that politicians very often overlook the unintended consequences of their actions. Because what you do alters behavior.

Mr. CLEAVER. Okay, so—

Mr. SCHIFF. And it often makes the very problem worse that you are trying to solve.

Mr. CLEAVER. Okay. So those individuals who lived on the Gulf Coast, whose homes were not on the beach, but who lost their properties, including a Member of the United States Senate and a Member of the House, what did they do wrong?

Mr. SCHIFF. Remember, people were encouraged to build there by these subsidies.

Mr. CLEAVER. No, no.

Mr. SCHIFF. And it is not that the free market wouldn't offer insurance. They would just offer it at a higher price.

Mr. CLEAVER. Can you tell me who encouraged Charlie—who lost his house. We went by. So who encouraged Congressman Gene Taylor to build—

Mr. SCHIFF. No, I am saying by offering insurance where the free market might offer it at a higher rate, you get more building. Or people might not take adequate precautions.

Mr. CLEAVER. I know, but you are answering a question that I didn't ask.

Mr. SCHIFF. Well, yes, you did. You asked me about flood insurance. I am answering your questions.

Mr. CLEAVER. Yes, but—

Mr. SCHIFF. Meanwhile, if I live in Connecticut, why should I have to pay for somebody's flood insurance down in New Orleans? Why is it you are just trying to redistribute everything?

I might have a storm up in Connecticut, but I am not going to go asking somebody in Louisiana to pay for my damage.

Mr. CLEAVER. So the private insurance companies are lining up to provide insurance to people who live on the Gulf Coast?

Mr. SCHIFF. Well, no. Why would they? Because they can't compete with the Federal Government doing it, when the Federal Government doesn't operate—

Chairwoman BIGGERT. Mr. Schiff, please. We are here to get answers to questions. And you are just throwing out more and more questions. If you have a response and you want to answer the question—

Mr. SCHIFF. I am answering your question.

Chairwoman BIGGERT. And as a matter of fact, it was just signed into law that beach houses and secondary homes are no longer receiving a subsidy for flood.

Mr. SCHIFF. That is a step in the right direction.

Chairwoman BIGGERT. And we also have a bill that hopefully will come out this year, that will move the risk to the private sector. And they will take over this insurance.

But please, the decorum here is not just yelling. And I like a rant sometimes, but I think we have had enough of them.

Mr. SCHIFF. Remember, I represent the taxpayers here. And we are pretty upset at what is going on. So you can hear that.

Chairwoman BIGGERT. There are a lot of people here who are upset. We are trying to find the answers, not just hear the rant.

Mr. SCHIFF. I have the answers. All you have to do is listen to them.

[laughter]

Chairwoman BIGGERT. The time has expired.

Mr. Hurt, do you have a question? No? Okay.

Mr. Sherman has joined us. Mr. Sherman, you are recognized for 5 minutes.

Mr. SHERMAN. Yes. Mr. Schiff, we tried your philosophy until about 100 years ago. Then, there was a huge disaster at the Mississippi, and the American people thought it was simply outrageous that the Federal Government didn't help everybody.

For you to think that we should allow people to go uninsured, not subsidize the insurance, and then the United States Congress is not going to help people who are uninsured and hit by a disaster—maybe that happens in an Ayn Rand novel, but it doesn't happen in the United States Congress.

Mr. SCHIFF. We did try my view for a long time in this country. We became the wealthiest country the world had ever known.

Mr. SHERMAN. Excuse me. We tried your view until about the 19 teens. The country has done, you can say, rather poorly over the last few years. But we did pretty well in the latter 80 percent of the 20th Century.

Mr. SCHIFF. Don't take credit for that.

Mr. SHERMAN. Excuse me, Mr. Schiff.

I will go on to Mr. Lopez. You mentioned that private capital is starting to come into the multifamily markets. Do you think, given that, that it is a good time for FHA to be adding new market rate loans to its portfolio?

Mr. LOPEZ. Absolutely. This is probably the best time to make a multifamily loan. First of all, there is no bad time. If you brilliantly underwrite a loan, there is no bad time to make a loan.

But the changes that have been implemented, the initiatives that have been put in place looking at the underwriting and credit for FHA loans make the loans that are being insured today the best ever, not only because of the new constraints, but also because of the fundamentals of the market.

And if you look at the demographics over the next 5 to 10 years, they bode very well for multifamily rental housing. So I am confident that any loan that we are doing, not only FHA, but with other sources of capital, will be the best transactions we put in our portfolios in our lifetime.

Mr. SHERMAN. Mr. Mostyn, do you have a comment on that?

Mr. MOSTYN. I agree with that. A good loan is a good loan. And if you have good credit policies and underwriting procedures, I think this is an excellent time in the multifamily business to be making loans.

Mr. SHERMAN. Mr. Lopez, you mentioned that the GI/SRI Fund contains a number of single family loans. I thought we resolved that problem several years ago when we moved reverse mortgages and condominium loans over to the MMI Fund. Can you explain why there would still be a single family loans in the GI/SRI Fund?

Couldn't we make that fund exclusively multifamily mortgages now?

Mr. LOPEZ. You are correct. Congress made significant strides in moving single family loans out of the fund. However, that was prospective going forward. Loans that were made from 1992 to 2009 remain in the fund.

And those are the ones that give—you cannot get a clear picture of the performance of multifamily programs because those loans, those single family loans remain in the fund. If those were separated, then you can be able—policymakers will be able to make better decisions based on the performance of those loans.

But you are correct. The issue was resolved going forward from 2009. But now, we have to go back and ask HUD to remove those from 1992 to 2009.

Mr. SHERMAN. I thank you for your answers.

In reference to Mr. Schiff's philosophy, the fact is if you go uninsured, you have still insurance, but it is paid for by the taxpayer. Because as a practical matter—sir, I know you imagine a world that is different.

I have served here for over 15 years. And if there is an enormous front-page natural disaster and a homeowner is uninsured, there will be a special appropriations bill.

And the size of that bill will be less if people are insured. The Federal Government, in this real world, has a financial interest in minimizing the uninsured damage of front-page natural disasters.

With that I yield back.

Mr. SCHIFF. You realize, though, there are hundreds of billions of dollars in losses that are waiting for the FHA. The bailout is going to be enormous. You understand this already, based on the loans they have already guaranteed.

Mr. SHERMAN. I will simply say that natural disasters cannot be prohibited by law. The natural human response to natural disasters cannot be prohibited by philosophy.

And anything that reduces the uninsured losses of ordinary homeowners will reduce the cost of the next special appropriations bill far more effectively than a philosophical attack on doing a special appropriations bill after a natural disaster.

I yield back.

Chairwoman BIGGERT. The gentleman's time has expired.

The gentleman from Ohio?

Mr. STIVERS. Thank you, Madam Chairwoman. I would like to follow up on where I was with Mr. Lopez as we wrapped up and my time expired.

Obviously, all of the members of the group you represent, the mortgage bankers, have to capitalize their business. Do you think it would be a best practice for FHA to have to capitalize and have some capital requirement, whether it is 2 percent, 1 percent, 0.5 percent, on their multifamily housing portfolio, just like they do on their single family housing portfolio?

Mr. LOPEZ. I believe that the mortgage insurance premium is already taking care of that. As I indicated earlier, we see that there is a negative subsidy, that revenues are moving from the insurance fund to the Treasury.

And so clearly, the risk is such that the government is not losing capital. So there probably would not be a need for that.

Mr. STIVERS. Instead of moving to Treasury, wouldn't it make sense to keep it in FHA as a surplus against losses, so that you have—

Mr. LOPEZ. Absolutely. We would—

Mr. STIVERS. That is what I am trying to get at.

Mr. LOPEZ. We would not only support that, but we would support that surplus going into trying to address the technology needs of FHA, into training the HUD staff.

That is where those excess funds should go to.

Mr. STIVERS. Mr. Pagliari had his hand up. Go ahead, sir.

Mr. PAGLIARI. If I may?

Mr. STIVERS. Yes, sir.

Mr. PAGLIARI. I think an interesting idea to explore is the possibility of considering private market reinsurance of FHA's liability.

Mr. STIVERS. And actually, that is my next question. Is there a PMI, a private mortgage insurance market, in multifamily? Can anybody speak to that? And if you can, Mr. Pagliari, that would be great.

Mr. PAGLIARI. Not that I know of. But what I am asking is for some thought to be given to the idea of probably increasing transparency by letting the private market assess these contingent liabilities that some people believe have a zero expected value. Others don't.

Let the market decide whether or not the expected value is correctly set at zero.

Mr. STIVERS. And I think that is part of what I am trying to get at, that the private marketplace prices risk much more efficiently. That is why it would be great if we could figure out how to create a PMI market that operates alongside FHA for multifamily, so you could see where the private market values the risk and how the government values the risk.

I will go to Mr. Pagliari and Mr. Lopez, and then Mr. Schiff.

Mr. PAGLIARI. And if I may, I would just say that this notion of reinsurance already exists in the private insurance world, where insurance companies lay off their risk to other insurers. The idea, in my mind, has a direct analogy to what we are talking about here.

Thank you.

Mr. LOPEZ. Although I don't recommend that the FHA do risk sharing, there are successful risk-sharing programs in the GSEs, typically Fannie and Freddie. So you can go in that area.

And Ms. Kenney talked about some of that risk-sharing program.

Mr. STIVERS. I will let her go at it. I do want to let Mr. Schiff talk.

Mr. SCHIFF. Yes, we can't lose sight of the fact that the reserves that you are talking about right now for the FHA for single family are wholly inadequate for the losses that are going to come.

Remember, right now, we have mortgage rates—

Mr. STIVERS. Did you say they are wholly adequate?

Mr. SCHIFF. Wholly inadequate.

Mr. STIVERS. Inadequate.

Mr. SCHIFF. The losses will be at least 20 or 30 percent, if not more. Because what is ultimately going to happen, when interest rates rise, and the housing market has another leg down and more people lose their jobs, the defaults are going to go through the roof.

Mr. STIVERS. But Mr. Schiff—

Mr. SCHIFF. These contingency liabilities will be realized. And they are enormous.

Mr. STIVERS. And I am running out of time. So if you could just—let us philosophically agree that if the government is going to do this, they should have some type of surplus or some type—

Mr. SCHIFF. To the extent that you make the mistake of doing it, yes, require as big a reserve as possible.

Mr. STIVERS. Yes.

Mr. SCHIFF. But I am sure whatever you require is not going to be enough. Because as I said, the losses are going to be enormous.

Mr. STIVERS. I understand your philosophy on that. But I am trying to get at if we are going to do it, how we do it the best we can.

Ms. Kenney?

Ms. KENNEY. I just wanted to note for Members that my agency actually had a privately insured program that was similar to the risk-share programs through AMBAC insurance. The problem they have today is that you have no AAA rated insurance companies.

And so, to kind of underscore a lot of what a lot of speakers have been saying is the role of FHA right now is so critical because there is no private market.

Mr. STIVERS. And I recognize that. I am trying to figure out how we can transition to bring back some private market, both in lending as well as in the private mortgage insurance. And I think that is really important, so that the government has a check and balance to know how to price their product. Because historically, the government has done not a very good job at that.

Yes, sir?

Mr. BODAKEN. Michael Bodaken. I would just point out that chart three in my testimony talks about how the role of private lending has been increasing in a variety of ways. And I think that one thing to think about is what happens in a crisis and how would the PMIs deal with that crisis.

I don't disagree that the private market will efficiently price, at a point in time, as long as the market is healthy. But remember, the market is not a stasis product. It moves. And the PMIs—

Mr. STIVERS. Dynamic, yes.

Mr. BODAKEN. That is my only point, is that I think right now you won't get that efficient pricing necessarily, until the market is totally healed.

Mr. STIVERS. Thank you. I am out of time.

Thank you for allowing me to ask those follow-up questions, Madam Chairwoman.

Chairwoman BIGGERT. Maybe we could consider some sort of hearing on that, Mr. Stivers.

Ms. Waters, the gentlelady from California, is recognized for 5 minutes.

Ms. WATERS. Thank you very much, Madam Chairwoman.

Ms. Head, as I understand it, FHA's multifamily programs are designed to promote development of multifamily housing for both low-income and moderate-income households. Could you elaborate on this distinction?

Are there any differences in terms of the premiums that FHA charges lenders between low-income and non-low-income development?

Ms. HEAD. Yes, ma'am, there are. We are not proposing an increase in our premiums for the affordable housing programs. We are making a clear distinction so that we can separate ourselves in the market from the affordable standpoint, versus the market rate standpoint.

Ms. WATERS. The financial crisis created a greater demand for rental housing. Could you talk about how FHA's multifamily programs have helped to address the housing crisis?

Ms. HEAD. Yes, ma'am. I am happy to do that.

As we have talked about a lot today, FHA during the crisis stepped up to the plate. Our volumes increase by 5 times. So it put a strain on our system.

But in the end, FHA was the agency providing liquidity to the market. Without us, as others have stated today too, the affordable housing in the multifamily market, as a total, would have been in dire risk.

Ms. WATERS. Thank you very much.

Ms. Crowley, despite the fact that FHA stepped up to the plate, and they have done an awful lot to address the need for rental housing, we still hear from constituents about the lack of affordable rental housing.

How could capitalization of the Affordable Housing Trust Fund help households affected by the housing crisis? And what steps do you recommend that Congress take to capitalize the trust fund?

Ms. CROWLEY. Thank you, Ms. Waters. The National Housing Trust Fund is specifically designed to reach that segment of the housing market that is not served by programs, and those are the people who have the worst housing cost burdens and who have the fewest choices.

As I said in my testimony, there is an acute shortage of housing for people at the lower income levels, under 30 percent AMI. The National Housing Trust Fund is intended to fill that gap. We have three possible vehicles for funding that are under consideration.

The President has asked for $1 billion in his budget this year. We urge Congress to figure out how to pay for that, and get that done in whatever vehicle is appropriate this year, as a way to get it started.

We also are watching carefully what is happening with GSE reform. As you know, Fannie and Freddie were to make contributions to the trust fund until they were taken into conservatorship. We hope that there will be affordability requirements in whatever emerges in the decisions about the future of Federal housing finance.

And then, we have taken the big leap to say it is really important that we start looking at where all the Federal housing subsidies go and who is getting them and how do you make it fairer.

And so, we proposed a very small, very modest reform to the mortgage interest deduction, where we would lower the cap on the amount of mortgage that you could get a deduction on, from on, at this point, $1.1 million, down to $500,000. Only 4 percent of the mortgages in the last 10 years were over $500,000. So it would have very little effect on the vast majority of home buyers.

And then we would turn it from a deduction, which is only available to people who itemize, to a credit, which is available to all homeowners who have interest. And that would dramatically expand the number of homeowners with incomes under $100,000 who would then get a tax benefit.

In the process of doing that, you save a considerable amount of money that could be redirected into solving unmet housing needs, specifically those of the poorest people.

Ms. WATERS. Thank you very much. One of the things that I have noted about this panel and this issues is that we have advocates, we have the business community all coming together to talk about the need for rental housing. And certainly, the home builders and the mortgage bankers are business people who understand process, who understand how to pencil out these projects and to take the steps necessary to get this rental housing on the market.

So may I ask the home builders, how important is it for you that we have FHA, and even a Housing Trust Fund, and other efforts to create multifamily housing?

Mr. NIELSEN. As I said before, I think it is extremely important that we have FHA, because it is there when private companies cannot or will not be there, whether it is because of their corporate mission or because of a recession like we have gone through today.

So, it is absolutely critical that FHA play the role that it does.

Ms. WATERS. Thank you very much.

Chairwoman BIGGERT. Thank you. The gentlelady yields back.

I would ask unanimous consent to insert the following materials into the record: a June 7, 2012, statement from Highland Commercial Mortgage, Birmingham, Alabama; and a June 5, 2012, statement from the National Association of Affordable Housing Lenders.

The Chair notes that some Members may have additional questions for this panel, which they may wish to submit in writing. Without objection, the hearing record will remain open for 30 days for Members to submit written questions to these witnesses and to place their responses in the record.

And with that, I would like to thank all of you for being on this panel. It has been a very interesting and helpful panel. It has given us a lot to think about. And we really appreciate that you all have taken the time to be here.

Thank you very much. And with that, this hearing is adjourned.

[Whereupon, at 12:03 p.m., the hearing was adjourned.]

A P P E N D I X

June 7, 2012

Hurt Opening Statement – Oversight of the Federal Housing Administration's Multifamily Insurance Programs – June 7, 2012

Thank you for yielding Madam Chairman, and I want to thank you for holding this important hearing today. I also want to commend Chairman Biggert for her continued commitment to oversight and for her efforts to protect taxpayers from the threat posed by the FHA's fiscal instability.

Though this subcommittee has dedicated substantial time and effort to examining the challenges facing the FHA's single-family program and Mutual Mortgage Insurance Fund, today we turn our focus to the FHA's Multi-family Insurance programs.

Rental housing makes up a substantial portion of our housing stock, and the economic and housing troubles in recent years have driven up demand for rental housing. While it is important to meet the extensive need for quality rental housing, we must carefully consider to what extent the government should be responsible for this need.

Like the single-family program, the footprint of the FHA multi-family program has expanded dramatically in recent years as conventional sources of financing tightened up. I look forward to hearing from today's witnesses as to whether the FHA's role in the multi-family market is crowding out private investment in rental housing and if its commitments are exposing taxpayers to undue risk.

Again, I want to thank Chairman Biggert for holding this hearing today. I look forward to the testimony of our witnesses and I yield back the balance of my time.

NATIONAL HOUSING TRUST

Subcommittee on Insurance, Housing and Community Opportunity
House Financial Services Committee
Hearing on FHA Multifamily Programs
Testimony of Michael Bodaken, National Housing Trust
June 7, 2012

Click on the page number to go directly to the corresponding part of the document

NATIONAL HOUSING TRUST

Subcommittee on Insurance, Housing and Community Opportunity
House Financial Services Committee
Hearing on FHA Multifamily Programs
Testimony of Michael Bodaken, National Housing Trust
June 7, 2012

Chairman Biggert, Ranking Member Gutierrez and members of the Committee, thank you for inviting me to testify today. My name is Michael Bodaken, and I am President of the National Housing Trust.

The National Housing Trust ("NHT"), a national nonprofit organization formed in 1987 that is dedicated exclusively to the preservation and improvement of existing affordable housing. Our Board of Directors includes representatives of all major interests in the area of affordable housing preservation, including resident advocates, nonprofit and for profit owners, state housing agencies, national and regional nonprofit intermediaries, housing scholars and other housing professionals who care deeply about preserving and improving existing affordable housing. Through our work in real estate development and affordable housing finance, NHT has saved and improved more than 22,000 apartments in 41 states, leveraging more than $1 billion in investment for affordable housing. The majority of these apartments have HUD subsidized mortgages or project-based rental assistance contracts.

NHT regularly engages with HUD, FHA, the GSEs and the Federal Home Loan Banks at the policy level and in our work as a nonprofit housing developer.

The Housing Finance System Must Serve Rental Housing as well as Homeownership

It is imperative that the nation's housing finance system fairly balance homeownership and rental housing. FHA helps provide liquidity, counter cyclicality and flexibility to assure the ongoing finance of rental housing. Rental housing currently houses at least 1/3 of all Americans, provides shelter for about 50% of all low-income households.

All too often in housing finance discussions, policymakers overlook the central role rental housing plays in so many peoples' lives. Nevertheless, the fact remains that 1/3 of our nation's families and seniors depend on quality rental housing. Nowhere in the U.S. is a household earning minimum wage able to afford a HUD Fair Market priced apartment. Many in our nation's workforce, including teachers, firefighters and municipal workers, are renters. Yet in discussions of housing finance, these people-and their housing needs- are too frequently sidelined. Thus, when examining FHA's role in the multifamily housing market, it is important to understand the ways in which FHA supports the creation and preservation of affordable rental housing.

As Secretary of HUD, Shaun Donovan, remarked at the White House Conference on the Future of Housing Finance:

> "[A robust housing finance system] means ensuring that financing is available for those who will build the rental housing that we need to provide choices for those families for whom homeownership may not be the best option."[1]

The Role of FHA in Preserving Project Based Section 8 Housing

The housing market has experienced a significant shift since 2008. Homeownership opportunities have decreased while demand for rental housing has steadily increased. There are now over 40 million renters across the country with over 10 million renters paying more than 50% of their income for housing.[2]Meanwhile, the rental vacancy rate has declined, recently hitting a decade low.[3] Preserving existing affordable housing is particularly trenchant. For every three extremely low income families or senior households, there is only one affordable rental apartment available. Thus, preservation of housing available to extremely low income households is the first step in resolving our nation's housing affordability dilemma.

Historically, FHA's role has been pivotal in the development and insurance of HUD insured and Section 8 assisted housing, the occupants which have an average annual income of $12,000. Fully 40% of the HUD Project-Based Section 8 portfolio is FHA-insured, totaling $13.8billion in outstanding debt insured by the FHA.[4]As HUD observed in its recent FY2013 budget justifications submitted to Congress, the financing and refinancing of HUD-assisted properties allows owners to undertake rehabilitation projects that create local jobs and generate local tax revenue. Nonetheless, this Administration proposed "short funding" of Section 8 contracts in FY'13. Notably this could have significant consequences for FHA. Underfunding or short-funding these Section 8 contracts would not only have negative consequences on the residents, 2/3 of whom are elderly or disabled, but also on the FHA given its significant exposure-over $13 billion- to insuring Section 8 housing. The link between FHA financing and Section 8 subsidies cannot be severed. It's therefore critical that the properties with Section 8 contracts receive 12 months of full funding to continue operating and servicing the underlying FHA insured debt.

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[1]Prepared Remarks of Secretary Shaun Donovan at White House Housing Finance Conference, August 17, 2010.
[2] Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing 2011*
[3] Joint Center for Housing Studies of Harvard University, *The State of the Nation's Housing 2011*
[4]NHT's analysis of HUD's Multifamily Assistance and Section 8 Contracts Database.

FHA-Insured Project-Based Section 8 Properties in Congressional Districts of Subcommittee Members			
Member of Congress	Number of Section 8 Properties	Number of Section 8 Apartments	FHA-Insured Outstanding Mortgage Balance
Bradley Sherman	12	1,228	$43,470,444
Emanuel Cleaver	29	3,104	69,088,063
Gary Miller	1	93	3,809,247
Judy Biggert	3	329	25,171,196
Luis Gutierrez	10	918	43,632,718
Lynn Westmoreland	10	864	18,162,573
Maxine Waters	10	512	17,676,421
Melvin Watt	22	1,518	37,357,686
Michael Capuano	83	10,456	615,974,047
Nydia Velazquez	13	1,739	182,851,371
Patrick T. McHenry	9	433	10,390,577
Robert Dold	9	656	34,893,193
Robert Hurt	6	339	5,424,425
Scott Garrett	4	415	20,121,653
Sean Duffy	12	509	104,269,477
Shelley Moore Capito	25	2,284	54,034,024
Steve Stivers	28	3,138	50,339,721
William "Lacy" Clay, Jr.	29	3,291	79,212,068
Total	**315**	**31,826**	**$1,415,878,903**

Source: **NHT's analysis of HUD's Multifamily Assistance and Section 8 Contracts Database**.

Earlier this year, HUD announced the *223(F) Low Income Housing Tax Credit ("LIHTC")-the so called "Super F"*- program to streamline application and processing of FHA-insured mortgages for properties with equity from the LIHTC. Notably, the LIHTC has increasingly been used for the preservation of federally subsidized properties. Each year, it supports the preservation and improvement of tens of thousands of Section 8 apartments. Today, 46 state and housing finance agencies prioritize the use of LIHTC to preserve and rehabilitate existing affordable housing.

The *"Super F"* product prudently targets federally subsidized properties and older LIHTC properties in need of rehabilitation. When fully phased in, the program will allow for rehabilitation to move forward on these properties where financing otherwise may have been unavailable. We are encouraged that HUD will use a streamlined and separate approach for processing these loans. According to the notice, "the Tax Credit Pilot" is designed to expedite application processing to meet the tight deadlines of the tax credit program and will only allow experienced tax credit lenders to process applications.

The Trust applauds this approach. The first phase of the program provides permanent financing for transactions involving recently occupied buildings, for preservation and moderate rehabilitation of properties with Section 8 rental assistance and for older, stabilized tax credit properties[5]. The success of the *SuperF* program in assisting the rehabilitation of Section 8 properties depends on the continued, reliable, 12 month funding of Section 8 contracts.

We have two recommendations that would make the *SuperF* program more useful:

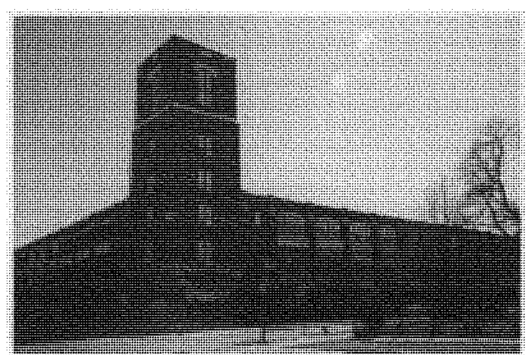
- One recommendation for the *SuperF* program is to double the relocation period during rehabilitation. Given that the program allows rehabilitation up to $40,000 per unit, the tight two week rehabilitation window may make it more difficult for developers to maximize the program's principal benefits.

- While only a pilot program, we encourage HUD to make this program accessible to other areas of the country, including the Midwest and the South.

FHA Multifamily Programs

HUD's FHA programs serve multifamily housing development and preservation. The *221(d)(4) Mortgage Insurance program* is FHA's largest insurance program for new construction and substantial rehabilitation for multifamily housing, funding up to 90% of replacement costs. The average property funded with a 221(d)(4) loan contains 160 units. Recently, HUD has made changes to tighten the 221(d)(4) program for market rate housing. Notably, HUD's losses in affordable housing financed by Section 221(d)(4) are not significant..

By way of example, NHT/Enterprise and Mercy Housing Lakefront recently used the 221(d)(4) program to redevelop Pullman Wheelworks in Chicago, Illinois. This property is located on the site of the former factory where Pullman trains were constructed. The factory was previously converted to an affordable housing development that fell into disrepair. Together with the City of Chicago, the MacArthur Foundation, Illinois Housing Development Authority and the Community Investment Corporation, we used FHA to preserve and improve the entire property for its residents



Pullman Wheelworks; Chicago, IL

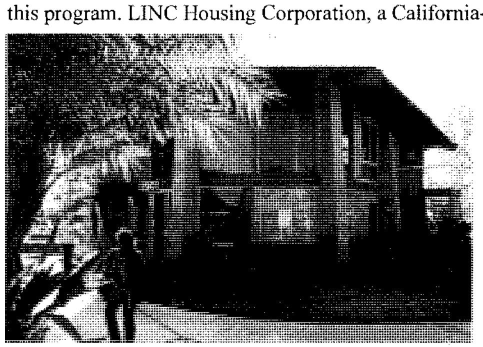
[5] The 223 SuperF pilot program relies on full-funding of Project-Based Section 8 Contracts for 12 months for properties utilizing FHA-insured loans.

The transaction cost roughly $30 million, including a $9.5 million 221(d)(4) FHA-insured loan. We are now undertaking a $10 million renovation that will preserve the apartments for the building's low-income residents. The City of Chicago is targeting the Pullman area for an investment of $350 million for mixed use development on the site of an old nearby steel plant. When complete, The Pullman Park project will consist of about 670,000 square feet of new retail space, a 125,000-square-foot neighborhood recreation center carved out of a factory building and 1,100 housing units. The American Planning Association designated Pullman one of 10 Great Neighborhoods for 2011 for its innovative approach to workforce housing and its residents' efforts to preserve the community.

As we work to preserve and improve the existing affordable multifamily housing stock, it is important that appropriate measures be taken to improve long-term project operations. In addition to the environmental benefits of energy efficiency improvements, research has shown that instituting energy- and water-efficiency measures can yield long-term cost savings that exceed the costs of the improvements.

Sources of capital are necessary to finance these improvements. One such source is the new *Green Refinance Plus Loan* program, a partnership between Fannie Mae and the U.S. Department of Housing and Urban Development. *Green Refinance Plus* provides funding for the refinance, preservation and energy-efficient retrofits of older affordable multifamily housing properties. The program allows for lower debt service coverage and higher loan-to-value ratios to generate extra loan proceeds for the project's energy-efficient rehabilitation/retrofit.

Last month, Enterprise Community Investment, Inc. announced the closing of the first loan under this program. LINC Housing Corporation, a California-based nonprofit, will receive a $19.4 million first mortgage to refinance the 274 unit City Gardens property in Santa Ana. The loan has a 10 year term, 30 year amortization, and interest rate of 4.28%. Of the $19.4 million loan, $2.8 million is for hard and soft costs associated with renovations and upgrades. The total cost of energy/water conservation upgrades, which includes low flow plumbing fixtures, a low flow landscaping irrigation system, passive solar hot water heating system, and energy efficient air conditioning units, is approximately $515,000.



City Gardens; Santa Ana, CA

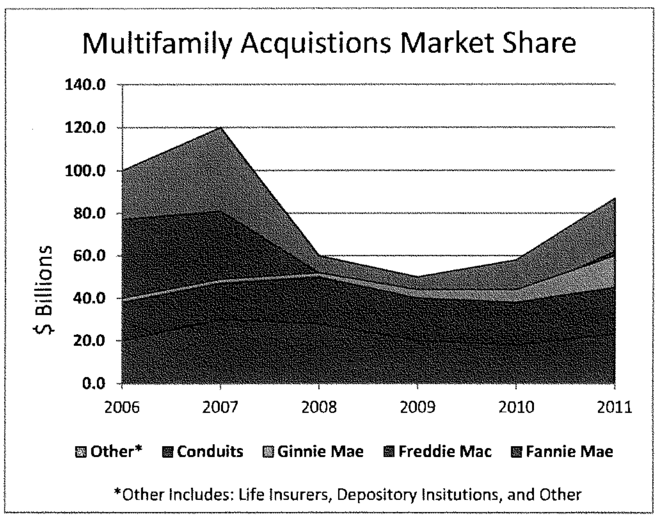
In addition to providing needed capital for the refinance of the property, the *Green Refinance Plus* mortgage enhances long-term project viability by reducing the project's utility and maintenance expenses.

Reducing Costs to the American Taxpayer: To lower the costs of ongoing subsidy, Congress recently reauthorized the Mark to Market Program which reduces FHA's exposure to properties with Section 8 rents above market rate. To save taxpayer funds and preserve affordable apartments serving low-income families, HUD developed the Mark to Market (M2M) program. This program helps preserve HUD insured properties with rental assistance by restructuring the underlying debt and reducing project-based assistance. This program controls long-term costs of the Section 8 rental assistance program and, not unimportantly, reduces potential risk to the FHA. In 2011, HUD restricted 122 properties, covering 11,951 units under the M2M program, of which resulted in annual net savings over $62.9 million to FHA[6].

FHA Market-Share

The Committee is interested in whether the private market could assume some of the risk that FHA is now taking in multifamily lending. Recent history helps answer this important question.

As shown in the chart below, approximately $100 billion in multifamily acquisition lending occurred in 2006. Of this, approximately $21 billion originated from banks and insurers (private market), $38 billion from Commercial Mortgage Backed Securities (CMBS; private market), $1 billion from Ginnie Mae and $39 billion from Fannie Mae and Freddie Mac. In 2007, the private market share of the market increased. The private market (banks, insurance companies and CMBS) provided approximately $75 billion - approximately 63% - of that year's total $120 billion of multifamily acquisition lending.



[6] FHA Annual Management Report, Fiscal Year 2011

However, the Great Recession saw a parallel "great retreat" in purely private multifamily lending. As demonstrated in the chart above, related to the Committee's question about the private market taking up the slack from FHA, by 2008, the CMBS market became virtually nonexistent. Banks and insurers exited the market as well, constituting no more than $2.5 billion of the $60 billion in multifamily acquisition loans made that year. NHT and others have provided the Committee the facts that defaults in the private sector, particularly multifamily mortgage backed securities, rose to over 8%. FHA's default rate has never approached that number.

According to HUD in 2011 FHA had a significant increase in activity from 2010.[7] Driven by low interest rates and constrained conventional sources of financing, more owners and developers are turning to FHA for financing. Nevertheless, the market is coming back and HUD projects its multifamily commitments to decrease in 2012 and 2013 due to the re-emergence of conventional lending sources.[8]

If we have learned anything from the Great Recession, it is that we cannot count on the private market to maintain lending commitments *consistently*. Today, the rental market is healthy. Vacancies are at a decade low. So long as the market remains healthy we will continue to see the private market involved in financing multifamily housing. But if a downturn occurs, and it will inevitably occur, we can expect the private market to exit multifamily lending much as it did in 2008 and 2009. Far from "crowding out" private lending, FHA served an important and useful function by providing liquidity and proper underwriting of multifamily mortgages in 2008 and 2009. We need a consistent, robust secondary housing finance system backed by the government to support lending during both good and bad times.

An exemplary loan made by the FHA during the economic downturn is a 300 unit Section 236 property occupied by seniors in Atlanta, Georgia. In 2009, the National Church Residences (NCR) completed a full rehabilitation of the property with a 221(d)(4) loan in the amount of $5.235 million.

NCR is a 50 year old nonprofit that serves the housing needs of seniors, families and adults, the homeless, persons with disabilities, and a host of supportive health care services. NCR owns 245 properties totaling nearly 16,750 units. Their properties are located in 28 states and Puerto Rico.

Baptist Towers; Atlanta, GA

When confronted with the acquisition and turnaround of a troubled Section 236 property in Atlanta, NCR turned to HUD for FHA financing. The total development costs of the rehabilitation and refinancing of Baptist Towers was approximately $17 million. Of this, nearly $7.5 million was for hard rehabilitation costs. The

[7] HUD FY2013 Budget Fact Sheet: Stabilizing the Housing Market
[8] HUD FY'13 Justifications, p. B-19.

HUD 221(d)(4) loan amounted to less than one-third of the cost, but was essential to the project's success.

Reforms to the FHA Multifamily Programs

FHA has played a critical role in providing credit to multifamily developers and owners during the economic downturn. NHT/Enterprise, NHT's affiliated nonprofit developer, is one of many developers who rely on FHA's low-interest rates and longer amortization periods to make the rehabilitation and development of affordable housing possible. However, some improvements could be made to these programs to make them more efficient, easier to use and reduce duplicative paperwork.

1. The limitation on construction period debt not exceeding permanent period debt is an issue for affordable housing developers. Construction period debt is often repaid by a combination of a permanent loan and LIHTC equity. If construction loans are capped at the amount of the permanent loan, the result is that more equity needs to be paid in up front, reducing the price investors pay for LIHTC, and creating a financing gap for projects.

2. The slow processing time for FHA loans makes it difficult to also use competitive funding programs with readiness and closing deadlines, including the LIHTC program. The use of FHA loan proceeds is limited and often conflicts with use of tax exempt bond proceeds.

3. Related to the previous issue, HUD does not allow loan proceeds to be used for developer fee, soft cost contingency, both of which are allowed uses of bond proceeds in LIHTC transactions. This makes the flow of funds a challenge. The developer must submit two different versions - one to HUD and one to bond counsel, increasing the costs and time of the transaction.

Other Multifamily Housing Development/Preservation Initiatives: Amending the 542(c) Risk Sharing Program

In addition to the current programs run by HUD and FHA to help increase the supply of affordable housing and preserve the existing stock, NHT supports a legislative proposal to amend the 542(c) Risk-Sharing program for state housing finance agencies (HFAs).The proposal would enhance the efforts of state HFAs to develop and preserve assisted multifamily housing by authorizing Ginnie Mae to securitize FHA-HFA Risk-Sharing loans. Since the inception of the program in 1992, the FHA-HFA Risk Sharing has been a successful program, with very low portfolio default rates. The Congressional Budget Office estimates that this proposal would generate $20 million in mandatory savings over ten years. HUD included this proposal in its FY2013 budget request and that language is identical to language that this Committee approved in 2010.

H.R. 4253: Rep. Paulsen (R-MN) has introduced H.R.4253, the Preservation Enhancement and Savings Opportunity Act to enable owners of LIHPRHA properties to access excess project funds and refinance the property to undertake rehabilitation projects to preserve the property. NHT is concerned that the legislation, *as filed*, may enable owners to strip a property of its equity through refinancing and not actually ensure long-term physical feasibility. NHT and the National Preservation Working Group (PWG) have suggested changes to the introduced legislation that would ensure the long-term preservation of these properties. We intend to work with the Committee and the sponsor of this legislation to make changes to the bill that will achieve the common goal of rental housing preservation.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. Judy Biggert's district in Illinois

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 329

PROJECT: *FHA #*:07111145 Grove Senior Living, 1122 Gilbert ST, DOWNERS GROVE, IL 60515, (630)852-1310 — *Metro Area (MSA)* Chicago, IL

Owner Info: Grove Senior Living, LP, 331 S. York Road, Bensenville, IL 60106, (630) 7466-3570 — *Ownership Type:* Profit Motivated

Management Info: LIFELINK CORPORATION, 331 South York Road, Bensenville, IL 60106, (630) 766-3570

Most Recent REAC Score and Release Date: 96b 4/14/2010 *2nd REAC Score and Release Date:* 89b 4/16/2008 *3rd REAC Score and Release Date:* 98b 11/6/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.07	$10,639,702	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL060618201	6/20/2031	Active	129.0%	202/8 NC	120	270	0	120	0	0	0	0
IL060620201	6/20/2031	Active	118.5%	202/8 NC	150	270	0	135	15	0	0	0

PROJECT: *FHA #*:07111185 I.C.A.R.E., 501 N Cass AVE, WESTMONT, IL 60559, (630) 963-9631 — *Metro Area (MSA)* Chicago, IL

Owner Info: Ill.Chinese American Residence for Eldly Inc., 501 N Cass AVE, Westmont, IL 60559, (630) 963-9631 — *Ownership Type:* Non-Profit

Management Info: Evergreen Real Estate Services, LLC, 566 W Lake St Ste 400, Chicago, IL 60661, (312) 234-9400

Most Recent REAC Score and Release Date: 91a 8/9/2006 *2nd REAC Score and Release Date:* 82c 10/30/2003 *3rd REAC Score and Release Date:* 89a 10/11/2001

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.50	$3,891,792	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL06T831041	3/4/2032	Active	136.3%	202/8 NC	59	60	15	44	0	0	0	0

TOTAL APARTMENTS AT RISK:	
Total Contracts:	3
Total Assisted Apartments:	329

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.

Section 8 Contract information is from February 2012.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. Robert Hurt's district in Virginia

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 339

PROJECT: *FHA #:*05135576 Southwyck Hills Apartments, 114 N HILLS CT, DANVILLE, VA 24541, 434-799-6202 *Metro Area (MSA)* Danville, VA

Owner Info: North Hills II, LP, 124 Fletcher St., Kennebunk, ME 04043, 207-467-8230 *Ownership Type:* Profit Motivated

Management Info: Housing Management Resources, Inc., 500 Victory Rd, North Quincy, MA 02171, 617-471-7666

Most Recent REAC Score and Release Date: 90b 8/1/2007 *2nd REAC Score and Release Date:* 80b 9/14/2005 *3rd REAC Score and Release Date:* 81c 10/2/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	6.15	$3,243,912	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
VA36M000080	7/31/2023	Active	98.4%	LMSA	44	116	0	9	17	16	2	0

PROJECT: *FHA #:*05135096 PARKVIEW GARDENS, 204 Parkview Gdns, Farmville, VA 23901, 434-392-3189 *Metro Area (MSA)*

Owner Info: Parkview Gardens Associates, Limited, 355 Crawford St, Portsmouth, VA 23704, 7573992090 *Ownership Type:* Profit Motivated

Management Info: VIP Management,Inc., 355 Crawford St Ste 216, Portsmouth, VA 23704, 757 399 2090

Most Recent REAC Score and Release Date: 80b 2/11/2009 *2nd REAC Score and Release Date:* 85c 1/24/2007 *3rd REAC Score and Release Date:* 66c 5/18/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(3) Mkt. Rate Modera	7.75	$284,731	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
VA36M000052	9/30/2014	Active	109.3%	LMSA	80	80	0	20	40	20	0	0

PROJECT: *FHA #:*05144068 NORTHVIEW Gardens, 755 STULTZ RD, MARTINSVILLE, VA 24112, (757)399-2090 *Metro Area (MSA)*

Owner Info: NORTHVIEW Limited Partnership, 12100 Wilshire BLVD, LOS ANGELES, CA 90025, (310) 550-8071 *Ownership Type:* Limited Dividend

Management Info: Intercoastal Property Services LLC, 10390 Santa Monica Boulevard, Los Angeles, CA 90025, (310) 277-0057

Most Recent REAC Score and Release Date: 93c 6/2/2010 *2nd REAC Score and Release Date:* 86b 7/16/2008 *3rd REAC Score and Release Date:* 88b 7/19/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$203,126	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
VA36M000054	9/30/2012	Active	111.4%	LMSA	20	100	0	9	11	0	0	0

PROJECT: *FHA #:*05135057 RIVERMONT APARTMENTS, 1446 WEST FAYETTE ST, MARTINSVILLE, VA 24112, (423) 926-603 *Metro Area (MSA)*

Owner Info: Rivermont Apartments, 1400 E. Millard Street, JOHNSON CITY, TN 37605, (423) 926-6031 *Ownership Type:* Profit Motivated

Management Info: M & M Properties, Inc., P.O. BOX 58, JOHNSON CITY, TN 37605, (423) 926-6031

Most Recent REAC Score and Release Date: 86b 5/19/2010 *2nd REAC Score and Release Date:* 51c 10/14/2009 *3rd REAC Score and Release Date:* 73b 10/22/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	RER Solutions, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
VA36M000037	12/31/2021	Active	90.1%	LMSA	99	100	0	16	60	23	0	0

PROJECT: *FHA #:*05135347 WILLOW OAKS, 300 POPLAR CREEK ST, SOUTH BOSTON, VA 24592, 8045729266 *Metro Area (MSA)*

Owner Info: Willow Oaks Associates, 800 Hethwood Boulevard, Blacksburg, VA 24060, 5405523515 *Ownership Type:* Limited Dividend

Management Info: HHHUNT PROPERTY MANAGEMENT, 800 HETHWOOD BLVD, BLACKSBURG, VA 24060, 540-552-3515

Most Recent REAC Score and Release Date: 71c 2/17/2011 *2nd REAC Score and Release Date:* 93b 4/2/2008 *3rd REAC Score and Release Date:* 80c 3/16/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	12.00	$1,507,792	N	Yes	Mrtg Rstr	The Siegel Group, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
VA360030010	5/4/2016	Active	101.4%	Sec 8 NC	72	72	0	6	48	12	6	0

PROJECT: *FHA #:*05144079 Mecklenburg Manor Apts, 719 E Ferrell St, South Hill, VA 23970, 434-447-4467 *Metro Area (MSA)*

Owner Info: Mecklenburg Manor Associates, 1523 Elizabeth Avenue, Charlotte, NC 28204, 704-377-8800 *Ownership Type:* Limited Dividend

Management Info: GATEWAY MANAGEMENT SERVICES, LLC, 15825 Shady Grove Road, ROCKVILLE, MD 20850, 240-683-0300 ext. 205

Most Recent REAC Score and Release Date: 83b 9/9/2010 *2nd REAC Score and Release Date:* 66c 9/24/2009 *3rd REAC Score and Release Date:* 73c 11/5/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$184,863	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
VA36L000013	1/31/2014	Active	111.4%	LMSA	24	51	0	5	14	5	0	0

TOTAL APARTMENTS AT RISK:

Total Contracts: 6

Total Assisted Apartments: 339

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.

Section 8 Contract information is from February 2012.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. Brad Miller's district in North Carolina

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 1,318

PROJECT: *FHA #:*05335319 ALAMANCE PLAZA, 111 Maple Ave, Burlington, NC 27215, 3362261818 — *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: Alamance Plaza Limited Partnership, PO Box 29229, Greensboro, NC 27429, 336-282-6000 — *Ownership Type:* Profit Motivated

Management Info: Beacon Management Corporation, PO Box 29229, Greensboro, NC 27429, 336-545-9000

Most Recent REAC Score and Release Date: 98b 8/26/2009 *2nd REAC Score and Release Date:* 71b 10/8/2008 *3rd REAC Score and Release Date:* 98b 4/7/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	Signet Partners	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190003049	11/30/2026	Active	117.3%	Sec 8 SR	76	76	0	70	6	0	0	0

PROJECT: *FHA #:*05335342 LAKESIDE APARTMENTS, 702 LAKESIDE AVE, BURLINGTON, NC 27217, 3362294046 — *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: Lakeside Apartments, a Limited Partnership, PO Box 26560, Greensboro, NC 27415, (910) 282-5244 — *Ownership Type:* Profit Motivated

Management Info: Westminster Company, 2720 N. Church Street #200, Greensboro, NC 27415, 336-375-1552

Most Recent REAC Score and Release Date: 97b 7/21/2010 *2nd REAC Score and Release Date:* 74b 8/5/2009 *3rd REAC Score and Release Date:* 92a 9/28/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	First Housing Development Corporation	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19H148040	9/30/2027	Active	103.7%	HFDA/8 NC	40	40	0	14	14	12	0	0

PROJECT: *FHA #:*05311153 WOODRIDGE APARTMENTS, 1620 MORNINGSIDE DR, BURLINGTON, NC 27217, 3362288581 *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: WOODRIDGE, A LIMITED PARTNERSHIP, P O Box 25168, Winston-Salem, NC 27114, (910) 765-0424 *Ownership Type:* Profit Motivated

Management Info: Community Management Corporation, PO Box 25168, Winston-Salem, NC 27114, (336)765-0424

Most Recent REAC Score and Release Date: 96b 2/2/2011 *2nd REAC Score and Release Date:* 81c 1/28/2009 *3rd REAC Score and Release Date:* 95b 2/15/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.25	$2,257,605	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190003023	1/19/2015	Active	100.5%	Sec 8 NC	100	100	0	96	4	0	0	0

PROJECT: *FHA #:*05311182 ROYAL PAVILIONS OF CREEDMOOR, 215 PEACHTREE ST, CREEDMOOR, NC 27522, 919528202 *Metro Area (MSA)*

Owner Info: ROYAL PAVILIONS OF CREEDMOOR, INC., P O BX 100, CREEDMOOR, NC 27522, (919) 528-1581 *Ownership Type:* Non-Profit

Management Info: Don G. Wellons Properties, Inc., P O Bx 1254, Dunn, NC 28335, (910) 892-0436

Most Recent REAC Score and Release Date: 97a 12/22/2010 *2nd REAC Score and Release Date:* 98a 1/2/2008 *3rd REAC Score and Release Date:* 93b 10/31/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.60	$1,202,729	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19T891008	2/10/2032	Active	135.9%	202/8 NC	28	28	0	28	0	0	0	0

PROJECT: *FHA #:*053GG00 ALDERSGATE APARTMENTS, 2608 MERRITT DR, GREENSBORO, NC 27407, 3368556945 *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: Greensboro United Methodist Housing, Inc., 8000 Sapp Acres Ln, Oak Ridge, NC 27310, (336)275-9600 *Ownership Type:* Non-Profit

Management Info: Partnership Property Management, PO Box 26405, Greensboro, NC 27404, (336) 544-2300

Most Recent REAC Score and Release Date: 93c 11/10/2010 *2nd REAC Score and Release Date:* 94a 9/12/2007 *3rd REAC Score and Release Date:* 91c 9/30/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190003015	8/13/2014	Active	104.1%	Sec 8 NC	78	78	0	74	4	0	0	0

PROJECT: *FHA #:*05335419 DARTMOUTH COURT APARTMENTS, 4403 Trinity Avenue, GREENSBORO, NC 27407, 866-849-09 *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: Dartmouth Court, A Limited Partnership, P.O. Box 26560, Greensboro, NC 27415, 336-375-1552 *Ownership Type:* Profit Motivated

Management Info: Westminster Company, 2720 N. Church Street #200, Greensboro, NC 27415, 336-375-1552

Most Recent REAC Score and Release Date: 98b 3/25/2009 *2nd REAC Score and Release Date:* 96a 2/1/2006 *3rd REAC Score and Release Date:* 97a 12/12/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	5.60	$513,152	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190022012	2/27/2017	Active	133.6%	Sec 8 NC	28	28	0	0	24	4	0	0

PROJECT: *FHA #:*05336041 GARDENGATE, 2611 Merritt Dr, Greensboro, NC 27407, 3368525555 *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: GARDENGATE, A PARTNERSHIP, 408 Battleground Avenue, Greensboro, NC 27429, (336) 282-6000 *Ownership Type:* Profit Motivated

Management Info: Beacon Management Corporation, PO Box 29229, Greensboro, NC 27429, 336-545-9000

Most Recent REAC Score and Release Date: 96b 9/16/2010 *2nd REAC Score and Release Date:* 99a 10/31/2007 *3rd REAC Score and Release Date:* 84b 9/28/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	3.79	$2,195,655	Y	Yes	Rent Rdct	RER Solutions, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190011068	6/30/2012	Active	106.2%	Sec 8 NC	125	125	0	109	16	0	0	0

PROJECT: *FHA #:*05335404 GATEWOOD MANOR APARTMENTS, 1238 Lolly Ln, Greensboro, NC 27405, 3362300503 *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: Gatewood Manor Limited, P O Box 10469, Greensboro, NC 27404, (336) 294-8900 *Ownership Type:* Limited Dividend

Management Info: M & M Properties, Inc., P.O. BOX 58, JOHNSON CITY, TN 37605, (423) 926-6031

Most Recent REAC Score and Release Date: 91a 2/4/2009 *2nd REAC Score and Release Date:* 99a 2/9/2006 *3rd REAC Score and Release Date:* 98a 2/6/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	7.15	$477,861	N	Yes	Rent Rdct	The Siegel Group, Inc.	Y	Y

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190022019	2/28/2014	Active	113.8%	Sec 8 NC	32	32	0	32	0	0	0	0

PROJECT: *FHA #:*05335836 NORTHLAND APARTMENTS, 3319 N OHENRY BLVD, GREENSBORO, NC 27405, 3363753419 *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: NORTHLAND A LIMITED PARTNERSHIP, PO Box 26560, GREENSBORO, NC 27415, (336) 375-1552 *Ownership Type:* Profit Motivated

Management Info: Westminster Company, 2720 N. Church Street #200, Greensboro, NC 27415, 336-375-1552

Most Recent REAC Score and Release Date: 85c 6/17/2009 *2nd REAC Score and Release Date:* 97b 9/13/2006 *3rd REAC Score and Release Date:* 97b 10/6/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	5.50	$1,511,829	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190017028	7/31/2012	Active	114.0%	Sec 8 NC	72	72	0	32	32	8	0	0

PROJECT: *FHA #:*05311252 PRINCE EDWARD GRAVES HOMES, 2504 16th ST, GREENSBORO, NC 27405, 3366214650 *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: Prince Edward Graves Homes, Inc., 3701 Randleman Road, GREENSBORO, NC 27406, 336 273-0666 *Ownership Type:* Non-Profit

Management Info: The Alston Realty Group, Inc, 1610 East Market St, GREENSBORO, NC 27401, (336) 272-5779

Most Recent REAC Score and Release Date: 92b 12/5/2007 *2nd REAC Score and Release Date:* 68b 11/30/2006 *3rd REAC Score and Release Date:* 85b 11/20/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	3.99	$2,663,604	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190465201	1/27/2015	Active	109.7%	202/8 NC	100	100	0	95	5	0	0	0

PROJECT: *FHA #:*05335841 ROCKWOOD MANOR, 3818 ROCKWOOD MANOR DR., GREENSBORO, NC 27405, 3366214644 *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: ROCKWOOD MANOR, a Limited Partnership, PO Box 26560, Greensboro, NC 27415, (336) 375-1552 *Ownership Type:* Profit Motivated

Management Info: Westminster Company, 2720 N. Church Street #200, Greensboro, NC 27415, 336-375-1552

Most Recent REAC Score and Release Date: 96b 6/17/2009 *2nd REAC Score and Release Date:* 98a 10/6/2006 *3rd REAC Score and Release Date:* 98a 9/14/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	5.65	$1,533,935	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190017030	12/31/2012	Active	99.5%	Sec 8 NC	72	72	0	32	32	8	0	0

PROJECT: *FHA #:*05311141 MOUNTAIN VILLA APARTMENTS, 501 N. AYERSVILLE RD, MAYODAN, NC 27027, 3364275047 *Metro Area (MSA)*

Owner Info: MOUNTAIN VILLA LIMITED PARTNERSHIP, 1415 OLD MILL CIRCLE, WINSTON-SALEM, NC 27114, 336-765-0424 *Ownership Type:* Profit Motivated

Management Info: Community Management Corporation, PO Box 25168, Winston-Salem, NC 27114, (336)765-0424

Most Recent REAC Score and Release Date: 94c 1/26/2011 *2nd REAC Score and Release Date:* 91c 2/7/2008 *3rd REAC Score and Release Date:* 98b 3/30/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/207/223(f) Refina	5.43	$805,001	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190011023	2/28/2015	Expired	114.3%	Sec 8 NC	58	58	0	56	2	0	0	0

PROJECT: *FHA #:*05311186 Easter Seals United Cerebral Palsy NC Housing, Inc, 1529 BEN LLOYD DR, RALEIGH, NC 27604, 91 *Metro Area (MSA)* Raleigh-Durham-Chapel Hill, NC

Owner Info: Easter Seals United Cerebral Palsy NC Housing, Inc., 2315 Myron Dr, Raleigh, NC 27607, (919) 783-8898 *Ownership Type:* Non-Profit

Management Info: Easter Seals UCP North Carolina, Inc., 2315 Myron Dr, Raleigh, NC 27607, (919) 783-8898

Most Recent REAC Score and Release Date: 89a 5/26/2010 *2nd REAC Score and Release Date:* 80c 5/29/2008 *3rd REAC Score and Release Date:* 94b 9/9/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.78	$2,552,346	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19T831044	9/30/2015	Active	75.9%	202/8 NC	70	82	0	70	0	0	0	0

PROJECT: *FHA #:*05336072 RALEIGH GARDENS APARTMENTS, 6145A SAINT GILES ST, RALEIGH, NC 27612, 9197819538 *Metro Area (MSA)* Raleigh-Durham-Chapel Hill, NC

Owner Info: Raleigh Properties, Limited, 7000 Central Parkway, NE, Atlanta, GA 30328, 678-320-3846 *Ownership Type:* Profit Motivated

Management Info: Ambling Management Company, 348 Enterprise Dr, Valdosta, GA 31601, 678-320-3780

Most Recent REAC Score and Release Date: 76c 10/1/2008 *2nd REAC Score and Release Date:* 70b 9/5/2007 *3rd REAC Score and Release Date:* 74c 10/18/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	4.50	$5,577,600	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190006031	12/2/2012	Active	81.7%	Sec 8 NC	125	126	0	30	46	24	25	0

PROJECT: *FHA #:*05336064 SIR WALTER APARTMENTS, 400 FAYETTEVILLE STREET MALL, RALEIGH, NC 27601, 91983213 *Metro Area (MSA)* Raleigh-Durham-Chapel Hill, NC

Owner Info: Sir Walter Associates Limited Partnership, , Winston-Salem, NC 27101, 336-724-1000 *Ownership Type:* Profit Motivated

Management Info: RESIDENTIAL PROPERTIES MANAGEMENT, INC, 1105 Brookstown Ave, Winston Salem, NC 27101, (336)724-1000

Most Recent REAC Score and Release Date: 92a 10/1/2008 *2nd REAC Score and Release Date:* 95b 9/8/2005 *3rd REAC Score and Release Date:* 80c 8/7/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	3.85	$2,037,682	Y	Yes	Rent Rdct	The Siegel Group, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190011061	8/31/2015	Active	100.5%	Sec 8 SR	138	140	30	103	5	0	0	0

PROJECT: *FHA #:*05311263 HOBART C. JACKSON ESTATES, 1737 S Scales St, Reidsville, NC 27320, 336-342-6913 *Metro Area (MSA)*

Owner Info: NAT'L CAUCUS CNTR BLACK AGED HOUSING SERV NC, INC, 1220 L STREET NW, WASHINGTON, DC 20005, (202)637-8400 *Ownership Type:* Non-Profit

Management Info: RESIDENTIAL PROPERTIES MANAGEMENT, INC, 1105 Brookstown Ave, Winston Salem, NC 27101, (336)724-1000

Most Recent REAC Score and Release Date: 90b 5/6/2010 *2nd REAC Score and Release Date:* 93b 10/25/2006 *3rd REAC Score and Release Date:* 96a 11/7/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	3.87	$1,686,790	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19T841043	4/21/2012	Active	148.3%	202/8 NC	36	36	0	36	0	0	0	0

PROJECT: *FHA #:*05335360 OLD FARM APARTMENTS, 583 MAIN ST, YANCEYVILLE, NC 27379, 3366949404 *Metro Area (MSA)*

Owner Info: OLD FARM APARTMENTS, LIMITED, 4700 Homewood Ct Ste 220, Raleigh, NC 27609, (919) 787-4243 *Ownership Type:* Profit Motivated

Management Info: One Management , Inc., 4700 Homewood Ct Ste 220, Raleigh, NC 27609, (919) 787-4243

Most Recent REAC Score and Release Date: 94b 12/23/2009 *2nd REAC Score and Release Date:* 95b 12/27/2006 *3rd REAC Score and Release Date:* 91c 4/17/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	First Housing Development Corporation	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190017035	11/30/2024	Active	116.6%	Sec 8 NC	70	70	0	30	22	18	0	0
NC190017035	11/30/2024	Active	116.6%	Sec 8 NC	70	70	0	30	22	18	0	0

TOTAL APARTMENTS AT RISK:	
Total Contracts:	18
Total Assisted Apartments:	1,318

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.
Section 8 Contract information is from February 2012.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. Shelley Moore Capito's district in West Virginia

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 2,284

PROJECT: *FHA #:*04535176 Beverly Manor, P.O. BOX 245, BEVERLY, WV 26253, 304 636-4509 — *Metro Area (MSA)*

Owner Info: Beverly Manor Associates, LP, 720 Olive St Ste 1701, Saint Louis, MO 63101, (314) 241-4850 — *Ownership Type:* Profit Motivated

Management Info: West Virginia Management, LLC, Chase Tower, Suite 900, Charleston, WV 25301, 304 342 4169

Most Recent REAC Score and Release Date: 90b 11/6/2008 *2nd REAC Score and Release Date:* 83c 11/8/2006 *3rd REAC Score and Release Date:* 76c 10/26/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	ONTRA, Inc.		

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV150010022	8/31/2031	Active	153.5%	Sec 8 NC	80	80	0	20	50	10	0	0

PROJECT: *FHA #:*04511021 Buckhannon Manor, 12 NONA ST, BUCKHANNON, WV 26201, 304 472-7353 — *Metro Area (MSA)*

Owner Info: Buckhannon Manor Associates, 107 Union Building, CHARLESTON, WV 25301, (304) 342-2121 — *Ownership Type:* Profit Motivated

Management Info: FIRST AMERICAN MANAGEMENT COMPANY,INC., 107 Union Building, Charleston, WV 25301, (304) 342-2121

Most Recent REAC Score and Release Date: 99a 10/21/2009 *2nd REAC Score and Release Date:* 99a 8/30/2006 *3rd REAC Score and Release Date:* 99a 7/31/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	4.49	$5,848,589	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV15H033124	4/4/2012	Active	157.5%	HFDA/8 NC	141	142	0	141	0	0	0	0

PROJECT: *FHA #:*04535141 Valley Green Apts., 345 S Florida ST, BUCKHANNON, WV 26201, 304-472-7017 — *Metro Area (MSA)*

Owner Info: Buckhannon Associates, A West Virginia Limited Par, 1 East Stow Road, Marlton, NJ 08053, 856-596-0500 — *Ownership Type:* Profit Motivated

Management Info: Interstate Realty Management Co., 3 E Stow Rd, Marlton, NJ 08053, 856-596-0500

Most Recent REAC Score and Release Date: 94a 7/9/2008 *2nd REAC Score and Release Date:* 81b 6/21/2006 *3rd REAC Score and Release Date:* 94b 10/4/2001

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	NW Financial Group	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV15H033149	6/29/2027	Active	111.3%	HFDA/8 NC	120	121	0	20	50	50	0	0

PROJECT: *FHA #:*04535196 Charles Towers, 151 AUGUSTINE AVE, CHARLES TOWN, WV 25414, 304 725-1228 — *Metro Area (MSA)*

Owner Info: Charles Town Associates of Charles Town LP, 300 Central Park West, New York, NY 10024, (212) 580-6576 — *Ownership Type:* Profit Motivated

Management Info: WHETSTONE CO., INC., 101 CHESTNUT ST, GAITHERSBURG, MD 20877, (301) 948-2929

Most Recent REAC Score and Release Date: 88c 7/15/2009 *2nd REAC Score and Release Date:* 65c 10/9/2008 *3rd REAC Score and Release Date:* 87c 12/7/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	5.25	$2,077,011	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV150008016	3/30/2031	Active	89.7%	Sec 8 NC	81	82	0	81	0	0	0	0

PROJECT: *FHA #:*04511026 Agsten Manor, 715 RANDOLPH ST, CHARLESTON, WV 25302, (304) 344-0994 — *Metro Area (MSA)* Charleston, WV

Owner Info: AGSTEN HOMES INC., 715 Randolph Street, Charleston, WV 25301, 304-344-0994 — *Ownership Type:* Non-Profit

Management Info: National Church Residences, 2335 N Bank Dr, Columbus, OH 43220, (614)451-2151

Most Recent REAC Score and Release Date: 96b 4/14/2010 *2nd REAC Score and Release Date:* 84b 10/17/2007 *3rd REAC Score and Release Date:* 69c 12/21/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/207/223(f) Refina	3.95	$2,822,894	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV280378201	3/23/2030	Active	103.2%	202/8 NC	102	103	0	102	0	0	0	0

PROJECT: *FHA #:*04511018 Charleston Arbors, 100 WASHINGTON ST EAST, CHARLESTON, WV 25301, *Metro Area (MSA)* Charleston, WV

Owner Info: Matthew J. Dornber, 2189 Cleveland Street, suite 225, Clearwater, FL 33765, (727) 466-0571 *Ownership Type:* Profit Motivated

Management Info: Arbors Management, Inc., 1670 Golden Mile Highway, Monroeville, PA 15146, (724) 733-5733

Most Recent REAC Score and Release Date: 97b 10/21/2009 *2nd REAC Score and Release Date:* 92b 7/12/2006 *3rd REAC Score and Release Date:* 53c 10/27/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.35	$8,586,897	Y	Yes	Rent Rdct	NW Financial Group	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV28H033011	9/5/2031	Active	138.4%	HFDA/8 NC	204	205	0	190	14	0	0	0

PROJECT: *FHA #:*04511009 Jacob Arbors, 521 JACOB ST, CHARLESTON, WV 25301, *Metro Area (MSA)* Charleston, WV

Owner Info: Jacob Arbors Associates, A Pennsylvania Limited Pa, 2189 Cleveland Street, Clearwater, FL 33765, *Ownership Type:* Profit Motivated

Management Info: Arbors Management, Inc., 1670 Golden Mile Highway, Monroeville, PA 15146, (724) 733-5733

Most Recent REAC Score and Release Date: 94b 11/26/2008 *2nd REAC Score and Release Date:* 98a 2/24/2005 *3rd REAC Score and Release Date:* 66c 3/18/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.20	$2,944,603	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV150008008	6/8/2030	Active	153.1%	Sec 8 NC	104	105	0	104	0	0	0	0

PROJECT: *FHA #:*04544004 Oakwood Terrace, 872 WESTMINSTER WAY, CHARLESTON, WV 25314, 304-343-5679 *Metro Area (MSA)* Charleston, WV

Owner Info: Kanawha Valley Homes Inc.dba Oakwood Terrace, 2335 North Bank Dr., Columbus, OH 43220, 304-736-3126 *Ownership Type:* Non-Profit

Management Info: National Church Residences, 2335 N Bank Dr, Columbus, OH 43220, (614)451-2151

Most Recent REAC Score and Release Date: 76c 8/25/2010 *2nd REAC Score and Release Date:* 65b 8/27/2009 *3rd REAC Score and Release Date:* 68c 11/19/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.06	$900,199	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV15M000017	7/31/2028	Active	115.5%	LMSA	124	152	0	0	58	13	53	0

PROJECT: *FHA #:*04544014 Vandalia Terrace Apartments, 1507 DORCHESTER RD, CHARLESTON, WV 25303, 304-744-9041 *Metro Area (MSA)* Charleston, WV

Owner Info: Vandalia Terrace Housing Corporation, 1507 DORCHESTER ROAD, Charleston, WV 25303, 304-744-9041 *Ownership Type:* Non-Profit

Management Info: Nelson & Associates, Inc., 11258 CORNELL PARK, Cincinnati, OH 45242, (513) 961-6011

Most Recent REAC Score and Release Date: 94b 12/3/2008 *2nd REAC Score and Release Date:* 63b 10/10/2007 *3rd REAC Score and Release Date:* 85c 8/7/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	NW Financial Group	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV15M000019	7/31/2025	Active	125.3%	LMSA	71	72	0	8	35	28	0	0
WV15M000019	7/31/2025	Active	125.3%	LMSA	71	72	0	8	35	28	0	0

PROJECT: *FHA #:*04511022 Dunbar Towers, 1000 Myers AVE, DUNBAR, WV 25064, 304-768-4554 *Metro Area (MSA)* Charleston, WV

Owner Info: Dunbar Towers, 900 South Gay Street, Suite 1504, Knoxville, TN 37902, 865-525-7500 *Ownership Type:* Profit Motivated

Management Info: American Apartment Management Co., Inc., 1504 Riverview Tower, Knoxville, TN 37902, 865-525-7500

Most Recent REAC Score and Release Date: 85b 1/13/2010 *2nd REAC Score and Release Date:* 60c 10/8/2008 *3rd REAC Score and Release Date:* 90b 4/26/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	4.38	$3,970,577	Y	Yes	Rent Rdct	RER Solutions, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV28H033007	9/30/2015	Active	143.7%	HFDA/8 NC	102	102	0	102	0	0	0	0

PROJECT: *FHA #:*04535177 Elkins Manor, 100 TALLMAN AVE, ELKINS, WV 26241, 304-636-2583 *Metro Area (MSA)*

Owner Info: ELKINS MANOR ASSOCIATES, A WV LTD. PART., 720 Olive St Ste 1701, Saint Louis, MO 63101, 314-241-4850 *Ownership Type:* Profit Motivated

Management Info: West Virginia Management, LLC, Chase Tower, Suite 900, Charleston, WV 25301, 304 342 4169

Most Recent REAC Score and Release Date: 73b 11/3/2010 *2nd REAC Score and Release Date:* 97b 11/14/2007 *3rd REAC Score and Release Date:* 80c 11/16/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	5.67	$2,239,890	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV150008017	6/20/2012	Active	169.5%	Sec 8 NC	102	103	0	102	0	0	0	0

PROJECT: *FHA #:*04535160 Jane Lew Apartments, 107 Virginia St, JANE LEW, WV 26378, 304-884-8852 — *Metro Area (MSA)*

Owner Info: Jane Lew Associates, A WV Limited Partnership, 1 East Stow Road, Marlton, NJ 08053, 856-596-0500 — *Ownership Type:* Profit Motivated

Management Info: Interstate Realty Management Co., 3 E Stow Rd, Marlton, NJ 08053, 856-596-0500

Most Recent REAC Score and Release Date: 96b 5/13/2010 *2nd REAC Score and Release Date:* 89b 3/20/2008 *3rd REAC Score and Release Date:* 89c 1/11/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	NW Financial Group	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV15H033204	7/31/2023	Active	134.5%	HFDA/8 NC	59	60	0	8	31	20	0	0

PROJECT: *FHA #:*04535147 Franklin Manor, 700 W Burke St, Martinsburg, WV 25401, 304-263-2300 — *Metro Area (MSA)*

Owner Info: West Burke Apts. Associates, a WV Ltd Ptrship, 7170 Riverwood Dr, Columbia, MD 21046, 443-259-4900 — *Ownership Type:* Profit Motivated

Management Info: Humphrey Associates, Inc., 7170 Riverwood Drive, Columbia, MD 21046, 443-259-4900

Most Recent REAC Score and Release Date: 94b 11/17/2010 *2nd REAC Score and Release Date:* 89b 11/12/2008 *3rd REAC Score and Release Date:* 89c 11/30/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	8.25	$890,343	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV15H033194	10/15/2012	Active	101.4%	HFDA/8 NC	48	48	0	12	28	4	4	0

PROJECT: *FHA #:*04535210 Oak Tree Village, 318 GARDEN DRIVE, MARTINSBURG, WV 25401, 304-263-8854 — *Metro Area (MSA)*

Owner Info: Whispering Woods, LLC, 15825 Shady Grove Road, Rockville, MD 20850, (301) 365-9314 — *Ownership Type:* Profit Motivated

Management Info: TM Associates Management, Inc., 15825 Shady Grove Rd Ste 55, Rockville, MD 20850, 240-683-0300

Most Recent REAC Score and Release Date: 81c 4/14/2010 *2nd REAC Score and Release Date:* 55c 9/16/2009 *3rd REAC Score and Release Date:* 81c 12/28/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	5.60	$7,054,926	N	Yes	Mrtg Rstr	RER Solutions, Inc.	Y	Y

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV15M000012	7/3/2029	Active	101.6%	LMSA	51	132	0	8	34	9	0	0

PROJECT: *FHA #:*04535230 Senior Towers, 200 E STEPHENS ST, MARTINSBURG, WV 25401, 304 263-0158 *Metro Area (MSA)*

Owner Info: Martinsburg Senior Towers Limited Partnership, 8111 Rockside Road, Valley View, OH 44125, 216-520-1250 *Ownership Type:* Profit Motivated

Management Info: Millennia Housing Management Ltd., 8111 Rockside Road, Valley View, OH 44125, (216) 520-1250

Most Recent REAC Score and Release Date: 49b 2/3/2010 *2nd REAC Score and Release Date:* 83b 3/13/2008 *3rd REAC Score and Release Date:* 86b 5/10/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	5.25	$2,800,000	N	Yes	Rent Rdct	NW Financial Group		

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV28H033023	10/31/2030	Active	107.4%	HFDA/8 NC	93	94	0	93	0	0	0	0

PROJECT: *FHA #:*04535167 Rivermont Homes, Inc., 800 4th Ave Apt B, MONTGOMERY, WV 25136, 304 442-4767 *Metro Area (MSA)* Charleston, WV

Owner Info: National Church Residences Family of Montgomery, W, 2335 North Bank Drive, Columbus,, OH 43220, (614) 451-2151 *Ownership Type:* Non-Profit

Management Info: National Church Residences, 2335 N Bank Dr, Columbus, OH 43220, (614)451-2151

Most Recent REAC Score and Release Date: 95b 4/14/2010 *2nd REAC Score and Release Date:* 71c 5/13/2009 *3rd REAC Score and Release Date:* 72b 3/12/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	8.50	$59,909	Y	Yes	Mrtg Rstr	Foley and Judell, LLP	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV15M000025	2/28/2021	Active	104.6%	LMSA	47	47	0	12	12	23	0	0

PROJECT: *FHA #:*04535018 Calhoun Homes, PO BOX 23, MOUNT ZION, WV 26151, 304-354-6884 *Metro Area (MSA)*

Owner Info: Calhoun Homes, Inc., 4451 South Calhoun Highway, Grantsville, WV 26147, (304) 354-6752 *Ownership Type:* Non-Profit

Management Info: , , , ,

Most Recent REAC Score and Release Date: 42c 6/24/2010 *2nd REAC Score and Release Date:* 56c 8/26/2009 *3rd REAC Score and Release Date:* 87b 11/1/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	Signet Partners	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV15M000030	10/31/2025	Active	127.6%	LMSA	24	24	3	5	10	6	0	0

PROJECT: *FHA #:*04535158 River Bend Place, PO BOX 697, NEW HAVEN, WV 25265, 304 882-3121 — *Metro Area (MSA)*

Owner Info: River Bend Place Limited, 400 South Fifth Street, Columbus, OH 43215, (614) 224-2083 — *Ownership Type:* Profit Motivated

Management Info: Colonial American Development Corp, 400 South Fifth Street, Columbus, OH 43215, 614-224-2083

Most Recent REAC Score and Release Date: 75b 7/15/2009 *2nd REAC Score and Release Date:* 73b 7/10/2008 *3rd REAC Score and Release Date:* 90c 8/17/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	NW Financial Group	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV150011001	8/31/2029	Active	164.8%	Sec 8 NC	24	25	0	24	0	0	0	0

PROJECT: *FHA #:*04511012 The Village on Park, 1600 PARK AVE, NITRO, WV 25143, — *Metro Area (MSA)* Charleston, WV

Owner Info: Lemma Village, Inc., 1600 Park AVE, Nitro, WV 25143, (304) 755-4753 — *Ownership Type:* Non-Profit

Management Info: National Church Residences, 2335 N Bank Dr, Columbus, OH 43220, (614)451-2151

Most Recent REAC Score and Release Date: 95b 5/7/2009 *2nd REAC Score and Release Date:* 76b 1/17/2007 *3rd REAC Score and Release Date:* 79c 6/8/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.22	$2,842,454	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV15T851005	6/26/2028	Active	134.5%	202/8 NC	59	60	15	44	0	0	0	0

PROJECT: *FHA #:*04535223 Pleasant Valley Apts., 1151-A EVERGREEN DR, POINT PLEASANT, WV 25550, — *Metro Area (MSA)*

Owner Info: Pleasant Valley Apts., Ltd. an OH Ltd. Part., 400 S Fifth ST, Columbus, OH 43215, (614) 224-2083 — *Ownership Type:* Profit Motivated

Management Info: Colonial American Development Corp, 400 South Fifth Street, Columbus, OH 43215, 614-224-2083

Most Recent REAC Score and Release Date: 70c 2/10/2011 *2nd REAC Score and Release Date:* 79b 11/19/2008 *3rd REAC Score and Release Date:* 62c 10/24/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	6.00	$1,967,909	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV150008005	2/4/2031	Active	128.5%	Sec 8 NC	82	83	0	0	50	28	4	0

PROJECT: *FHA #:*04535220 Twin Rivers Tower, 200 SECOND ST, POINT PLEASANT, WV 25550, *Metro Area (MSA)*

Owner Info: Twin Rivers Tower, Limited, 400 South Fifth Street, Columbus, OH 43212, (614) 224-2083 *Ownership Type:* Profit Motivated

Management Info: Colonial American Development Corp, 400 South Fifth Street, Columbus, OH 43215, 614-224-2083

Most Recent REAC Score and Release Date: 90a 3/23/2011 *2nd REAC Score and Release Date:* 82c 4/15/2009 *3rd REAC Score and Release Date:* 60c 8/31/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	5.70	$2,398,784	Y	Yes	Rent Rdct	NW Financial Group	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV15H033125	12/31/2011	Expired	161.7%	HFDA/8 NC	107	108	0	107	0	0	0	0

PROJECT: *FHA #:*04535219 Ravenswoood Station, 510 S Ritchie Ave, Ravenswood, WV 26164, 304-273-5886 *Metro Area (MSA)*

Owner Info: Ravenswood Station, Limited, 400 South Fifth Street, Columbus, OH 43215, (614) 224-2083 *Ownership Type:* Profit Motivated

Management Info: Colonial American Development Corp, 400 South Fifth Street, Columbus, OH 43215, 614-224-2083

Most Recent REAC Score and Release Date: 84c 6/10/2009 *2nd REAC Score and Release Date:* 90b 10/6/2005 *3rd REAC Score and Release Date:* 99b 11/21/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	6.00	$2,681,090	Y	Yes	Rent Rdct	NW Financial Group		

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV15H033086	7/18/2012	Active	145.8%	HFDA/8 NC	133	135	0	62	52	19	0	0

PROJECT: *FHA #:*04535085 Riverview Towers, 1 Kanawha Ter, SAINT ALBANS, WV 25177, 304-722-5371 *Metro Area (MSA)* Charleston, WV

Owner Info: Riverview Associates,A WV Ltd. Partnership, 3555 Washington Road, Mcmurray, PA 15317, (724) 941-9240 *Ownership Type:* Profit Motivated

Management Info: CROSSGATES MANAGEMENT, INC., 3555 WASHINGTON RD., MCMURRAY, PA 15317, 724-941-9240

Most Recent REAC Score and Release Date: 98b 2/9/2011 *2nd REAC Score and Release Date:* 92b 1/30/2008 *3rd REAC Score and Release Date:* 74c 12/27/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	RER Solutions, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV28H033063	12/31/2021	Active	119.0%	HFDA/8 NC	136	136	0	136	0	0	0	0

PROJECT: *FHA #:*04511011 Weston Arbors, 401 John ST, WESTON, WV 26452, *Metro Area (MSA)*

Owner Info: Weston Arbors Associates, 20 Vesey Street, New York, NY 10007, (212) 962-2322 *Ownership Type:* Profit Motivated

Management Info: Arbors Management, Inc., 1670 Golden Mile Highway, Monroeville, PA 15146, (724) 733-5733

Most Recent REAC Score and Release Date: 98c 10/28/2009 *2nd REAC Score and Release Date:* 76c 9/24/2008 *3rd REAC Score and Release Date:* 68c 7/26/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.99	$3,947,951	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WV150009003	11/17/2031	Active	165.0%	Sec 8 NC	119	120	0	119	0	0	0	0

TOTAL APARTMENTS AT RISK:

Total Contracts:	25
Total Assisted Apartments:	2,284

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.

Section 8 Contract information is from February 2012.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. Scott Garrett's district in New Jersey

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 415

PROJECT: *FHA #:*03111071 HILLSDALE HOUSE, 32 PIERMONT AVE, HILLSDALE, NJ 07642, *Metro Area (MSA)* Bergen-Passaic, NJ

Owner Info: HILLSDALE SENIOR HOUSING CORP, 32 PIERMONT AVE, HILLSDALE, NJ 07642, (201) 666-5290 *Ownership Type:* Non-Profit

Management Info: EMERALD MANAGEMENT CORP., 100 MADISON AVENUE, WESTWOOD, NJ 07675, 201666-1446

Most Recent REAC Score and Release Date: 80c 8/15/2007 *2nd REAC Score and Release Date:* 68c 9/6/2006 *3rd REAC Score and Release Date:* 80b 10/9/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	4.83	$5,581,591	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NJ39T841008	3/31/2012	Active	82.2%	202/8 NC	99	100	25	74	0	0	0	0

PROJECT: *FHA #:*03135250 PARK RIDGE/ a.k.a. WOODLAND GARDENS, 12-14 SULAK LANE, PARK RIDGE, NJ 07656, *Metro Area (MSA)* Bergen-Passaic, NJ

Owner Info: Comm.Hsg. Resource Board of Southern Bergen County, 25 Rockwood Plaza, Englewood, NJ 07631, (201) 569-7454 *Ownership Type:* Non-Profit

Management Info: Comm.Hsg. Resource Board of Southern Bergen County, 25 Rockwood Plaza, Englewood, NJ 07631, (201) 569-7454

Most Recent REAC Score and Release Date: 99b 9/3/2008 *2nd REAC Score and Release Date:* 99b 9/1/2005 *3rd REAC Score and Release Date:* 99a 9/12/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(3) Mkt. Rate Modera	9.50	$1,261,207	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NJ390032008	8/31/2025	Active	85.0%	Sec 8 NC	35	36	0	31	4	0	0	0

PROJECT: *FHA #:*03198018 THE WOODLANDS AT RAMSEY, 141 PRINCE ST, RAMSEY, NJ 07446, *Metro Area (MSA)* Bergen-Passaic, NJ

Owner Info: Ramsey Senior Citizens Housing LP, 13 Roszel Rd Ste C120, Princeton, NJ 08540, 609-987-3976 *Ownership Type:* Profit Motivated

Management Info: PRESBYTERIAN HOMES & SERVICES, INC., 13 Roszel Rd. Suite C120, PRINCETON, NJ 08543, (609) 987-8900

Most Recent REAC Score and Release Date: 77b 6/9/2010 *2nd REAC Score and Release Date:* 98a 7/18/2007 *3rd REAC Score and Release Date:* 89b 11/13/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-E	5.40	$6,173,352	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NJ39T861010	9/26/2031	Active	92.3%	202/8 NC	99	100	25	74	0	0	0	0

PROJECT: *FHA #:*03111072 WESTWOOD SENIOR HOUSING T/A WESTWOOD HOUSE, 100 MADISON AVE, WESTWOOD, NJ *Metro Area (MSA)* Bergen-Passaic, NJ

Owner Info: WESTWOOD SENIOR HOUSING CORPORATION, 100 MADISON AVE, WESTWOOD, NJ 07675, (201) 666-1778 *Ownership Type:* Non-Profit

Management Info: EMERALD MANAGEMENT CORP., 100 MADISON AVENUE, WESTWOOD, NJ 07675, 201666-1446

Most Recent REAC Score and Release Date: 94b 8/23/2007 *2nd REAC Score and Release Date:* 89b 3/24/2005 *3rd REAC Score and Release Date:* 95c 11/8/2001

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	4.73	$7,105,502	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NJ39T781018	3/10/2031	Active	71.3%	202/8 NC	182	183	0	182	0	0	0	0

TOTAL APARTMENTS AT RISK:

Total Contracts:	4
Total Assisted Apartments:	415

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.

Section 8 Contract information is from February 2012.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. Patrick T. McHenry's district in North Carolina

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 433

PROJECT: *FHA #:*05311132 BEACON HILL APARTMENTS, 1208 EMMANUAL CHURCH RD, CONOVER, NC 28613, 8284646034 *Metro Area (MSA)* Hickory-Morganton-Lenior, NC

Owner Info: BEACON HILL LIMITED PARTNERSHIP, P O Box 25168, WINSTON-SALEM, NC 27114, (336) 765-0424 *Ownership Type:* Profit Motivated

Management Info: Community Management Corporation, PO Box 25168, Winston-Salem, NC 27114, (336)765-0424

Most Recent REAC Score and Release Date: 99b 9/17/2008 *2nd REAC Score and Release Date:* 99a 9/21/2005 *3rd REAC Score and Release Date:* 95a 10/24/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.75	$909,378	Y	Yes	Mrtg Rstr	CreditVest, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19R000062	5/31/2012	Active	102.9%	515/8 NC	34	34	0	10	15	9	0	0

PROJECT: *FHA #:*05335447 GRANITE VILLAGE APTS., 112 FALLS AVE, GRANITE FALLS, NC 28630, 8283967723 *Metro Area (MSA)* Hickory-Morganton-Lenior, NC

Owner Info: Granite Village, Limited Partnership, PO Box 26560, Greensboro, NC 27415, (336) 375-1552 *Ownership Type:* Profit Motivated

Management Info: Westminster Company, 2720 N. Church Street #200, Greensboro, NC 27415, 336-375-1552

Most Recent REAC Score and Release Date: 96a 3/23/2011 *2nd REAC Score and Release Date:* 94a 3/27/2008 *3rd REAC Score and Release Date:* 82b 1/18/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	5.60	$501,959	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19H148068	2/21/2014	Active	144.5%	HFDA/8 NC	24	24	0	0	10	14	0	0

PROJECT: *FHA #*:05311189 LUTHERHAUS, 720-A NE 7th Ave, HICKORY, NC 28601, 7043270393 — *Metro Area (MSA)*

Owner Info: LUTHERHAUS, INC, P. O. Box 6021, Hickory, NC 28603, (704) 327-6301 — *Ownership Type:* Non-Profit

Management Info: Community Management Corporation, PO Box 25168, Winston-Salem, NC 27114, (336)765-0424

Most Recent REAC Score and Release Date: 95b 7/2/2008 *2nd REAC Score and Release Date:* 97a 12/9/2004 *3rd REAC Score and Release Date:* 87a 8/29/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.75	$1,476,640	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19T791009	6/23/2016	Active	133.9%	202/8 NC	50	115	0	50	0	0	0	0

PROJECT: *FHA #*:05311163 SOUTHMONT APARTMENTS, 408 W Concord St, Morganton, NC 28655, 828-437-2323 — *Metro Area (MSA)* Hickory-Morganton-Lenior, NC

Owner Info: Southmont Limited Partnership, P.O. Box 25168, WINSTON-SALEM, NC 27114, (336) 765-0424 — *Ownership Type:* Profit Motivated

Management Info: Community Management Corporation, PO Box 25168, Winston-Salem, NC 27114, (336)765-0424

Most Recent REAC Score and Release Date: 93a 3/4/2009 *2nd REAC Score and Release Date:* 86c 2/28/2007 *3rd REAC Score and Release Date:* 98a 3/11/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/207/223(f) Refina	5.49	$297,230	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190002008	11/30/2015	Active	113.2%	Sec 8 NC	26	26	0	26	0	0	0	0

PROJECT: *FHA #*:05335363 CATAWBA PINES APARTMENTS, 815-F E First ST, NEWTON, NC 28658, 828-464-6493 — *Metro Area (MSA)*

Owner Info: Catawba Pines Apartments, a Ltd.Partnership, 35 Union Avenue, Suite 200, Memphis, TN 38103, (901) 544-1705 — *Ownership Type:* Profit Motivated

Management Info: ALCO MANAGEMENT, INC, 35 UNION AVENUE, MEMPHIS, TN 38103, (901) 544-1705

Most Recent REAC Score and Release Date: 91b 1/21/2009 *2nd REAC Score and Release Date:* 98b 1/11/2006 *3rd REAC Score and Release Date:* 94b 2/27/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	10.50	$1,060,355	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19H148041	5/5/2012	Active	117.0%	HFDA/8 NC	68	68	0	10	32	18	8	0

PROJECT: *FHA #:*05336089 HERITAGE VILLAGE APARTMENTS, 2693 OLD CONOVER STARTOWN RD, NEWTON, NC 28658, *Metro Area (MSA)* Hickory-Morganton-Lenior, NC

Owner Info: HERITAGE VILLAGE LIMITED PARTNERSHIP, PO Box 25168, WINSTON-SALEM, NC 27114, 336- 765-0424 *Ownership Type:* Profit Motivated

Management Info: Community Management Corporation, PO Box 25168, Winston-Salem, NC 27114, (336)765-0424

Most Recent REAC Score and Release Date: 93a 5/19/2010 *2nd REAC Score and Release Date:* 95c 6/27/2007 *3rd REAC Score and Release Date:* 99a 7/15/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	3.65	$1,406,905	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19R000013	6/30/2015	Active	104.5%	Sec 8 NC	67	67	0	67	0	0	0	0

PROJECT: *FHA #:*05311131 Laurel Hill (formerly Holly Oak Park), 1526 Eaves Rd, Shelby, NC 28152, 7044871114 *Metro Area (MSA)*

Owner Info: Darwood North, LLC, 4142 Dorchester Road, Charleston, SC 29405, 843-554-1030 *Ownership Type:* Limited Dividend

Management Info: Darby Development Company, Inc., 4142 Dorchester Road, Charleston, SC 29405, 843-554-1030

Most Recent REAC Score and Release Date: 92b 4/2/2008 *2nd REAC Score and Release Date:* 95a 3/31/2005 *3rd REAC Score and Release Date:* 61c 6/27/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.70	$2,109,212	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19M000082	11/30/2014	Active	117.2%	LMSA	94	100	0	14	35	45	0	0

PROJECT: *FHA #:*05311205 LIONS SENIOR VILLAGE, 211-A N MORGAN ST, SHELBY, NC 28150, 7044827723 *Metro Area (MSA)*

Owner Info: Cleveland County Sr. Citizens Housing Inc., 211 North Morgan Street, Shelby, NC 28150, 704-482-3488 *Ownership Type:* Non-Profit

Management Info: RESIDENTIAL PROPERTIES MANAGEMENT, INC, 1105 Brookstown Ave, Winston Salem, NC 27101, (336)724-1000

Most Recent REAC Score and Release Date: 99b 7/2/2009 *2nd REAC Score and Release Date:* 85c 10/4/2006 *3rd REAC Score and Release Date:* 94c 10/31/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.00	$1,471,862	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19T851024	4/9/2012	Active	166.1%	202/8 NC	40	40	0	40	0	0	0	0

PROJECT: *FHA #:*05311228 AGAPE RETIREMENT HOME, INC, 212 CHURCH ST NW, VALDESE, NC 28690, 828-874-3463 *Metro Area (MSA)* Hickory-Morganton-Lenior, NC

Owner Info: AGAPE RETIREMENT HOME, INC, 212 Church Street, VALDESE, NC 28690, 8288743463 *Ownership Type:* Non-Profit

Management Info: RESIDENTIAL PROPERTIES MANAGEMENT, INC, 1105 Brookstown Ave, Winston Salem, NC 27101, (336)724-1000

Most Recent REAC Score and Release Date: 93b 7/29/2010 *2nd REAC Score and Release Date:* 97b 4/7/2005 *3rd REAC Score and Release Date:* 99a 10/18/2001

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.27	$1,157,036	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19T831013	12/1/2015	Active	146.7%	202/8 NC	30	30	0	30	0	0	0	0

TOTAL APARTMENTS AT RISK:

Total Contracts:	9
Total Assisted Apartments:	433

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.
Section 8 Contract information is from February 2012.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. Lynn Westmoreland's district in Georgia

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 864

PROJECT: *FHA #:*06135229 Lakeview Apartments, 1210 Stewart St # A, Carrollton, GA 30117, 770 832-9003 — *Metro Area (MSA)* Atlanta, GA

Owner Info: Lakeview Apartments Ltd, 504 Fair St. SW, Atlanta, GA 30313, (404) 330-0950 — *Ownership Type:* Profit Motivated

Management Info: Russell Property Management, 504 Fair Street, SW, Atlanta, GA 30313, 404-330-1000

Most Recent REAC Score and Release Date: 94b 10/27/2010 *2nd REAC Score and Release Date:* 95b 10/24/2007 *3rd REAC Score and Release Date:* 93b 11/11/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	7.50	$836,521	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
GA060009007	6/7/2012	Active	86.6%	Sec 8 NC	98	98	0	34	48	8	8	0

PROJECT: *FHA #:*06144245 Paradise Carrollton Apartments, 1212-1 Stewart ST, CARROLLTON, GA 30117, — *Metro Area (MSA)* Atlanta, GA

Owner Info: Paradise Carrollton Apartments Ltd, 504 Fair ST, SW, Atlanta, GA 30313, (404) 330-1000 — *Ownership Type:* Limited Dividend

Management Info: H. J. Russell and Co., 504 Fair St SW, Atlanta, GA 30313, (404) 330-1000

Most Recent REAC Score and Release Date: 95a 1/20/2010 *2nd REAC Score and Release Date:* 99a 11/22/2006 *3rd REAC Score and Release Date:* 88b 12/9/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$135,864	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
GA06L000040	6/30/2012	Active	92.4%	LMSA	50	50	0	10	40	0	0	0

PROJECT: *FHA #:*06111175 Calvary Community, 7482 OLD MOON RD, COLUMBUS, GA 31909, *Metro Area (MSA)* Columbus, GA-AL

Owner Info: Calvary Community, Inc., 7482 Old Moon Road, Columbus, GA 31909, 706 568-3729 *Ownership Type:* Non-Profit

Management Info: SPM, LLC, 1103 Richard Arrington, Jr. Blvd., South, Birmingham, AL 35205, (205) 933-1020

Most Recent REAC Score and Release Date: 98b 6/30/2010 *2nd REAC Score and Release Date:* 96b 9/28/2006 *3rd REAC Score and Release Date:* 99a 10/24/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.10	$4,138,462	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
GA06T891001	6/21/2012	Active	128.1%	202/8 NC	58	108	0	58	0	0	0	0

PROJECT: *FHA #:*06111175 Calvary Community, 7482 OLD MOON RD, COLUMBUS, GA 31909, *Metro Area (MSA)* Columbus, GA-AL

Owner Info: Calvary Community, Inc., 7482 Old Moon Road, Columbus, GA 31909, 706 568-3729 *Ownership Type:* Non-Profit

Management Info: SPM, LLC, 1103 Richard Arrington, Jr. Blvd., South, Birmingham, AL 35205, (205) 933-1020

Most Recent REAC Score and Release Date: 98b 6/30/2010 *2nd REAC Score and Release Date:* 96b 9/28/2006 *3rd REAC Score and Release Date:* 99a 10/24/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.10	$4,138,462	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
GA06T851017	10/31/2012	Active	128.9%	202/8 NC	50	108	0	50	0	0	0	0

PROJECT: *FHA #:*06135536 Amberwood Apartments, 815 N Greenwood ST, LAGRANGE, GA 30241, 706 884-0174 *Metro Area (MSA)*

Owner Info: Amberwood Partners Ltd, 300 Willow Bend Rd Ste 200, Peachtree City, GA 30269, (404) 884-0174 *Ownership Type:* Profit Motivated

Management Info: LA MAR MANAGEMENT, INC., 300 Willow Bend Rd Ste 200, Peachtree City, GA 30269, (404) 487-5331

Most Recent REAC Score and Release Date: 96c 3/9/2011 *2nd REAC Score and Release Date:* 87b 2/18/2009 *3rd REAC Score and Release Date:* 98a 11/4/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	Housing Authority of the City of Atlanta	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
GA060012143	1/31/2027	Active	104.4%	Sec 8 NC	113	113	0	112	1	0	0	0

PROJECT: *FHA #:*06197054 Tall Pines Apartments, 150 Turner St, Lagrange, GA 30240, 706 882-8754 — *Metro Area (MSA)*

Owner Info: Tall Pines, Ltd., 105 Tallapoosa St Ste 300, Montgomery, AL 36104, 334 277-5087 — *Ownership Type:* Limited Dividend

Management Info: Summit Housing Partners Management, LLC, 105 Tallapoosa Street, Suite 300, Montgomery, AL 36104, 334 954-4458

Most Recent REAC Score and Release Date: 84c 3/2/2005 *2nd REAC Score and Release Date:* 71c 11/13/2003 *3rd REAC Score and Release Date:* 85b 11/15/2001

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(b)QPE Risk Sharing-Ex	6.94	$2,174,453	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
GA06L000061	5/31/2014	Active	103.7%	LMSA	115	115	18	26	28	35	8	0

PROJECT: *FHA #:*06135744 Wood Glen Apartments, 64 N Cary St, Lagrange, GA 30241, 706 884-8661 — *Metro Area (MSA)*

Owner Info: Wood Glen Partners, Ltd, 3111 Paces Mill Road, Atlanta, GA 30339, 770-984-2100 — *Ownership Type:* Profit Motivated

Management Info: Hallmark Management, Inc., 3111 Paces Mill Road, Atlanta, GA 30339, (770)984-2100

Most Recent REAC Score and Release Date: 77c 10/27/2010 *2nd REAC Score and Release Date:* 90b 10/10/2007 *3rd REAC Score and Release Date:* 85c 10/12/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	4.18	$2,535,108	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
GA060010044	5/31/2012	Active	103.1%	Sec 8 NC	120	120	0	32	64	18	6	0

PROJECT: *FHA #:*06135245 Shenandoah Forest Apartments, 8 FOREST CIR, SHENANDOAH, GA 30265, — *Metro Area (MSA)* Atlanta, GA

Owner Info: Shenandoah Apartments Ltd, 504 Fair ST SW, Atlanta, GA 30313, (404) 330-0950 — *Ownership Type:* Profit Motivated

Management Info: Russell Property Management, 504 Fair Street, SW, Atlanta, GA 30313, 404-330-1000

Most Recent REAC Score and Release Date: 97a 5/19/2010 *2nd REAC Score and Release Date:* 79c 4/29/2009 *3rd REAC Score and Release Date:* 95b 4/5/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	7.50	$966,967	N	Yes	Rent Rdct	Signet Partners	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
GA068023002	7/31/2012	Active	87.9%	Sec 8 NC	100	100	0	0	70	30	0	0

PROJECT: *FHA #:*06111170 SHENANDOAH VILLAS, 100 VILLA DR, SHENANDOAH, GA 30265, *Metro Area (MSA)* Atlanta, GA

Owner Info: Shenandoah Senior Housing, Ltd(Marian), 300 Willow Bend Rd Ste 200, Peachtree City, GA 30269, (770) 487-5331 *Ownership Type:* Limited Dividend

Management Info: LA MAR MANAGEMENT, INC., 300 Willow Bend Rd Ste 200, Peachtree City, GA 30269, (404) 487-5331

Most Recent REAC Score and Release Date: 85b 9/30/2009 *2nd REAC Score and Release Date:* 99a 10/6/2006 *3rd REAC Score and Release Date:* 99a 9/20/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/207/223(f) Refina	6.50	$1,326,306	Y	Yes	Rent Rdct	Housing Authority of the City of Atlanta	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
GA06R000028	12/31/2012	Active	104.6%	515/8 NC	60	60	0	60	0	0	0	0

PROJECT: *FHA #:*06135586 Fox Ridge Apartments, Route 8 Packinghouse RD, STATESBORO, GA 30458, 912 764-6797 *Metro Area (MSA)*

Owner Info: Fox Ridge Apartments Ltd, P.O. 646, Statesboro, GA 30459, (912) 764-6797 *Ownership Type:* Profit Motivated

Management Info: Stuckey Management Corporation, P.O. Box 646, Statesboro, GA 30459, (912) 489-8086

Most Recent REAC Score and Release Date: 77c 6/17/2010 *2nd REAC Score and Release Date:* 64c 6/24/2009 *3rd REAC Score and Release Date:* 66c 7/9/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	5.30	$1,910,429	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
GA060012004	4/13/2016	Active	124.5%	Sec 8 NC	100	100	0	20	48	32	0	0

TOTAL APARTMENTS AT RISK:

Total Contracts:	10
Total Assisted Apartments:	864

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.

Section 8 Contract information is from February 2012.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. Sean Duffy's district in Wisconsin

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 509

PROJECT: *FHA #:*07511093 PHOENIX VILLA APTS, 1100 Weeks ST, SUPERIOR, WI 54880, 1-888-276-0247 — *Metro Area (MSA)* Duluth-Superior, MN-WI

Owner Info: PHOENIX VILLA, INC., 1416 Cumming Ave., Superior, WI 54880, (715) 394-6617 — *Ownership Type:* Non-Profit

Management Info: Catholic Charities Bureau, Inc., 1416 Cumming Ave., Superior, WI 54880, (715) 394-6617

Most Recent REAC Score and Release Date: 94c 5/28/2008 *2nd REAC Score and Release Date:* 92b 12/11/2003 *3rd REAC Score and Release Date:* 91b 12/7/2000

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/207/223(f) Refina	4.06	$10,714,350	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WI39T851032	3/31/2013	Active	126.4%	202/8 NC	20	342	8	10	2	0	0	0

PROJECT: *FHA #:*07511093 PHOENIX VILLA APTS, 1100 Weeks ST, SUPERIOR, WI 54880, 1-888-276-0247 — *Metro Area (MSA)* Duluth-Superior, MN-WI

Owner Info: PHOENIX VILLA, INC., 1416 Cumming Ave., Superior, WI 54880, (715) 394-6617 — *Ownership Type:* Non-Profit

Management Info: Catholic Charities Bureau, Inc., 1416 Cumming Ave., Superior, WI 54880, (715) 394-6617

Most Recent REAC Score and Release Date: 94c 5/28/2008 *2nd REAC Score and Release Date:* 92b 12/11/2003 *3rd REAC Score and Release Date:* 91b 12/7/2000

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/207/223(f) Refina	4.06	$10,714,350	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WI39T801013	3/31/2023	Active	138.8%	202/8 NC	65	342	0	48	17	0	0	0

PROJECT: *FHA #:*07511093 PHOENIX VILLA APTS, 1100 Weeks ST, SUPERIOR, WI 54880, 1-888-276-0247 *Metro Area (MSA)* Duluth-Superior, MN-WI
Owner Info: PHOENIX VILLA, INC., 1416 Cumming Ave., Superior, WI 54880, (715) 394-6617 *Ownership Type:* Non-Profit
Management Info: Catholic Charities Bureau, Inc., 1416 Cumming Ave., Superior, WI 54880, (715) 394-6617
Most Recent REAC Score and Release Date: 94c 5/28/2008 *2nd REAC Score and Release Date:* 92b 12/11/2003 *3rd REAC Score and Release Date:* 91b 12/7/2000

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/207/223(f) Refina	4.06	$10,714,350	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WI39T811018	3/28/2024	Active	143.2%	202/8 NC	40	342	0	30	10	0	0	0

PROJECT: *FHA #:*07511093 PHOENIX VILLA APTS, 1100 Weeks ST, SUPERIOR, WI 54880, 1-888-276-0247 *Metro Area (MSA)* Duluth-Superior, MN-WI
Owner Info: PHOENIX VILLA, INC., 1416 Cumming Ave., Superior, WI 54880, (715) 394-6617 *Ownership Type:* Non-Profit
Management Info: Catholic Charities Bureau, Inc., 1416 Cumming Ave., Superior, WI 54880, (715) 394-6617
Most Recent REAC Score and Release Date: 94c 5/28/2008 *2nd REAC Score and Release Date:* 92b 12/11/2003 *3rd REAC Score and Release Date:* 91b 12/7/2000

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/207/223(f) Refina	4.06	$10,714,350	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WI39T821037	3/31/2025	Active	155.4%	202/8 NC	12	342	0	12	0	0	0	0
WI39T831019	3/31/2025	Active	145.8%	202/8 NC	12	342	0	10	2	0	0	0

PROJECT: *FHA #:*07511093 PHOENIX VILLA APTS, 1100 Weeks ST, SUPERIOR, WI 54880, 1-888-276-0247 *Metro Area (MSA)* Duluth-Superior, MN-WI
Owner Info: PHOENIX VILLA, INC., 1416 Cumming Ave., Superior, WI 54880, (715) 394-6617 *Ownership Type:* Non-Profit
Management Info: Catholic Charities Bureau, Inc., 1416 Cumming Ave., Superior, WI 54880, (715) 394-6617
Most Recent REAC Score and Release Date: 94c 5/28/2008 *2nd REAC Score and Release Date:* 92b 12/11/2003 *3rd REAC Score and Release Date:* 91b 12/7/2000

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/207/223(f) Refina	4.06	$10,714,350	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WI39T861026	3/31/2026	Active	137.8%	202/8 NC	28	342	7	21	0	0	0	0
WI392744201	3/31/2026	Active	144.3%	202/8 NC	127	342	0	121	6	0	0	0
WI39T821021	3/31/2026	Active	147.0%	202/8 NC	24	342	1	22	1	0	0	0
WI39T851031	3/31/2026	Active	150.4%	202/8 NC	14	342	3	11	0	0	0	0

PROJECT: *FHA #:*07511079 ALVIN O'KONSKI MANOR, 920 W Campus Drive, WAUSAU, WI 54401, 1-800-685-9353 *Metro Area (MSA)* Wausau, WI

Owner Info: Impact Housing Dev Ltd, 147 Lake Almena Drive, Almena, WI 54805, 715-357-3334 *Ownership Type:* Non-Profit

Management Info: IMPACT SEVEN, INC., 147 Lake Almena Drive, ALMENA, WI 54805, (715) 357-3334

Most Recent REAC Score and Release Date: 92b 10/7/2010 *2nd REAC Score and Release Date:* 68c 10/8/2008 *3rd REAC Score and Release Date:* 75c 9/19/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	4.22	$3,914,115	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WI39T861031	12/31/2013	Active	121.0%	202/8 NC	20	20	0	10	9	1	0	0

PROJECT: *FHA #:*07535427 STURGEON BLUFF APARTMENTS A/K/A WAUSAU SOUTH, 1320 GRAND AVE, WAUSAU, WI 5440 *Metro Area (MSA)* Wausau, WI

Owner Info: Sturgeon Bluff, LLC, 10 East Doty Street, Suite 300, Madison, WI 53703, 608-268-7010 *Ownership Type:* Profit Motivated

Management Info: Urban Land Interests, Inc., 10 E Doty St Ste 300, Madison, WI 53703, 608-251-0706

Most Recent REAC Score and Release Date: 95c 10/28/2009 *2nd REAC Score and Release Date:* 96b 11/29/2006 *3rd REAC Score and Release Date:* 88c 11/18/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	5.60	$3,926,214	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WI39H200096	8/14/2020	Active	134.2%	HFDA/8 SR	103	105	0	98	5	0	0	0

PROJECT: *FHA #:*07535247 PINE CREEK II, 2626 S 12TH ST, WISCONSIN RAPIDS, WI 54494, 715-424-3931 *Metro Area (MSA)*

Owner Info: Pine Creek II, Limited Partnership, 622 North Water Street, Milwaukee, WI 53202, (414)270-0200 *Ownership Type:* Profit Motivated

Management Info: WESTBROOK MANAGEMENT COMPANY, 622 North Water St., Milwaukee, WI 53202, (414) 270-0200

Most Recent REAC Score and Release Date: 77c 7/28/2010 *2nd REAC Score and Release Date:* 81c 7/31/2008 *3rd REAC Score and Release Date:* 94c 10/13/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	RER Solutions, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
WI390042020	7/31/2021	Active	102.8%	Sec 8 NC	44	44	0	0	24	20	0	0

TOTAL APARTMENTS AT RISK:	
Total Contracts:	12
Total Assisted Apartments:	509

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.
Section 8 Contract information is from February 2012.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. Robert Dold's district in Illinois

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 656

PROJECT: *FHA #:*07111154 CEDAR VILLAGE OF ARLINGTON HEIGHTS, 320 W Campbell ST, ARLINGTON HEIGHTS, IL 60005 *Metro Area (MSA)* Chicago, IL

Owner Info: 320 Campbell GP, NFP, , Lincolnwood, IL 60712, 847 677-5050 *Ownership Type:* Profit Motivated

Management Info: Cedar Village Management, Inc., , Lincolnwood, IL 60712, 847 677-5050

Most Recent REAC Score and Release Date: 76b 6/24/2010 *2nd REAC Score and Release Date:* 86c 7/2/2008 *3rd REAC Score and Release Date:* 96a 7/25/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.68	$4,765,867	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL06T841016	5/18/2018	Active	143.6%	202/8 NC	80	80	20	60	0	0	0	0

PROJECT: *FHA #:*07111160 GLENVIEW ELDERLY HOUSING, 939 HARLEM AVE, GLENVIEW, IL 60025, (847) 724-6308 *Metro Area (MSA)* Chicago, IL

Owner Info: Glenview Elderly Housing, c/o Lifelink Corporation, Bensenville, IL 60106, (630) 521-8007 *Ownership Type:* Non-Profit

Management Info: LIFELINK CORPORATION, 331 South York Road, Bensenville, IL 60106, (630) 766-3570

Most Recent REAC Score and Release Date: 91c 11/13/2008 *2nd REAC Score and Release Date:* 90c 9/2/2004 *3rd REAC Score and Release Date:* 86b 10/3/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.75	$3,895,632	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL06T841018	6/30/2013	Active	148.6%	202/8 NC	80	80	23	57	0	0	0	0

PROJECT: *FHA #:*07135467 RAVINIA HOUSING, 755 PLEASANT AVE, HIGHLAND PARK, IL 60035, 847-433-7694 *Metro Area (MSA)* Chicago, IL

Owner Info: HIGHLAND PARK HOUSING #3, 1707 ST. JOHNS AVE, HIGHLAND PARK, IL 60035, (708) 432-4110 *Ownership Type:* Non-Profit

Management Info: Evergreen Real Estate Services, LLC, 566 W Lake St Ste 400, Chicago, IL 60661, (312) 234-9400

Most Recent REAC Score and Release Date: 92c 11/3/2010 *2nd REAC Score and Release Date:* 83b 11/5/2008 *3rd REAC Score and Release Date:* 92b 9/28/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	Signet Partners		

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL060051003	1/31/2032	Active	121.2%	Sec 8 NC	17	17	0	0	0	14	3	0

PROJECT: *FHA #:*07135826 CENTENNIAL APARTMENTS SOUTH, 900 Centennial Dr, Mount Prospect, IL 60056, (847)259-1080 *Metro Area (MSA)* Chicago, IL

Owner Info: Urban Mt. Prospect South Limited Partnership, 900 Centennial Drive, Mt. Prospect, IL 60056, (312)222-0777 *Ownership Type:* Profit Motivated

Management Info: Urban Innovations, LTD., 445 North Wells Street, Chicago, IL 60610, (312) 222-0777

Most Recent REAC Score and Release Date: 99a 11/4/2009 *2nd REAC Score and Release Date:* 87c 10/10/2007 *3rd REAC Score and Release Date:* 99a 8/26/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	3.98	$7,628,735	Y	Yes	Rent Rdct	Illinois Housing Development Authority		

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL060035031	7/29/2018	Active	132.2%	Sec 8 NC	97	97	0	97	0	0	0	0

PROJECT: *FHA #:*07135827 Centennial North Apartments, 900 E Ardyce Drive, MOUNT PROSPECT, IL 60056, (847) 259-1080 *Metro Area (MSA)* Chicago, IL

Owner Info: Urban Mt. Prospect North Limited Partnership, 445 N. Wells Suite #200, Chicago, IL 60610, (312)222-0777 *Ownership Type:* Profit Motivated

Management Info: Urban Innovations, LTD., 445 North Wells Street, Chicago, IL 60610, (312) 222-0777

Most Recent REAC Score and Release Date: 98b 12/15/2010 *2nd REAC Score and Release Date:* 96a 10/10/2007 *3rd REAC Score and Release Date:* 99a 10/7/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	3.98	$6,933,403	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL060006006	10/12/2014	Active	131.0%	Sec 8 NC	100	100	0	95	5	0	0	0

PROJECT: *FHA #:*07144073 MANCHESTER KNOLLS COOPERATIVE, 1700-02 Barrett CT, NORTH CHICAGO, IL 60064, (847)68 *Metro Area (MSA)* Chicago, IL

Owner Info: MANCHESTER KNOLLS COOPERATIVE, 1700 C BARRETT CT, NORTH CHICAGO, IL 60064, (847) 689-8855 *Ownership Type:* Non-Profit

Management Info: Kirkpatrick Mgmt. Co., Inc., 5702 Kirkpatrick Way, Indianapolis, IN 46220, (317) 570-4358

Most Recent REAC Score and Release Date: 88c 5/6/2009 *2nd REAC Score and Release Date:* 79c 4/30/2008 *3rd REAC Score and Release Date:* 87b 5/10/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$107,710	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL06M000075	12/31/2013	Active	66.1%	LMSA	18	90	0	3	8	5	2	0

PROJECT: *FHA #:*07144075 MANCHESTER KNOLLS II COOP, 1705-09 ARRINGTON CIR, NORTH CHICAGO, IL 60064, (847)68 *Metro Area (MSA)* Chicago, IL

Owner Info: MANCHESTER KNOLLS COOPERATIVE, 1700 C BARRETT CT, NORTH CHICAGO, IL 60064, (847) 689-8855 *Ownership Type:* Non-Profit

Management Info: Kirkpatrick Mgmt. Co., Inc., 5702 Kirkpatrick Way, Indianapolis, IN 46220, (317) 570-4358

Most Recent REAC Score and Release Date: 89b 4/28/2010 *2nd REAC Score and Release Date:* 83c 4/30/2008 *3rd REAC Score and Release Date:* 81b 5/10/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$107,604	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL06M000076	12/31/2013	Active	69.0%	LMSA	18	90	0	3	11	3	1	0

PROJECT: *FHA #:*07111135 Lilac Ledge Apartments, 542 Washington Street, WAUKEGAN, IL 60085, (847) 662-2277 *Metro Area (MSA)* Chicago, IL

Owner Info: Lilac Ledge Partnership, P.O. Box 789, Libertyville, IL 60048, (847) 367-1111 *Ownership Type:* Profit Motivated

Management Info: The DeBruler Co., 131 PARK AVENUE, LIBERTYVILLE, IL 60048, (847) 367-1111

Most Recent REAC Score and Release Date: 71b 5/26/2010 *2nd REAC Score and Release Date:* 75b 5/27/2009 *3rd REAC Score and Release Date:* 88b 5/24/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	4.99	$8,798,153	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL06H121052	2/28/2018	Active	108.7%	HFDA/8 NC	203	203	23	179	1	0	0	0

PROJECT: *FHA #:*07111156 SHORE LINE PLACE, 324 LINDEN AVE, WILMETTE, IL 60091, (847)251-6212 *Metro Area (MSA)* Chicago, IL

Owner Info: SHORE LINE PLACE, INC., 1001 E TOUHY AVE, DES PLAINES, IL 60018, (847) 635-4600 *Ownership Type:* Non-Profit

Management Info: LUTHERAN SOCIAL SERVICES OF ILLINOIS, 1001 E. Touhy Avenue, Des Plaines, IL 60018, (847) 635-4600

Most Recent REAC Score and Release Date: 99b 8/13/2009 *2nd REAC Score and Release Date:* 98a 8/9/2006 *3rd REAC Score and Release Date:* 95b 8/13/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.93	$2,656,089	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL06T831010	9/29/2012	Active	148.5%	202/8 NC	43	44	11	32	0	0	0	0

TOTAL APARTMENTS AT RISK:

Total Contracts:	9
Total Assisted Apartments:	656

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.

Section 8 Contract information is from February 2012.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. Steve Stivers's district in Ohio

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 3,138

PROJECT: *FHA #:*04344099 Creative Living Center I, 1531 PERRY ST, COLUMBUS, OH 43201, 614-421-1226 — *Metro Area (MSA)* Columbus, OH

Owner Info: Creative Living, Inc, 1531 Perry St., COLUMBUS, OH 43201, (614) 421-1331 — *Ownership Type:* Non-Profit

Management Info: Creative Living, Inc, 1531 Perry St., COLUMBUS, OH 43201, (614) 421-1331

Most Recent REAC Score and Release Date: 96c 7/2/2008 *2nd REAC Score and Release Date:* 99a 4/28/2005 *3rd REAC Score and Release Date:* 92c 5/9/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	ONTRA, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16L000136	6/30/2026	Active	185.4%	LMSA	18	18	0	18	0	0	0	0

PROJECT: *FHA #:*04311144 Creative Living Center II, 150 W 10TH AVE, COLUMBUS, OH 43201, 614-421-2183 — *Metro Area (MSA)* Columbus, OH

Owner Info: Creative Living Housing Corporation, 150 W. 10th Ave., Columbus, OH 43201, 614 421 1226 — *Ownership Type:* Non-Profit

Management Info: Creative Living, Inc, 1531 Perry St., COLUMBUS, OH 43201, (614) 421-1331

Most Recent REAC Score and Release Date: 90b 3/3/2010 *2nd REAC Score and Release Date:* 91b 12/21/2006 *3rd REAC Score and Release Date:* 81c 11/11/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.55	$740,081	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16T831001	6/30/2016	Active	221.8%	202/8 NC	16	16	0	16	0	0	0	0

PROJECT: *FHA #:*04311156 FRANKLIN MANOR, 1475 STIMMEL RD., COLUMBUS, OH 43223, 614-276-7118 — *Metro Area (MSA)* Columbus, OH

Owner Info: Franklin Manor Associates - Limited Partnership, 4415 5th Ave, Pittsburgh, PA 15213, (412) 647-7400 — *Ownership Type:* Profit Motivated

Management Info: NDC Real Estate Management, Inc., 4415 FIFTH AVE, PITTSBURGH, PA 15213, 412-578-7827

Most Recent REAC Score and Release Date: 68c 9/24/2008 *2nd REAC Score and Release Date:* 84c 8/9/2006 *3rd REAC Score and Release Date:* 92c 3/13/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/207/223(f) Refina	5.00	$4,986,211	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16M000218	3/31/2015	Active	83.5%	LMSA	129	272	0	40	74	15	0	0

PROJECT: *FHA #:*04311157 JAYCEE ARMS APARTMENTS, 266 E MAIN ST, COLUMBUS, OH 43215, 614-228-1201 — *Metro Area (MSA)* Columbus, OH

Owner Info: North Columbus Jaycee Housing, Inc., C/O Barcus, COLUMBUS, OH 43220, 614-451-9000 — *Ownership Type:* Non-Profit

Management Info: THE BARCUS COMPANY, INC., 1601 Bethel Road, Columbus, OH 43220, (614) 451-9000

Most Recent REAC Score and Release Date: 86b 5/28/2008 *2nd REAC Score and Release Date:* 94b 5/26/2005 *3rd REAC Score and Release Date:* 100 5/30/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.30	$3,023,503	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16M000273	9/30/2029	Active	101.4%	LMSA	223	224	0	223	0	0	0	0

PROJECT: *FHA #:*04335258 MURRAY COMMONS, LTD., 4785 BEACON HILL RD, COLUMBUS, OH 43228, 614-870-6232 — *Metro Area (MSA)* Columbus, OH

Owner Info: MURRAY COMMONS, LTD, 400 S 5th St Ste 400, Columbus, OH 43215, 614-870-6232 — *Ownership Type:* Profit Motivated

Management Info: Colonial American Development Corp, 400 South Fifth Street, Columbus, OH 43215, 614-224-2083

Most Recent REAC Score and Release Date: 91b 2/3/2010 *2nd REAC Score and Release Date:* 74b 3/25/2009 *3rd REAC Score and Release Date:* 70c 4/23/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	10.72	$958,111	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH160022112	2/16/2013	Active	119.4%	Sec 8 NC	50	51	0	50	0	0	0	0

PROJECT: *FHA #:*04335507 Nazareth Towers, 300 E RICH ST, COLUMBUS, OH 43215, 614-464-4780 — *Metro Area (MSA)* Columbus, OH

Owner Info: Nazareth Towers, Ltd., 300 East Rich Street, Columbus, OH 43215, 614-464-4780 — *Ownership Type:* Profit Motivated

Management Info: BRC Properties Inc., 1776, Columbus, OH 43235, 614-451-8750

Most Recent REAC Score and Release Date: 60c 7/7/2010 *2nd REAC Score and Release Date:* 96b 3/9/2006 *3rd REAC Score and Release Date:* 58c 7/13/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	6.50	$5,938,490	N	Yes	Mrtg Rstr	CreditVest, Inc.	Y	Y

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16M000282	4/30/2023	Active	96.6%	Sec 8 NC	31	208	4	10	17	0	0	0

PROJECT: *FHA #:*04335507 Nazareth Towers, 300 E RICH ST, COLUMBUS, OH 43215, 614-464-4780 — *Metro Area (MSA)* Columbus, OH

Owner Info: Nazareth Towers, Ltd., 300 East Rich Street, Columbus, OH 43215, 614-464-4780 — *Ownership Type:* Profit Motivated

Management Info: BRC Properties Inc., 1776, Columbus, OH 43235, 614-451-8750

Most Recent REAC Score and Release Date: 60c 7/7/2010 *2nd REAC Score and Release Date:* 96b 3/9/2006 *3rd REAC Score and Release Date:* 58c 7/13/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	6.50	$5,938,490	N	Yes	Mrtg Rstr	CreditVest, Inc.	Y	Y

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16M000256	11/30/2027	Active	98.1%	LMSA	177	208	22	120	35	0	0	0

PROJECT: *FHA #:*04335431 NORTON VILLAGE, 1066 NEW DAWN LN, COLUMBUS, OH 43228, 614/870-6745 — *Metro Area (MSA)* Columbus, OH

Owner Info: Norton Village, LLC, PO Box 1023, Columbus, OH 43216, (614) 863-4640 — *Ownership Type:* Profit Motivated

Management Info: WALLICK PROPERTIES MIDWEST, LLC, PO Box 1023, Columbus, OH 43216, 614-863-4640

Most Recent REAC Score and Release Date: 92c 7/2/2008 *2nd REAC Score and Release Date:* 95c 7/14/2005 *3rd REAC Score and Release Date:* 99a 7/18/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	5.30	$1,293,635	Y	Yes	Mrtg Rstr	ONTRA, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH160019012	9/24/2013	Active	97.2%	Sec 8 NC	50	50	0	4	38	4	4	0

PROJECT: *FHA #:*04311123 Ohio Region Senior Citizen Corporation Plaza I &II, 4750 TAMARACK BLVD, COLUMBUS, OH 43229, *Metro Area (MSA)* Columbus, OH

Owner Info: Ohio Region Senior Citizen Corporation Plaza I and II, 824 NOB HILL DRIVE W., GAHANNA, OH 43230, (614) 337-2789 *Ownership Type:* Non-Profit

Management Info: NATIONAL CHURCH RESIDENCES, 2335 NORTH BANK DRIVE, COLUMBUS, OH 43220, (614) 451-2151

Most Recent REAC Score and Release Date: 90c 10/29/2008 *2nd REAC Score and Release Date:* 83c 11/1/2006 *3rd REAC Score and Release Date:* 100 8/15/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.82	$3,030,316	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16T851019	1/2/2032	Active	119.9%	202/8 NC	89	90	10	79	0	0	0	0

PROJECT: *FHA #:*04344063 RIVERLODGE APARTMENTS II, 360 BROADMEADOWS BLVD, COLUMBUS, OH 43214, 614-846-12 *Metro Area (MSA)* Columbus, OH

Owner Info: Riverlodge Partners, Limited, 45 N. 4th St, Columbus, OH 43202, (614) 481-8106 *Ownership Type:* Limited Dividend

Management Info: SHOWE MANAGEMENT CORP., 45 N. 4th, COLUMBUS, OH 43202, 614-481-8106

Most Recent REAC Score and Release Date: 98c 4/29/2009 *2nd REAC Score and Release Date:* 75c 6/11/2008 *3rd REAC Score and Release Date:* 96b 4/27/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$209,076	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16M000183	3/31/2015	Active	91.5%	LMSA	58	147	0	45	10	3	0	0

PROJECT: *FHA #:*04344071 RIVERLODGE APARTMENTS III, 360 BROADMEADOWS BLVD, COLUMBUS, OH 43214, 614-846-1 *Metro Area (MSA)* Columbus, OH

Owner Info: Riverlodge Partners, Limited, 45 N. 4th St, Columbus, OH 43202, (614) 481-8106 *Ownership Type:* Limited Dividend

Management Info: SHOWE MANAGEMENT CORP., 45 N. 4th, COLUMBUS, OH 43202, 614-481-8106

Most Recent REAC Score and Release Date: 94c 5/26/2010 *2nd REAC Score and Release Date:* 81c 6/11/2008 *3rd REAC Score and Release Date:* 99a 5/19/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$232,177	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16M000184	3/31/2015	Active	95.5%	LMSA	58	147	0	47	9	2	0	0

PROJECT: *FHA #:*04335499 Seton Square Inc., 1776 DREW AVE, COLUMBUS, OH 43235, 614-451-1995 *Metro Area (MSA)* Columbus, OH

Owner Info: Seton Square North, Inc., 198 East Broad Street, Columbus, OH 43215, 614-224-2251 *Ownership Type:* Non-Profit

Management Info: BRC Properties Inc., 1776, Columbus, OH 43235, 614-451-8750

Most Recent REAC Score and Release Date: 52c 3/9/2011 *2nd REAC Score and Release Date:* 82b 3/11/2009 *3rd REAC Score and Release Date:* 89b 8/3/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(3) MKT Re	5.50	$952,979	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16H051002	6/12/2029	Active	87.5%	HFDA/8 NC	218	218	0	194	24	0	0	0

PROJECT: *FHA #:*04335275 Southpark Apts, 841 GREENFIELD DR, COLUMBUS, OH 43223, 614 221-9016 *Metro Area (MSA)* Columbus, OH

Owner Info: GREENFIELD MEADOWS, LTD, 900 South Gay Street, Suite 1504, KNOXVILLE, TN 37902, 865-525-7500 *Ownership Type:* Profit Motivated

Management Info: American Apartment Management Co., Inc., 1504 Riverview Tower, Knoxville, TN 37902, 865-525-7500

Most Recent REAC Score and Release Date: 82c 6/3/2009 *2nd REAC Score and Release Date:* 78c 6/11/2008 *3rd REAC Score and Release Date:* 94b 3/23/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16E000016	3/31/2023	Active	98.5%	PD/8 SR	352	356	20	56	192	84	0	0

PROJECT: *FHA #:*04335279 SOUTHPOINTE VILLAGE, 3940 SOUTHPOINTE BLVD, COLUMBUS, OH 43207, 614-491-0177 *Metro Area (MSA)* Columbus, OH

Owner Info: SOUTHPOINTE VILLAGE LTD, 400 S 5th St Ste 400, Columbus, OH 43215, 614-224-2083 *Ownership Type:* Profit Motivated

Management Info: Colonial American Development Corp, 400 South Fifth Street, Columbus, OH 43215, 614-224-2083

Most Recent REAC Score and Release Date: 66c 5/13/2009 *2nd REAC Score and Release Date:* 85c 5/24/2007 *3rd REAC Score and Release Date:* 86b 6/8/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	ONTRA, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH160022111	8/31/2029	Active	107.6%	Sec 8 NC	50	50	0	0	40	10	0	0

PROJECT: *FHA #:*04335497 Summerfield Homes, 1107-1113 S. Washington, Columbus, OH 43206, 614 253-0984 *Metro Area (MSA)* Columbus, OH

Owner Info: Summerfield Homes, LLC, 88 East Broad Street, Ste. 1800, Columbus, OH 43215, 614-224-8446 *Ownership Type:* Profit Motivated

Management Info: COMMUNITY PROPERTIES OF OHIO MANAGEMENT SER, LLC, 910 E Broad St, Columbus, OH 43205, 614-253-0984

Most Recent REAC Score and Release Date: 88c 1/13/2011 *2nd REAC Score and Release Date:* *3rd REAC Score and Release Date:*

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	6.80	$1,051,749	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH160014001	4/30/2023	Active	107.3%	Sec 8 SR	111	111	0	14	68	27	2	0

PROJECT: *FHA #:*04335236 VICTORIAN HERITAGE, LTD. AN OHIO, 1379 N HIGH ST, COLUMBUS, OH 43201, (614)228-3578 *Metro Area (MSA)* Columbus, OH

Owner Info: Victorian Heritage, Limited, 407 E Livingston Ave, Columbus, OH 43215, (614) 228-3578 *Ownership Type:* Profit Motivated

Management Info: TOWNHOMES MANAGEMENT, INC., 407 E LIVINGSTON AVENUE, COLUMBUS, OH 43215, (614) 228-3578

Most Recent REAC Score and Release Date: 81c 1/9/2008 *2nd REAC Score and Release Date:* 72c 12/20/2006 *3rd REAC Score and Release Date:* 99b 11/20/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	CreditVest, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16A001002	9/30/2029	Active	99.9%	Sec 8 SR	59	59	0	34	25	0	0	0

PROJECT: *FHA #:*04335540 WEDGEWOOD VILLAGE APARTMENTS, 777 Wedgewood Drive, COLUMBUS, OH 43228, 614-272-2 *Metro Area (MSA)* Columbus, OH

Owner Info: BRIGGS/WEDGEWOOD ASSOCIATES LIMITED PARTNERSHIP, 850 CLINTON SQUARE, ROCHESTER, NY 14604, (585) 295-4240 *Ownership Type:* Profit Motivated

Management Info: Home Properties Resident Services, Inc., 850 Clinton Square, Rochester, NY 14604, (585)546-4900

Most Recent REAC Score and Release Date: 22c 7/16/2008 *2nd REAC Score and Release Date:* 58c 12/21/2006 *3rd REAC Score and Release Date:* 84c 12/2/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	4.90	$11,561,708	Y	Yes	Mrtg Rstr	CreditVest, Inc.		

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16L000040	10/31/2030	Active	104.5%	LMSA	648	648	0	220	268	160	0	0

PROJECT: *FHA #:*04335298 LEHNERT GREEN Apartments, 1600 Bierl Drive, GALLOWAY, OH 43119, (614) 870-0423 *Metro Area (MSA)* Columbus, OH

Owner Info: Lehnert Green Limited, 2700 E. Dublin Granville Rd, Columbus, OH 43231, 614-818-4640 *Ownership Type:* Profit Motivated

Management Info: Buckeye Management Company, 2700 E Dublin Granville Rd Ste 300-C, Columbus, OH 43231, (614) 818-4640

Most Recent REAC Score and Release Date: 91c 4/29/2010 *2nd REAC Score and Release Date:* 60c 5/21/2009 *3rd REAC Score and Release Date:* 91c 5/24/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	CreditVest, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16H051066	3/31/2024	Active	92.0%	HFDA/8 NC	157	157	0	20	110	27	0	0

PROJECT: *FHA #:*04335533 HARRISBURG STATION, 2844 HARRISBURG STATION LN, GROVE CITY, OH 43123, 614-871-469 *Metro Area (MSA)* Columbus, OH

Owner Info: HARRISBURG STATION, Ltd, 400 S 5th St, Columbus, OH 43215, 614-224-2083 *Ownership Type:* Profit Motivated

Management Info: Colonial American Development Corp, 400 South Fifth Street, Columbus, OH 43215, 614-224-2083

Most Recent REAC Score and Release Date: 88c 4/14/2010 *2nd REAC Score and Release Date:* 83c 5/21/2008 *3rd REAC Score and Release Date:* 86c 3/30/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	4.45	$1,242,563	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH160022120	10/15/2016	Active	98.3%	Sec 8 NC	59	60	0	0	49	10	0	0

PROJECT: *FHA #:*04335469 MELANIE MANOR, 2346 SONORA DR, GROVE CITY, OH 43123, (614) 871-4509 *Metro Area (MSA)* Columbus, OH

Owner Info: Melanie Manor, Limited, 1430 Collins Rd NW, Lancaster, OH 43130, (740) 653-8822 *Ownership Type:* Profit Motivated

Management Info: Laneco Inc.., 1430 COLLINS RD. NW, LANCASTER, OH 43130, (740) 653-8822

Most Recent REAC Score and Release Date: 90a 10/21/2009 *2nd REAC Score and Release Date:* 90a 11/1/2006 *3rd REAC Score and Release Date:* 96b 8/29/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	CreditVest, Inc.		

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH160022032	10/31/2030	Active	105.3%	Sec 8 NC	50	51	0	50	0	0	0	0

PROJECT: *FHA #:*04335260 STURBRIDGE GREEN, 3750 STURBRIDGE CT., HILLIARD, OH 43026, (614) 876-0192 — *Metro Area (MSA)* Columbus, OH

Owner Info: Sturbridge Green, Limited, Post Office Box 1023, Columbus, OH 43216, (614) 863-4640 — *Ownership Type:* Profit Motivated

Management Info: WALLICK PROPERTIES MIDWEST, LLC, PO Box 1023, Columbus, OH 43216, 614-863-4640

Most Recent REAC Score and Release Date: 97b 6/25/2008 *2nd REAC Score and Release Date:* 92b 7/20/2005 *3rd REAC Score and Release Date:* 99b 9/26/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	10.72	$991,339	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH160022084	9/3/2022	Active	123.3%	Sec 8 NC	50	50	0	50	0	0	0	0

PROJECT: *FHA #:*04335273 MARYSVILLE GREEN, 460 WINDMILL DR, MARYSVILLE, OH 43040, 937-644-0625 — *Metro Area (MSA)*

Owner Info: DONINGTON VILLAGE LIMITED, 45 N. 4th Street, Columbus, OH 43202, 614-481-8106 — *Ownership Type:* Limited Dividend

Management Info: SHOWE MANAGEMENT CORP., 45 N. 4th, COLUMBUS, OH 43202, 614-481-8106

Most Recent REAC Score and Release Date: 97b 6/18/2008 *2nd REAC Score and Release Date:* 98b 8/17/2005 *3rd REAC Score and Release Date:* 98a 10/24/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	10.72	$1,327,510	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16H051059	12/10/2021	Active	114.1%	HFDA/8 NC	60	60	0	0	50	10	0	0

PROJECT: *FHA #:*04344090 WINDSOR MANOR EAST, 376 Rosehill DR, MARYSVILLE, OH 43040, 937-644-2905 — *Metro Area (MSA)*

Owner Info: Windsor Manor East Limited Partnership, 129 North Main Street, Marysville, OH 43040, 937-644-8307 — *Ownership Type:* Limited Dividend

Management Info: SHOWE MANAGEMENT CORP., 45 N. 4th, COLUMBUS, OH 43202, 614-481-8106

Most Recent REAC Score and Release Date: 99a 3/24/2010 *2nd REAC Score and Release Date:* 90a 4/11/2007 *3rd REAC Score and Release Date:* 91c 6/17/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$192,581	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16M000196	3/31/2015	Active	74.3%	LMSA	58	95	14	41	3	0	0	0

PROJECT: *FHA #:*04311121 WINDSOR MANOR WEST, 376 ROSEHILL DR, MARYSVILLE, OH 43040, 937-644-2905 *Metro Area (MSA)*

Owner Info: MARYSVILLE HOUSING, INC, 376 ROSEHILL DRIVE, MARYSVILLE, OH 43040, 937-537-1634 *Ownership Type:* Non-Profit

Management Info: SHOWE MANAGEMENT CORP., 45 N. 4th, COLUMBUS, OH 43202, 614-481-8106

Most Recent REAC Score and Release Date: 95b 11/27/2008 *2nd REAC Score and Release Date:* 93b 4/7/2005 *3rd REAC Score and Release Date:* 99a 10/25/2001

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.15	$1,734,777	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16T781009	10/16/2013	Active	112.5%	202/8 NC	60	60	0	56	4	0	0	0

PROJECT: *FHA #:*04335491 Meadowview Senior Housing Limited Partnership, 338 W MAIN ST, MOUNT STERLING, OH 43143, 6 *Metro Area (MSA)* Columbus, OH

Owner Info: Meadowview Senior Housing Limited Partnership, 2335 North Bank Drive, Columbus, OH 43220, (614) 451-0351 *Ownership Type:* Profit Motivated

Management Info: National Church Residences, 2335 N Bank Dr, Columbus, OH 43220, (614)451-2151

Most Recent REAC Score and Release Date: 76b 7/7/2010 *2nd REAC Score and Release Date:* 92b 9/23/2004 *3rd REAC Score and Release Date:* 83b 8/1/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	6.15	$1,391,646	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16T821010	7/31/2028	Active	133.4%	202/8 NC	39	40	0	39	0	0	0	0

PROJECT: *FHA #:*04335471 BRIDLEWOOD VILLAGE, 4385 THELMA DR., OBETZ, OH 43207, 614/491-0272 *Metro Area (MSA)* Columbus, OH

Owner Info: Bridlewood Village, Limited, PO Box 23040, Toledo, OH 43623, (419) 885-9400 *Ownership Type:* Profit Motivated

Management Info: SPIEKER REALTY, INC., P.O. BOX 23040, TOLEDO, OH 43623, (419)885-9400

Most Recent REAC Score and Release Date: 81c 8/20/2009 *2nd REAC Score and Release Date:* 64c 7/16/2008 *3rd REAC Score and Release Date:* 63c 9/12/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	5.35	$1,237,882	Y	Yes	Rent Rdct	CreditVest, Inc.	Y	Y

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH160017006	4/30/2012	Active	93.6%	Sec 8 NC	70	70	0	0	50	20	0	0

PROJECT: *FHA #:*04311130 PLEASANT VALLEY COLONY, 390 ALLGYER DR, PLAIN CITY, OH 43064, (614)873-8119 *Metro Area (MSA)* Columbus, OH

Owner Info: PLAIN CITY SR CENTER, INC., 390 ALLGYER DR., PLAIN CITY, OH 43064, (614) 873-8186 *Ownership Type:* Non-Profit

Management Info: WALLICK PROPERTIES MIDWEST, LLC, PO Box 1023, Columbus, OH 43216, 614-863-4640

Most Recent REAC Score and Release Date: 91b 9/3/2009 *2nd REAC Score and Release Date:* 100 3/9/2005 *3rd REAC Score and Release Date:* 95b 10/25/2001

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.25	$1,334,733	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16T791008	6/7/2013	Active	128.8%	202/8 NC	40	40	0	36	4	0	0	0

PROJECT: *FHA #:*04335415 Bending Brook Apartments, 2584 AUGUSTUS CT, URBANCREST, OH 43123, 614-875-8482 *Metro Area (MSA)* Columbus, OH

Owner Info: Urbancrest Affordable Housing, LLC, 562 E. Main Street, Columbus, OH 43215, 614-221-8889 *Ownership Type:* Profit Motivated

Management Info: TOWNHOMES MANAGEMENT, INC., 407 E LIVINGSTON AVENUE, COLUMBUS, OH 43215, (614) 228-3578

Most Recent REAC Score and Release Date: 94b 1/6/2010 *2nd REAC Score and Release Date:* 86c 2/5/2004 *3rd REAC Score and Release Date:* 82c 10/18/2001

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(3) MKT Re	7.75	$970,167	Y	Yes	Mrtg Rstr	CreditVest, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
OH16M000250	10/31/2021	Active	97.7%	LMSA	158	158	0	32	94	32	0	0

TOTAL APARTMENTS AT RISK:

Total Contracts:	28
Total Assisted Apartments:	3,138

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.
Section 8 Contract information is from February 2012.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. Luis Gutierrez's district in Illinois

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 918

PROJECT: *FHA #:*07111137 ARMITAGE HUMBOLDT APTS, 3004 W Armitage Ave, CHICAGO, IL 60647, (773) 235-6290 *Metro Area (MSA)* Chicago, IL

Owner Info: Armitage-Humboldt Associates, c/o East Lake Management, Chicago, IL 60616, (312) 842-5500 *Ownership Type:* Profit Motivated

Management Info: East Lake Management & Development Corp., 2850 S Michigan Ave., Chicago, IL 60616, (312) 842-5500

Most Recent REAC Score and Release Date: 93c 10/15/2008 *2nd REAC Score and Release Date:* 74c 9/12/2007 *3rd REAC Score and Release Date:* 92c 9/2/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.25	$1,925,639	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL060040016	12/6/2031	Active	115.8%	Sec 8 NC	45	45	0	14	24	7	0	0

PROJECT: *FHA #:*07132123 BLOOMINGDALE APARTMENTS, 1745 N KEYSTONE, CHICAGO, IL 60639, (773) 276-2965 *Metro Area (MSA)* Chicago, IL

Owner Info: Bloomingdale Preservation Partners, L.P., 1201 N. Clark Street, Chicago, IL 60610, (312) 335-2600 *Ownership Type:* Profit Motivated

Management Info: Camco, Inc., 1201 North Clark St, Chicago, IL 60610, (312) 335-2650

Most Recent REAC Score and Release Date: 85b 6/25/2009 *2nd REAC Score and Release Date:* 95b 7/12/2006 *3rd REAC Score and Release Date:* 96c 7/17/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL060046021	9/26/2023	Active	97.7%	Sec 8 NC	111	111	0	79	24	8	0	0

PROJECT: *FHA #:*07194040 HUMBOLDT BUILDING, 1704-16 N. HUMBOLDT AVE, CHICAGO, IL 60647, (773) 252-1963 *Metro Area (MSA)* Chicago, IL

Owner Info: Humbolt Building Limited Partnership, 2550 West North Avenue, Chicago, IL 60647, (773) 278-5669 *Ownership Type:* Profit Motivated

Management Info: Bickerdike Redevelopment Corp., 2550 West North Avenue, Chicago, IL 60647, (773) 278-5669

Most Recent REAC Score and Release Date: 97c 3/18/2009 *2nd REAC Score and Release Date:* 98b 4/27/2005 *3rd REAC Score and Release Date:* 59c 7/15/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT/24	6.63	$953,588	Y	Yes	Mrtg Rstr	Illinois Housing Development Authority	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL06E000069	10/19/2012	Active	103.4%	PD/8 MR	29	29	0	5	15	9	0	0

PROJECT: *FHA #:*07111169 LAS MORADAS APARTMENTS, 1307 N CALIFORNIA AVE, CHICAGO, IL 60622, 773-772-4800 *Metro Area (MSA)* Chicago, IL

Owner Info: HISPANIC ELDERLY HOUSING CORPORATION, 325 N. Wells Street, CHICAGO, IL 60610, (312) 443-1360 *Ownership Type:* Non-Profit

Management Info: Hispanic Housing Development Corporation, 325 N. Wells St., 8th Floor, Chicago, IL 60654, (312) 602-6500

Most Recent REAC Score and Release Date: 84a 10/14/2009 *2nd REAC Score and Release Date:* 98b 11/1/2006 *3rd REAC Score and Release Date:* 89b 11/20/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.42	$4,212,177	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL06T831050	7/27/2012	Active	122.7%	202/8 NC	79	80	20	59	0	0	0	0

PROJECT: *FHA #:*07135755 Lathrop Elderly, 2717 N. Leavitt, CHICAGO, IL 60647, (773)296-2095 *Metro Area (MSA)* Chicago, IL

Owner Info: c/s Lathrop Elderly Limited Partnership, 2717 N. Leavitt, Chicago, IL 60647, 312-602-6500 *Ownership Type:* Profit Motivated

Management Info: Hispanic Housing Development Corporation, 325 N. Wells St., 8th Floor, Chicago, IL 60654, (312) 602-6500

Most Recent REAC Score and Release Date: 96b 8/4/2010 *2nd REAC Score and Release Date:* 78c 7/16/2009 *3rd REAC Score and Release Date:* 81c 11/4/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	5.09	$3,938,213	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL060061028	9/30/2025	Active	120.4%	Sec 8 SR	91	92	35	56	0	0	0	0

PROJECT: *FHA #:*07111170 LOGAN VISTAS, 2600 N KEDZIE BLVD, CHICAGO, IL 60647, 773-772-4063 *Metro Area (MSA)* Chicago, IL

Owner Info: LOGAN SQUARE ELDERLY HOUSING CORP., 325 N Wells Street, CHICAGO, IL 60610, (312) 443-1360 *Ownership Type:* Non-Profit

Management Info: Hispanic Housing Development Corporation, 325 N. Wells St., 8th Floor, Chicago, IL 60654, (312) 602-6500

Most Recent REAC Score and Release Date: 83b 10/29/2009 *2nd REAC Score and Release Date:* 98a 11/22/2006 *3rd REAC Score and Release Date:* 88a 9/16/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.56	$4,075,604	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL06T851028	4/21/2031	Active	169.0%	202/8 SR	48	49	13	35	0	0	0	0

PROJECT: *FHA #:*07111141 SILENT COOPERATIVE APARTMENTS, 2500 West Belmont Avenue, CHICAGO, IL 60618, 773-935- *Metro Area (MSA)* Chicago, IL

Owner Info: Silent Cooperative Apartments, 2500 W. Belmont Ave., Chicago, IL 60618, 773-935-0640 *Ownership Type:* Non-Profit

Management Info: HSR PROPERTY SERVICES, LLC, 8771 W Laraway Rd, Frankfort, IL 60423, 815-806-9990

Most Recent REAC Score and Release Date: 90b 2/17/2010 *2nd REAC Score and Release Date:* 85c 1/9/2008 *3rd REAC Score and Release Date:* 98c 9/12/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.75	$6,123,519	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL06T821030	5/14/2015	Active	165.0%	202/8 NC	98	99	20	78	0	0	0	0

PROJECT: *FHA #:*07135490 WEST TOWN HOUSING, 1300 N Washtenaw, CHICAGO, IL 60622, 773-252-1963 *Metro Area (MSA)* Chicago, IL

Owner Info: West Town Housing Partners, 200 E Randolph Street, Chicago, IL 60601, (312) 345-3235 *Ownership Type:* Limited Dividend

Management Info: West Town Management Partners, 200 E. Randolph Street, Chicago, IL 60601, (312) 726-5600

Most Recent REAC Score and Release Date: 93b 4/23/2009 *2nd REAC Score and Release Date:* 81b 4/25/2007 *3rd REAC Score and Release Date:* 84c 1/27/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	11.86	$5,859,346	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL060054042	11/22/2013	Active	152.5%	Sec 8 NC	140	140	0	19	19	67	35	0

PROJECT: *FHA #:*07135651 WEST TOWN HOUSING PHASE II, 1217 N Wolcott, CHICAGO, IL 60622, 773-252-1963 *Metro Area (MSA)* Chicago, IL

Owner Info: West Town Housing Phase II, Limited Partnership, 200 E. Randolph, Chicago, IL 60601, 312-726-5600 *Ownership Type:* Limited Dividend

Management Info: Metroplex Inc., 200 E. Randolph Street, Chicago, IL 60601, (312) 726-5600

Most Recent REAC Score and Release Date: 89c 8/12/2010 *2nd REAC Score and Release Date:* 85b 8/27/2008 *3rd REAC Score and Release Date:* 79c 8/29/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	6.55	$10,854,562	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL060061001	10/19/2014	Active	124.8%	Sec 8 NC	178	178	0	0	50	80	48	0

PROJECT: *FHA #:*07111157 West Town Senior Housing/AKA/ Linden House/AKA/Ed, 2315 W LE MOYNE ST, CHICAGO, IL 6062 *Metro Area (MSA)* Chicago, IL

Owner Info: WEST TOWN SENIOR RESIDENCE, 2315 W LEMOYNE, CHICAGO, IL 60622, (773) 276-6031 *Ownership Type:* Non-Profit

Management Info: Evergreen Real Estate Services, LLC, 566 W Lake St Ste 400, Chicago, IL 60661, (312) 234-9400

Most Recent REAC Score and Release Date: 86b 6/30/2010 *2nd REAC Score and Release Date:* 99a 6/20/2002 *3rd REAC Score and Release Date:* 74c 1/4/2001

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.75	$5,690,071	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
IL06T861052	10/19/2012	Active	138.5%	202/8 NC	99	100	0	99	0	0	0	0

TOTAL APARTMENTS AT RISK:

Total Contracts:	10
Total Assisted Apartments:	918

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.

Section 8 Contract information is from February 2012.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. Maxine Waters's district in California

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 512

PROJECT: *FHA #:*12211178 Gardena South Park Sr. Citizens, 17100 S PARK LN, GARDENA, CA 90247, (310)327-9919 — *Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: GARDENA SOUTH PARK SENIOR PROJECT, INC., 8425 E. 12 Mile Rd., Warren, MI 48093, 5867539002 — *Ownership Type:* Non-Profit

Management Info: Cooperative Services, Incorporated, 8425 E. Twelve Mile Road, Warren, MI 48093, (586) 753-9002

Most Recent REAC Score and Release Date: 81c 2/10/2010 *2nd REAC Score and Release Date:* 95b 1/24/2007 *3rd REAC Score and Release Date:* 63b 7/7/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.30	$6,672,939	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA16T831001	12/18/2030	Active	84.9%	202/8 NC	126	126	33	93	0	0	0	0

PROJECT: *FHA #:*12211179 Gardena Sr Hsg, 17150 S PARK LN, GARDENA, CA 90247, (310)532-8310 — *Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: GARDENA SENIOR HOUSING, 8425 E. 12 Mile Rd., Warren, MI 48093, 586-753-9002 — *Ownership Type:* Non-Profit

Management Info: Cooperative Services, Incorporated, 8425 E. Twelve Mile Road, Warren, MI 48093, (586) 753-9002

Most Recent REAC Score and Release Date: 93b 2/18/2009 *2nd REAC Score and Release Date:* 82b 12/8/2006 *3rd REAC Score and Release Date:* 88a 9/9/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.48	$4,552,332	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA16T871003	2/4/2031	Active	79.8%	202/8 NC	73	74	18	55	0	0	0	0

PROJECT: *FHA #:*12235370 EUCALYPTUS PARK, 811 N EUCALYPTUS AVE, INGLEWOOD, CA 90302, *Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: Swogo Associates, 29290 Vallejo Ave, Temecula, CA 92592, (951) 676-1649 *Ownership Type:* Profit Motivated

Management Info: LEVINE MANAGEMENT GROUP INC, 822 South Robertson Blvd, Los Angeles, CA 90035, 3103583489

Most Recent REAC Score and Release Date: 86c 12/15/2010 *2nd REAC Score and Release Date:* 81b 12/17/2008 *3rd REAC Score and Release Date:* 64c 9/26/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	7.50	$668,200	N	Yes	Rent Rdct	ONTRA, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA168023007	7/31/2012	Active	82.3%	Sec 8 NC	93	93	0	93	0	0	0	0

PROJECT: *FHA #:*12211182 GOOD SHEPHERD HOMES, 510 CENTINELA AVE, INGLEWOOD, CA 90302, 310 412-0412 *Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: GOOD SHEPHERD HOUSING Dev.Corp., 12881 W. 166th Street, Cerritos, CA 90703, 562 802-0740 *Ownership Type:* Non-Profit

Management Info: Community Housing Management Services, 4698 E. Pacific Coast Highway, Long Beach, CA 90804, (562) 597-6200, x227

Most Recent REAC Score and Release Date: 50c 1/6/2010 *2nd REAC Score and Release Date:* 91c 9/27/2006 *3rd REAC Score and Release Date:* 57c 3/9/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.07	$1,607,827	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA16T821002	11/1/2012	Active	87.5%	202/8 NC	39	40	10	29	0	0	0	0

PROJECT: *FHA #:*12244119 MARKET PARK APTS, 601 North Market Street, INGLEWOOD, CA 90302, *Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: Market Park Apartments, a Limited Partnership, 12100 Wilshire Blvd Ste 1425, Los Angeles, CA 90025, *Ownership Type:* Profit Motivated

Management Info: S.K. Management Co., LLC, 5757 Wilshire Blvd, Los Angeles, CA 90036, (323) 930-2300

Most Recent REAC Score and Release Date: 91c 6/18/2008 *2nd REAC Score and Release Date:* 75c 5/30/2007 *3rd REAC Score and Release Date:* 93c 5/27/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	8.50	$11,805	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA16L000027	4/30/2012	Active	87.7%	Preservation	50	50	0	12	38	0	0	0

PROJECT: *FHA #:*12211180 LAWNDALE SENIOR HOUSING, 4702 W 153RD PL, LAWNDALE, CA 90260, (310)644-1102 — *Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: LAWNDALE SENIOR HSG, 8425 E. 12 Mile Rd., Warren, MI 48093, 586-753-9002 — *Ownership Type:* Non-Profit

Management Info: Cooperative Services, Incorporated, 8425 E. Twelve Mile Road, Warren, MI 48093, (586) 753-9002

Most Recent REAC Score and Release Date: 94c 10/29/2008 *2nd REAC Score and Release Date:* 99b 8/19/2004 *3rd REAC Score and Release Date:* 89b 8/1/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.30	$3,899,922	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA16T871002	12/12/2030	Active	93.3%	202/8 NC	55	56	13	42	0	0	0	0

PROJECT: *FHA #:*12244392 80th Street Apts, 710 W 80TH ST, LOS ANGELES, CA 90044, — *Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: 80th Street Apartments, c/o American Real Property Mgt. Inc., Los Angeles, CA 90010, 213)252-5997 — *Ownership Type:* Profit Motivated

Management Info: American Real Property Management, Inc., 3255 Wilshire Blvd., Los Angeles, CA 90010, (213) 252-5997

Most Recent REAC Score and Release Date: 95c 12/16/2010 *2nd REAC Score and Release Date:* 84b 12/17/2008 *3rd REAC Score and Release Date:* 74b 11/21/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$120,081	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA16L000155	5/31/2012	Active	77.7%	LMSA	16	16	0	0	16	0	0	0

PROJECT: *FHA #:*12212003 Budlong Apartments, 11015 BUDLONG AVE, LOS ANGELES, CA 90044, — *Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: , c/o American Real Property Mgt., Los Angeles, CA 90010, (213) 252-5997 — *Ownership Type:* Limited Dividend

Management Info: American Real Property Management, Inc., 3255 Wilshire Blvd., Los Angeles, CA 90010, (213) 252-5997

Most Recent REAC Score and Release Date: 95b 11/4/2010 *2nd REAC Score and Release Date:* 66b 9/30/2009 *3rd REAC Score and Release Date:* 60c 7/23/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA16L000147	5/31/2012	Active	73.4%	LMSA	20	20	0	0	20	0	0	0

PROJECT: *FHA #:*12244552 METRO WEST VILLAGE APTS, 1212 W 110TH ST, LOS ANGELES, CA 90044, *Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: 1212 West L.P., 110 W Ocean Blvd, Long Beach, CA 90802, 5624343333 *Ownership Type:* Limited Dividend

Management Info: HDSI Management, Inc, 3460 S. Broadway, Los Angeles, CA 90007, 323 231-1107

Most Recent REAC Score and Release Date: 94c 11/19/2009 *2nd REAC Score and Release Date:* 94b 6/29/2006 *3rd REAC Score and Release Date:* 56c 10/5/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$71,657	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA16L000144	10/31/2012	Active	79.7%	LMSA	34	40	0	26	8	0	0	0
CA16M000217	10/31/2012	Active	81.5%	LMSA	6	40	0	6	0	0	0	0

TOTAL APARTMENTS AT RISK:

Total Contracts: 10

Total Assisted Apartments: 512

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.

Section 8 Contract information is from February 2012.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. Nydia Velazquez's district in New York

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 1,739

PROJECT: *FHA #:*01235280 1041 BUSHWICK AVENUE APTS, 1041 Bushwick Ave, Brooklyn, NY 11221, *Metro Area (MSA)* New York, NY

Owner Info: 1041 Bushwick Avenue Associates, c/o Jack Resnick, New York, NY 10021, (212) 355-0002 *Ownership Type:* Profit Motivated

Management Info: Rental and Management Associates, 215 E 164th ST, Bronx, NY 10456, (718) 538-5000

Most Recent REAC Score and Release Date: 92b 5/27/2009 *2nd REAC Score and Release Date:* 84c 4/25/2007 *3rd REAC Score and Release Date:* 68c 6/7/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	CPC Resources, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NY360011052	6/30/2021	Active	91.2%	Sec 8 SR	47	48	0	22	24	0	1	0

PROJECT: *FHA #:*01257379 CARIBE GARDENS, 193 BOERUM ST, BROOKLYN, NY 11206, *Metro Area (MSA)* New York, NY

Owner Info: Lindsay--Bushwick Associates, 98 Cutter Mill Road, Great Neck, NY 11021, 516-466-6520 *Ownership Type:* Profit Motivated

Management Info: AMS Realty Company, 98 Cutter Mill RD, Great Neck, NY 11021, (516) 466-6520

Most Recent REAC Score and Release Date: 88b 10/14/2009 *2nd REAC Score and Release Date:* 80c 8/9/2007 *3rd REAC Score and Release Date:* 85b 7/14/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/220/223(e) Refi/	4.80	$3,870,654	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NY368023024	5/31/2012	Active	130.1%	Sec 8 NC	120	121	0	36	66	18	0	0

PROJECT: *FHA #:*01257251 LA CABANA HOUSES, 391 LORIMER ST, BROOKLYN, NY 11206, *Metro Area (MSA)* New York, NY

Owner Info: La Cabana Associates, 124 Atlantic Avenue, Lynbrook, NY 11563, 516-887-9600 *Ownership Type:* Profit Motivated

Management Info: Essex Plaza Management Associates, 1060 Broad Street, Newark, NJ 07102, (973) 643-8588

Most Recent REAC Score and Release Date: 95b 1/14/2010 *2nd REAC Score and Release Date:* 68b 10/2/2008 *3rd REAC Score and Release Date:* 76a 1/2/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	9.70	$7,104,153	N	Yes	Mrtg Rstr	NW Financial Group	Y	Y

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NY360015146	9/30/2015	Active	106.6%	Sec 8 NC	166	167	0	53	33	80	0	0

PROJECT: *FHA #:*01211312 MARIEN-HEIM OF SUNSET PARK, 4520 4TH AVE, BROOKLYN, NY 11220, 718-492-6833 *Metro Area (MSA)* New York, NY

Owner Info: Marien Heim of Sunset Park H.D.F.C., 4520 Fourth Avenue, Brooklyn, NY 11220, (718) 492-6833 *Ownership Type:* Non-Profit

Management Info: , 215 ADAMS STREET, BROOKLYN, NY 11201, 718-422-7786

Most Recent REAC Score and Release Date: 75c 9/2/2009 *2nd REAC Score and Release Date:* 57c 3/18/2009 *3rd REAC Score and Release Date:* 89c 11/30/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	3.78	$8,303,467	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NY361249201	3/31/2030	Active	98.3%	202/8 NC	168	169	0	168	0	0	0	0

PROJECT: *FHA #:*01211304 SIXTH AVENUE REHAB I, 5314 Sixth AVE, BROOKLYN, NY 11220, *Metro Area (MSA)* New York, NY

Owner Info: Sixth Avenue Rehab I Associates, 1457 Flatbush Avenue, Brooklyn, NY 11201, (718) 859-7102 *Ownership Type:* Profit Motivated

Management Info: E & M Associates LLC, 1465A FLATBUSH AVENUE, Brooklyn, NY 11210, 718-859-7100

Most Recent REAC Score and Release Date: 86b 6/10/2009 *2nd REAC Score and Release Date:* 91b 12/28/2005 *3rd REAC Score and Release Date:* 56b 1/1/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	4.25	$2,708,899	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NY36H110064	6/30/2016	Active	113.5%	Sec 8 SR	44	45	1	12	31	0	0	0

PROJECT: *FHA #:*01211318 SUMET I, 195 Roebling ST, BROOKLYN, NY 11211, *Metro Area (MSA)* New York, NY
Owner Info: Sumet I Associates L.P., 15 West 39th Street- 7th floor, New York, NY 10018, 212-835-9040 *Ownership Type:* Profit Motivated
Management Info: Metropolitan Realty Group LLC, 15 West 39 Street, New York, NY 10018, 212-835-9040
Most Recent REAC Score and Release Date: 89b 7/30/2008 *2nd REAC Score and Release Date:* 86c 9/6/2006 *3rd REAC Score and Release Date:* 57c 5/27/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	3.70	$36,430,394	Y	Yes	Mrtg Rstr	RER Solutions, Inc.	Y	Y

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NY360008020	1/14/2022	Active	154.8%	Sec 8 SR	200	201	4	43	90	53	10	0

PROJECT: *FHA #:*01211288 SUNSET PARK HOUSING, 5702-12 Fourth AVE, BROOKLYN, NY 11220, *Metro Area (MSA)* New York, NY
Owner Info: Sunset Housing Associates, Wingate Management Company, Newton, MA 02459, 781-707-9100 *Ownership Type:* Profit Motivated
Management Info: Rush Management Company, Inc., 747 Riverside Dr, New York, NY 10031, 212-386-8485
Most Recent REAC Score and Release Date: 83c 7/14/2010 *2nd REAC Score and Release Date:* 95a 12/14/2005 *3rd REAC Score and Release Date:* 81c 12/25/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.04	$3,733,748	Y	Yes	Rent Rdct	CPC Resources, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NY360008006	5/31/2021	Active	111.0%	Sec 8 SR	64	65	0	24	36	4	0	0

PROJECT: *FHA #:*01211308 SUNSET PARK NSA GROUP I, 5302 6th AVE, BROOKLYN, NY 11220, *Metro Area (MSA)* New York, NY
Owner Info: Neighborhood Stabilization associates I, 80 Broad Street, New York, NY 10004, 212 493-7000 *Ownership Type:* Profit Motivated
Management Info: E & M Associates LLC, 1465A FLATBUSH AVENUE, Brooklyn, NY 11210, 718-859-7100
Most Recent REAC Score and Release Date: 91b 10/1/2008 *2nd REAC Score and Release Date:* 82c 6/21/2006 *3rd REAC Score and Release Date:* 65c 9/25/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	4.25	$18,580,359	Y	Yes	Rent Rdct	CreditVest, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NY36A002001	6/30/2014	Active	108.8%	Sec 8 SR	185	186	7	76	78	24	0	0

PROJECT: *FHA #:*01211268 SUNSET PARK NSA GROUP II, 436 49TH ST, BROOKLYN, NY 11220, *Metro Area (MSA)* New York, NY

Owner Info: NEIGHBORHOOD STABILIZATION II ASSOCIATES, 1465A Flatbush Ave, Brooklyn, NY 11210, 718-434-9440 *Ownership Type:* Profit Motivated

Management Info: E & M Associates LLC, 1465A FLATBUSH AVENUE, Brooklyn, NY 11210, 718-859-7100

Most Recent REAC Score and Release Date: 88c 9/24/2008 *2nd REAC Score and Release Date:* 84c 9/6/2006 *3rd REAC Score and Release Date:* 88c 1/2/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.50	$7,486,598	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NY36A002002	12/13/2014	Active	106.8%	Sec 8 SR	146	148	9	68	65	4	0	0

PROJECT: *FHA #:*01257106 WILLIAMSBURG APARTMENTS, 757 Bushwick AVE, BROOKLYN, NY 11221, *Metro Area (MSA)* New York, NY

Owner Info: Bushwick Avenue Associates, 1060 Broad Street, Newark, NJ 07102, (201)643-8588 *Ownership Type:* Profit Motivated

Management Info: Essex Plaza Management Associates, 1060 Broad Street, Newark, NJ 07102, (973) 643-8588

Most Recent REAC Score and Release Date: 93b 11/24/2010 *2nd REAC Score and Release Date:* 98a 11/21/2007 *3rd REAC Score and Release Date:* 89c 11/30/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	NW Financial Group	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NY36H110081	9/30/2030	Active	116.2%	Sec 8 SR	69	70	5	42	22	0	0	0

PROJECT: *FHA #:*01235695 GRAND STREET GUILD NORTH, 131 BROOME ST, NEW YORK, NY 10002, *Metro Area (MSA)* New York, NY

Owner Info: GRAND ST. GUILD E. HDFC INC., c/o Catholic Charities, Institue for Human De, NEW YORK, NY 10022, 212-371-1011 *Ownership Type:* Non-Profit

Management Info: Wavecrest Management Team Ltd., 87-14 116th Street, Richmond Hill, NY 11418, (718) 463-1200

Most Recent REAC Score and Release Date: 85c 5/4/2006 *2nd REAC Score and Release Date:* 86c 3/4/2004 *3rd REAC Score and Release Date:* 39c 10/24/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(3) Mkt. Rate Modera	6.10	$32,461,900	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NY36M000203	8/31/2030	Active	69.5%	LMSA	175	200	0	68	48	59	0	0

PROJECT: *FHA #:*01235696 GRAND STREET GUILD SOUTH EAST, 460 GRAND ST, NEW YORK, NY 10002, *Metro Area (MSA)* New York, NY

Owner Info: Southeast Grand Street Guild HDF Co.,Inc.., c/o Catholic Charities Institute for Human De, NEW YORK, NY 10022, 212-371-1011 *Ownership Type:* Non-Profit

Management Info: Wavecrest Management Team Ltd., 87-14 116th Street, Richmond Hill, NY 11418, (718) 463-1200

Most Recent REAC Score and Release Date: 87b 5/10/2006 *2nd REAC Score and Release Date:* 89c 3/4/2004 *3rd REAC Score and Release Date:* 44c 10/24/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(3) Mkt. Rate Modera	6.10	$30,256,300	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NY36M000196	8/29/2030	Active	73.9%	LMSA	182	200	0	72	50	60	0	0

PROJECT: *FHA #:*01235694 GRAND STREET GUILD SOUTH WEST, 410 Grand ST, NEW YORK, NY 10002, *Metro Area (MSA)* New York, NY

Owner Info: Grand Street Guild HDFC, c/o Catholic Charities Institute for Human De, New York, NY 10022, (212)371-1011 *Ownership Type:* Non-Profit

Management Info: Wavecrest Management Team Ltd., 87-14 116th Street, Richmond Hill, NY 11418, (718) 463-1200

Most Recent REAC Score and Release Date: 97b 10/17/2006 *2nd REAC Score and Release Date:* 97b 12/7/2006 *3rd REAC Score and Release Date:* 97b 10/18/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(3) Mkt. Rate Modera	6.10	$31,914,900	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NY36M000195	8/29/2030	Active	67.8%	LMSA	173	200	0	69	45	59	0	0

TOTAL APARTMENTS AT RISK:

Total Contracts: 13

Total Assisted Apartments: 1,739

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.

Section 8 Contract information is from February 2012.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. Emanuel Cleaver's district in Missouri

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 3,104

PROJECT: *FHA #:*08435256 GRANADA VILLA, 115 SPRING ST, BELTON, MO 64012, 816-331-1260 — *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: GRANADA VILLA HOUSING PARTNERSHIP, 11020 King St Ste 360, Overland Park, KS 66210, (913) 451-0770 — *Ownership Type:* Profit Motivated

Management Info: Dalmark Management Group LLC, 751 NE Anderson Ln, Lees Summit, MO 64064, 816-861-4070

Most Recent REAC Score and Release Date: 93b 4/14/2010 *2nd REAC Score and Release Date:* 94b 4/26/2007 *3rd REAC Score and Release Date:* 81b 9/12/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	Signet Partners	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16H195094	3/31/2025	Active	98.9%	HFDA/8 NC	42	42	0	42	0	0	0	0

PROJECT: *FHA #:*08498011 HAWTHORNE PLACE, 101-2707 N Concord Cir, Independence, MO 64056, 816-257-2335 — *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: Hawthorne Associates, L.P., % Preservation Housing, Oak Brook, IL 60522, 630-472-9009 — *Ownership Type:* Profit Motivated

Management Info: Preservation Housing Management, LLC, 40 Court St Ste 650, Boston, MA 02108, 617-449-0859

Most Recent REAC Score and Release Date: 90b 9/3/2008 *2nd REAC Score and Release Date:* 65c 8/8/2007 *3rd REAC Score and Release Date:* 63c 9/6/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	5.75	$17,560,469	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16M000173	10/31/2022	Active	101.7%	Preservation	685	745	0	105	332	248	0	0

PROJECT: *FHA #:*08444123 HERITAGE HOUSE, 660 N SPRING ST, INDEPENDENCE, MO 64050, 816-461-1303 *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: CENTER PLACE IMPROVEMENT, INC, 14500 E 42ND ST, INDEPENDENCE, MO 64055, (816) 461-1303 *Ownership Type:* Non-Profit

Management Info: TOWNE SQUARE PROPERTY MANAGEMENT, INC., 14500 East 42nd Street, INDEPENDENCE, MO 64055, (816) 254-3833

Most Recent REAC Score and Release Date: 94a 7/8/2009 *2nd REAC Score and Release Date:* 96a 6/28/2006 *3rd REAC Score and Release Date:* 90b 8/14/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	6.50	$703,455	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16M000072	6/30/2015	Active	60.9%	LMSA	33	166	0	33	0	0	0	0

PROJECT: *FHA #:*08498028 NOLAND TOWERS, 130 E COLLEGE ST, INDEPENDENCE, MO 64050, 816.254.0170 *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: Noland Road Housing Company, Limited, PO Box 412776, Kansas City, MO 64141, 816.753.2502 *Ownership Type:* Profit Motivated

Management Info: MIDWEST ASSET MANAGEMENT GROUP, P. O. Box 412776, Kansas City, MO 64141, (816) 753-2502

Most Recent REAC Score and Release Date: 56c 7/28/2010 *2nd REAC Score and Release Date:* 83b 5/14/2008 *3rd REAC Score and Release Date:* 86b 6/14/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	5.60	$8,400,000	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16H195068	5/31/2012	Active	113.5%	HFDA/8 NC	125	126	0	125	0	0	0	0

PROJECT: *FHA #:*08498020 OLDE OAK TREE APARTMENTS, 13975 E 35TH ST SOUTH, INDEPENDENCE, MO 64055, 816-833 *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: SY OLD OAK TREE INVESTORS LP, 7920 Ward Parkway, Kansas City, MO 64114, 816-561-4240 *Ownership Type:* Profit Motivated

Management Info: YARCO COMPANY, INC,, 7920 Ward Parkway, KANSAS CITY, MO 64114, (816) 561-4240

Most Recent REAC Score and Release Date: 90b 10/1/2008 *2nd REAC Score and Release Date:* 86c 6/3/2004 *3rd REAC Score and Release Date:* 75b 7/24/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	6.00	$3,581,034	N	Yes	Mrtg Rstr	RER Solutions, Inc.	Y	Y

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO160007009	2/28/2026	Active	104.0%	Sec 8 NC	124	126	0	124	0	0	0	0

PROJECT: *FHA #:*08444157 ALCAZAR APARTMENTS, 101 W 39TH ST, KANSAS CITY, MO 64111, 816-561-7893 *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: ALCAZAR APARTMENTS, A CALIFORNIA LTD. PARTNERSHIP, 3920 Locust Ave, Long Beach, CA 90807, (562)989-3730 *Ownership Type:* Limited Dividend

Management Info: YARCO COMPANY, INC,, 7920 Ward Parkway, KANSAS CITY, MO 64114, (816) 561-4240

Most Recent REAC Score and Release Date: 86c 1/20/2011 *2nd REAC Score and Release Date:* 94c 1/24/2008 *3rd REAC Score and Release Date:* 75c 2/28/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$648,748	N	Yes	Rent Rdct	Missouri Housing Dev. Commission	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16L000017	9/30/2015	Active	100.6%	LMSA	139	142	13	111	15	0	0	0

PROJECT: *FHA #:*08498022 ASHLEY PARK APTS., 6421 Manchester Avenue, KANSAS CITY, MO 64133, 816-356-2662 *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: Ashley Park Recap Associates I, L.P., 103 W Lockwood Ave Ste 219, Saint Louis, MO 63119, 314.968.9092 *Ownership Type:* Profit Motivated

Management Info: COHEN-ESREY REAL EST SERV INC, 6800 West 64th Street, Overland Park, KS 66202, 913-671-3300

Most Recent REAC Score and Release Date: 85c 5/6/2009 *2nd REAC Score and Release Date:* 81c 5/1/2003 *3rd REAC Score and Release Date:* 67c 6/20/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	6.00	$7,000,000	N	Yes	Mrtg Rstr	Signet Partners	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO160016010	6/30/2027	Active	89.1%	Sec 8 NC	53	184	8	25	20	0	0	0

PROJECT: *FHA #:*08444114 AVON APTS, 3015 PASEO BLVD, KANSAS CITY, MO 64109, 816-924-6215 *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: AVON APARTMENT COMPANY, 7920 Ward Parkway, Kansas City, MO 64114, 816-561-4240 *Ownership Type:* Profit Motivated

Management Info: YARCO COMPANY, INC,, 7920 Ward Parkway, KANSAS CITY, MO 64114, (816) 561-4240

Most Recent REAC Score and Release Date: 18c 11/17/2010 *2nd REAC Score and Release Date:* 60c 11/21/2002 *3rd REAC Score and Release Date:* 38c 11/23/2000

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	Signet Partners	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16L000113	8/31/2021	Active	95.8%	LMSA	43	44	0	37	6	0	0	0

PROJECT: *FHA #:*08444109 BRIGHTON PLACE APARTMENTS, 2429 BRIGHTON AVE, KANSAS CITY, MO 64127, 816-483-8299 *Metro Area (MSA)* Kansas City, MO-KS
Owner Info: Brighton Place Housing Corporation, 7920 Ward Parkway, KANSAS CITY, MO 64114, (816) 561-4240 *Ownership Type:* Non-Profit
Management Info: YARCO COMPANY, INC,, 7920 Ward Parkway, KANSAS CITY, MO 64114, (816) 561-4240
Most Recent REAC Score and Release Date: 72c 2/24/2011 *2nd REAC Score and Release Date:* 89b 4/8/2009 *3rd REAC Score and Release Date:* 72c 4/30/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$40,541	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16M000062	5/31/2014	Active	76.6%	LMSA	32	32	0	2	30	0	0	0

PROJECT: *FHA #:*08444028 CLOVERLEAF APTS, 14554 S US HWY 71, KANSAS CITY, MO 64147, 816-763-1248 *Metro Area (MSA)* Kansas City, MO-KS
Owner Info: CHURCHILL PROPERTIES, LTD., THE YARCO COMPANIES, KANSAS CITY, MO 64114, 816-561-4240 *Ownership Type:* Limited Dividend
Management Info: YARCO COMPANY, INC,, 7920 Ward Parkway, KANSAS CITY, MO 64114, (816) 561-4240
Most Recent REAC Score and Release Date: 85c 5/6/2009 *2nd REAC Score and Release Date:* 88c 3/7/2007 *3rd REAC Score and Release Date:* 86c 1/7/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	8.50	$260,657	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16M000066	6/30/2014	Active	76.6%	LMSA	201	204	0	0	107	94	0	0

PROJECT: *FHA #:*08411055 GOOD SHEPHERD MANOR, 10725 GREENWOOD RD, KANSAS CITY, MO 64134, 816.767.8090 *Metro Area (MSA)* Kansas City, MO-KS
Owner Info: GOOD SHEPHERD MANOR HOUSING CORPORATION, 10101 JAMES A REED RD, KANSAS CITY, MO 64134, 816.767.8090 *Ownership Type:* Non-Profit
Management Info: COMMUNITY OF THE GOOD SHEPHERD, 10101 JAMES A REED RD, KANSAS CITY, MO 64134, (816) 767-8090
Most Recent REAC Score and Release Date: 93c 10/15/2008 *2nd REAC Score and Release Date:* 84c 12/25/2003 *3rd REAC Score and Release Date:* 79b 12/5/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.55	$799,611	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16D891006	5/29/2012	Active	123.6%	202/162 NC	20	20	10	10	0	0	0	0

PROJECT: *FHA #*:08435238 GOTHAM APTS, 2718 E LINWOOD BLVD E, KANSAS CITY, MO 64128, 816 921-0652 — *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: GOTHAM APARTMENTS LTD PARTNERSHIP, Compliance Department, Greenville, SC 29601, (864) 239-1000 — *Ownership Type:* Profit Motivated

Management Info: NHPMN Management, LLC, 55 Beattie Place, Greenville, SC 29601, 864-239-1000

Most Recent REAC Score and Release Date: 98c 5/6/2010 *2nd REAC Score and Release Date:* 91b 5/9/2007 *3rd REAC Score and Release Date:* 65c 8/12/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	Foley and Judell, LLP	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16A001002	3/31/2025	Active	119.5%	HFDA/8 SR	103	105	20	83	0	0	0	0

PROJECT: *FHA #*:08411062 GREENLEAF APTS, 5224 EAST 12TH, KANSAS CITY, MO 64127, 816.231.2276 — *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: Foresight Affordable Housing - Greenleaf, LLC, 1395 Kersey Lane, Rockville, MD 20854, 609-822-8100 — *Ownership Type:* Profit Motivated

Management Info: Interstate Realty Management Co., 3 E Stow Rd, Marlton, NJ 08053, 856-596-0500

Most Recent REAC Score and Release Date: 90b 3/31/2010 *2nd REAC Score and Release Date:* 84b 7/25/2007 *3rd REAC Score and Release Date:* 85b 9/28/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.85	$1,916,245	Y	Yes	Mrtg Rstr	NW Financial Group	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16M000178	11/30/2023	Active	87.6%	LMSA	195	195	9	178	8	0	0	0

PROJECT: *FHA #*:08435251 IVANHOE GARDENS, 2012 E 38th St, KANSAS CITY, MO 64109, 816-923-7676 — *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: Ivanhoe Gardens Apartments, LP, 4001 Blue Parkway, Suite 102, Kansas City, MO 64130, 816-922-7660 — *Ownership Type:* Profit Motivated

Management Info: Dalmark Management Group LLC, 751 NE Anderson Ln, Lees Summit, MO 64064, 816-861-4070

Most Recent REAC Score and Release Date: 88c 4/21/2010 *2nd REAC Score and Release Date:* 76c 4/29/2009 *3rd REAC Score and Release Date:* 72c 8/4/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO168023005	7/31/2022	Active	99.2%	Sec 8 NC	80	80	0	25	41	14	0	0

PROJECT: *FHA #:*08498012 KENSINGTON HEIGHTS, 1600 JACKSON AVE, KANSAS CITY, MO 64127, *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: Agent Kensington LP, 707 Sable Oaks Dr, South Portland, ME 04106, 207-761-1707 *Ownership Type:* Profit Motivated

Management Info: Preservation Management, Inc., 707 Sable Oaks Dr, South Portland, ME 04106, (207) 774-0501

Most Recent REAC Score and Release Date: 97b 3/6/2008 *2nd REAC Score and Release Date:* 59c 2/28/2007 *3rd REAC Score and Release Date:* 57c 10/16/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	6.25	$4,543,912	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO160007024	10/31/2024	Active	110.2%	Sec 8 NC	125	126	0	122	3	0	0	0

PROJECT: *FHA #:*08411058 MID-CITY TOWERS II, 3136 FLORA, KANSAS CITY, MO 64109, 816-861-1811 *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: MID-CITY TOWERS II, INC., 3136 Flora, Kansas City, MO 64109, (816) 861-1811 *Ownership Type:* Non-Profit

Management Info: Hughes Development Company, Inc., 1021 NORTH 7th ST., KANSAS CITY, KS 66101, (913)321-2262

Most Recent REAC Score and Release Date: 95b 8/7/2008 *2nd REAC Score and Release Date:* 73c 4/7/2005 *3rd REAC Score and Release Date:* 95b 11/22/2001

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.50	$3,122,663	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16T781005	7/31/2014	Active	119.9%	202/8 NC	72	72	0	72	0	0	0	0

PROJECT: *FHA #:*08411053 New Horizons, 1715 E Linwood Blvd, Kansas City, MO 64109, *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: Majestic Properties Group LLC, 3946 Lindell Blvd, St Louis, MO 63108, 314-535-2220 *Ownership Type:* Non-Profit

Management Info: New Horizons Programs, Inc., 2420 E Linwood Blvd Ste 300, Kansas City, MO 64109, 816.924.4121

Most Recent REAC Score and Release Date: 83b 11/20/2003 *2nd REAC Score and Release Date:* 64c 11/7/2002 *3rd REAC Score and Release Date:* 69c 10/25/2001

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.25	$1,103,357	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16T801004	4/30/2012	Active	168.3%	202/8 NC	30	35	0	30	0	0	0	0

PROJECT: *FHA #:*08444008 NOWLIN HALL, 1905 HARDESTY ST, KANSAS CITY, MO 64127, 816-483-6233 — *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: NOWLIN HALL, INC., 7920 Ward Parkway, KANSAS CITY, MO 64114, (816) 561-4240 — *Ownership Type:* Non-Profit

Management Info: YARCO COMPANY, INC,, 7920 Ward Parkway, KANSAS CITY, MO 64114, (816) 561-4240

Most Recent REAC Score and Release Date: 96b 11/4/2009 *2nd REAC Score and Release Date:* 94b 11/8/2006 *3rd REAC Score and Release Date:* 81c 11/25/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	8.50	$55,513	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16M000076	6/30/2029	Active	86.0%	LMSA	110	163	15	95	0	0	0	0

PROJECT: *FHA #:*08411060 OPPORTUNITIES PAVILION, 11600-B HOLIDAY DR, KANSAS CITY, MO 64134, 816-763-7001 — *Metro Area (MSA)*

Owner Info: KANSAS CITY, MISSOURI OICHDC, 1415 NORTH BROAD STREET, PHILADELPHIA, PA 19122, (215) 236-4500 — *Ownership Type:* Non-Profit

Management Info: OPPORTUNITIES SERVICES CORPORATION, 1415 N BROAD ST, PHILADELPHIA, PA 19122, (215) 236-4500

Most Recent REAC Score and Release Date: 88c 3/31/2010 *2nd REAC Score and Release Date:* 68c 4/22/2009 *3rd REAC Score and Release Date:* 85b 8/10/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.25	$3,092,430	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16T801005	8/31/2012	Active	119.2%	202/8 NC	80	81	0	76	4	0	0	0

PROJECT: *FHA #:*08411070 PALESTINE GARDENS, 2627 E 33RD ST, KANSAS CITY, MO 64128, 816-921-0140 — *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: PALESTINE GARDENS INC, 7920 Ward Parkway, KANSAS CITY, MO 64114, (816) 921-0140 — *Ownership Type:* Non-Profit

Management Info: YARCO COMPANY, INC,, 7920 Ward Parkway, KANSAS CITY, MO 64114, (816) 561-4240

Most Recent REAC Score and Release Date: 85b 10/12/2006 *2nd REAC Score and Release Date:* 89c 11/18/2004 *3rd REAC Score and Release Date:* 71b 12/4/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.00	$1,839,290	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16T861014	8/31/2029	Active	101.6%	202/8 NC	58	58	14	44	0	0	0	0

PROJECT: *FHA #:*08444107 PARKER SQUARE, 1051 BASIE ST, KANSAS CITY, MO 64106, 816-421-5457 — *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: UNITED PARKER SQUARE LP, 1021 N 7TH, SUITE 106, KANSAS CITY, KS 66101, (913) 321-2262 — *Ownership Type:* Limited Dividend

Management Info: Hughes Development Company, Inc., 1021 NORTH 7th ST., KANSAS CITY, KS 66101, (913)321-2262

Most Recent REAC Score and Release Date: 74c 6/10/2010 *2nd REAC Score and Release Date:* 61c 4/29/2009 *3rd REAC Score and Release Date:* 79c 5/21/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$541,636	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16M000081	6/30/2014	Active	87.1%	LMSA	204	204	0	0	48	108	48	0

PROJECT: *FHA #:*08444155 PENNBROOKE APTS, 604 W 10TH ST, KANSAS CITY, MO 64105, 816-474-3844 — *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: PENNBROOKE APARTMENTS, L.P., 3600 Wilshire Blvd, Los Angeles, CA 90010, 213-736-0441x219 — *Ownership Type:* Limited Dividend

Management Info: YARCO COMPANY, INC,, 7920 Ward Parkway, KANSAS CITY, MO 64114, (816) 561-4240

Most Recent REAC Score and Release Date: 88c 6/10/2009 *2nd REAC Score and Release Date:* 98b 6/29/2006 *3rd REAC Score and Release Date:* 93a 7/17/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$245,352	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16M000105	8/31/2015	Active	99.1%	LMSA	59	65	10	45	4	0	0	0

PROJECT: *FHA #:*08411043 Plaza Apartments I, 7777 HOLMES RD, KANSAS CITY, MO 64131, 314-423-2222 — *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: KC Shalom Housing Limited, 443 Congress Street, Portland, ME 04101, (207)772-0548 — *Ownership Type:* Profit Motivated

Management Info: American Multifamily Management, 130 Middle Street, Portland, ME 04101, 207-772-8896

Most Recent REAC Score and Release Date: 84b 5/26/2010 *2nd REAC Score and Release Date:* 80b 5/6/2008 *3rd REAC Score and Release Date:* 90b 6/29/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.95	$3,410,130	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO160003018	7/31/2012	Active	106.2%	Sec 8 NC	125	126	0	119	6	0	0	0

PROJECT: *FHA #:*08411063 POSADA DEL SOL, 1735 SUMMIT, KANSAS CITY, MO 64108, 816-221-3538 — *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: POSADA DEL SOL, INC., 919 W 24th ST, KANSAS CITY, MO 64108, (816) 421-8048 — *Ownership Type:* Non-Profit

Management Info: WESTSIDE HOUSING ORGANIZATION, INC., 919 W. 24TH ST, KANSAS CITY, MO 64108, 816-421-8048

Most Recent REAC Score and Release Date: 94c 5/13/2009 *2nd REAC Score and Release Date:* 85b 2/17/2007 *3rd REAC Score and Release Date:* 85b 11/15/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.99	$2,304,249	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16T791006	9/30/2012	Active	114.6%	202/8 NC	60	61	0	60	0	0	0	0

PROJECT: *FHA #:*08444154 SYCAMORE GROVES, 2920 E 17TH ST, KANSAS CITY, MO 64127, 816-483-9660 — *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: EACH, INC, 2920 E 17TH ST, KANSAS CITY, MO 64127, (816) 483-9660 — *Ownership Type:* Non-Profit

Management Info: Universal Management, 1021 N. 7th Street, Kansas City, KS 66101, (913) 321-3521

Most Recent REAC Score and Release Date: 67c 7/22/2010 *2nd REAC Score and Release Date:* 95b 8/22/2007 *3rd REAC Score and Release Date:* 80c 9/21/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$1,322,624	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16M000091	5/31/2014	Active	71.2%	LMSA	51	179	0	8	25	15	3	0

PROJECT: *FHA #:*08411059 WESTPORT HOUSE, 4020 MILL STREET, KANSAS CITY, MO 64124, 816-561-8060 — *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: Westport Ministry in Housing, Inc., 4020 Mill Street, Kansas City, MO 64111, 8165618060 — *Ownership Type:* Non-Profit

Management Info: Dalmark Management Group LLC, 751 NE Anderson Ln, Lees Summit, MO 64064, 816-861-4070

Most Recent REAC Score and Release Date: 95b 10/22/2008 *2nd REAC Score and Release Date:* 84a 10/21/2004 *3rd REAC Score and Release Date:* 68b 7/24/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.00	$4,740,870	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16T791010	2/28/2014	Expired	136.1%	202/8 NC	90	90	0	86	4	0	0	0

PROJECT: *FHA #:*08498018 WOODLEN PLACE, 1315 E. 89TH STREET, KANSAS CITY, MO 64131, 816-523-3003 — *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: Woodlen Place Associates, L.P., 40 Court St, Suite 650, Boston, MA 02108, 617-261-9898 — *Ownership Type:* Limited Dividend

Management Info: Preservation Housing Management, LLC, 40 Court St Ste 650, Boston, MA 02108, 617-449-0859

Most Recent REAC Score and Release Date: 87c 9/2/2009 *2nd REAC Score and Release Date:* 87c 8/23/2007 *3rd REAC Score and Release Date:* 87b 7/14/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	6.25	$1,170,437	N	Yes	Mrtg Rstr	ONTRA, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO160010001	5/31/2024	Active	90.6%	Sec 8 NC	60	60	0	14	30	16	0	0

PROJECT: *FHA #:*08435231 WORNALL ESTATES, 13201 WORNALL RD, KANSAS CITY, MO 64145, 816-941-0974 — *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: Wornall Estates, Limited, 7920 Ward Parkway, Kansas City, MO 64114, (816) 561-4240 — *Ownership Type:* Profit Motivated

Management Info: YARCO COMPANY, INC., 7920 Ward Parkway, KANSAS CITY, MO 64114, (816) 561-4240

Most Recent REAC Score and Release Date: 92b 9/17/2008 *2nd REAC Score and Release Date:* 87a 9/20/2006 *3rd REAC Score and Release Date:* 87a 10/6/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	7.50	$565,382	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO160010007	5/31/2026	Active	104.8%	Sec 8 NC	30	30	0	0	24	6	0	0

PROJECT: *FHA #:*08444801 TEMPLE HEIGHTS MANOR I, 5420 BLUE RIDGE CUT-OFF, RAYTOWN, MO 64133, 816-358-9533 — *Metro Area (MSA)* Kansas City, MO-KS

Owner Info: TEMPLE HEIGHTS MANOR, INC., 5420 BLUE RIDGE CUT-OFF, RAYTOWN, MO 64133, (816) 358-0988 — *Ownership Type:* Non-Profit

Management Info: KANSAS CITY BAPTIST TEMPLE, 5460 BLUE RIDGE CUTOFF, RAYTOWN, MO 64133, (816) 358-0988

Most Recent REAC Score and Release Date: 97a 6/24/2009 *2nd REAC Score and Release Date:* 89b 6/21/2007 *3rd REAC Score and Release Date:* 98b 7/22/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ 202 Elderly Hsg.	7.50	$119,457	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO16M000084	5/31/2012	Active	102.4%	LMSA	75	139	54	21	0	0	0	0

TOTAL APARTMENTS AT RISK:	
Total Contracts:	29
Total Assisted Apartments:	3,104

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.

Section 8 Contract information is from February 2012.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. William "Lacy" Clay, Jr.'s district in Missouri

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 3,291

PROJECT: *FHA #:*08511125 KENDELWOOD APARTMENTS, 12404 CENTERBROOK, FLORISSANT, MO 63033, 314-355-2465 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: Kendlewood Associates, 18433 Edison Ave., Chesterfield, MO 63005, (636) 519-7255 *Ownership Type:* Profit Motivated

Management Info: PROFESSIONAL EQUITIES, INC., 18433 Edison Avenue, Chesterfield, MO 63005, (636) 519-7255

Most Recent REAC Score and Release Date: 61c 12/1/2010 *2nd REAC Score and Release Date:* 65c 12/2/2009 *3rd REAC Score and Release Date:* 87b 12/19/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/207/223(f) Refina	4.20	$5,382,007	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO360006015	10/20/2021	Active	105.2%	Sec 8 NC	138	138	0	66	60	12	0	0

PROJECT: *FHA #:*08535224 WELLINGTON ARMS II, 11325 SUGAR PINE DR, FLORISSANT, MO 63033, 314 831-3200 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: New Wellington II, Limited Partnership, Wingate Management Company, Newton, MA 02459, (781) 707-9100 *Ownership Type:* Limited Dividend

Management Info: WINGATE MANAGEMENT CO. INC., Bluestone Place, Newton, MA 02459, (781) 707-9100

Most Recent REAC Score and Release Date: 99b 2/26/2009 *2nd REAC Score and Release Date:* 99a 3/1/2006 *3rd REAC Score and Release Date:* 98b 5/1/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	6.75	$894,587	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36H195023	7/6/2018	Active	109.4%	HFDA/8 NC	98	98	0	98	0	0	0	0

PROJECT: *FHA #:*08535290 WELLINGTON ARMS III, 11317 SUGAR PINE DR, FLORISSANT, MO 63033, 314 831-3200 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: Wellington Arms III Apartment Company, Wingate Management Company, Newton, MA 02459, (781)707-9100 *Ownership Type:* Profit Motivated

Management Info: WINGATE MANAGEMENT CO. INC., Bluestone Place, Newton, MA 02459, (781) 707-9100

Most Recent REAC Score and Release Date: 93c 7/15/2009 *2nd REAC Score and Release Date:* 75a 7/30/2008 *3rd REAC Score and Release Date:* 96b 9/15/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	7.50	$1,183,002	N	Yes	Rent Rdct	RER Solutions, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO360006012	6/30/2013	Active	149.7%	Sec 8 NC	76	76	0	76	0	0	0	0

PROJECT: *FHA #:*08535508 ALPHA TERRACE APARTMENTS, 6105 ETZEL AVE, SAINT LOUIS, MO 63133, 314-862-5668 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: Alpha Terrace Apartments LP, c/o Alpha Terrace Development Corp., St. Louis, MO 63105, 314-726-6262 *Ownership Type:* Limited Dividend

Management Info: Sansone Group/DDR LLC, 120 S Central Ave Ste 500, Saint Louis, MO 63105, (314) 727-6664

Most Recent REAC Score and Release Date: 80a 1/29/2004 *2nd REAC Score and Release Date:* 89b 11/8/2001 *3rd REAC Score and Release Date:* 74b 1/4/2001

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	5.13	$7,461,519	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO362722201	2/28/2029	Expired	122.4%	202/8 NC	150	150	0	150	0	0	0	0

PROJECT: *FHA #:*08558502 BRANSCOME APARTMENTS (URBAN WEST), 5370 PERSHING AVE, SAINT LOUIS, MO 63112, 31 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: P. F. PARTNERS/ONE, 1722 OLIVE ST, ST. LOUIS, MO 63103, (314) 421-2696 *Ownership Type:* Limited Dividend

Management Info: PHILIP H. BARRON REALTY COMPANY, 1722 OLIVE ST, ST. LOUIS, MO 63103, (314) 421-2696

Most Recent REAC Score and Release Date: 81c 8/18/2010 *2nd REAC Score and Release Date:* 94b 9/26/2007 *3rd REAC Score and Release Date:* 90c 11/25/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ 223(e)/Lower Inco	8.50	$29,470	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36M000937	10/31/2012	Active	128.3%	LMSA	108	112	45	63	0	0	0	0

PROJECT: *FHA #:*08511087 CENTENNIAL HOUSING, 4115 MCPHERSON AVE, SAINT LOUIS, MO 63108, 314-533-0550 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: Centennial Housing Corporation, Aaron Robinson, St. Louis, MO 63031, 314-812-1775 *Ownership Type:* Non-Profit

Management Info: LUTHERAN SENIOR SERVICES, 1150 Hanley Industrial Court, SAINT LOUIS, MO 63144, (314)968-9313

Most Recent REAC Score and Release Date: 98b 3/18/2009 *2nd REAC Score and Release Date:* 91c 12/14/2005 *3rd REAC Score and Release Date:* 44c 4/13/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.25	$3,030,929	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36T861008	8/31/2014	Active	131.8%	202/8 NC	77	77	19	58	0	0	0	0

PROJECT: *FHA #:*085SH01 COUNCIL TOWER APARTMENTS, 310 S GRAND AVE, SAINT LOUIS, MO 63103, 314 531-5706 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: Council Tower Association, C/O Sansone Group, Attn. Treva H. Gillen, St. Louis, MO 63105, 314-336-2346 *Ownership Type:* Profit Motivated

Management Info: Sansone Group/DDR LLC, 120 S Central Ave Ste 500, Saint Louis, MO 63105, (314) 727-6664

Most Recent REAC Score and Release Date: 60c 9/10/2008 *2nd REAC Score and Release Date:* 83b 8/10/2006 *3rd REAC Score and Release Date:* 92b 8/22/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36M000935	8/31/2013	Active	102.4%	LMSA	206	225	50	156	0	0	0	0

PROJECT: *FHA #:*08544804 COVENANT HOUSE I, 10 MILLSTONE CAMPUS DR, SAINT LOUIS, MO 63146, 314-432-1610 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: B'NAI B'RITH Covenant Hse. Inc., #8 Millstone Campus, Saint Louis, MO 63146, (314) 432-1610 *Ownership Type:* Non-Profit

Management Info: COMMUNITY HOUSING MANAGEMENT CORPORATION, 8 Millstone Campus Dr, Saint Louis, MO 63146, (314) 432-1610

Most Recent REAC Score and Release Date: 90c 9/9/2010 *2nd REAC Score and Release Date:* 89b 9/11/2008 *3rd REAC Score and Release Date:* 96a 10/19/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ 202 Elderly Hsg.	7.00	$487,101	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36M000927	7/31/2019	Active	144.8%	LMSA	75	168	27	48	0	0	0	0

PROJECT: *FHA #:*08535196 COVENANT HOUSE II APARTMENTS, 8 MILLSTONE CAMPUS DR, SAINT LOUIS, MO 63146, 314- *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: Covenant Apts. II Inc., 8 Millstone Campus Dr Ste 2000, Saint Louis, MO 63146, (314)432-1610 *Ownership Type:* Non-Profit

Management Info: COMMUNITY HOUSING MANAGEMENT CORPORATION, 8 Millstone Campus Dr, Saint Louis, MO 63146, (314) 432-1610

Most Recent REAC Score and Release Date: 98b 10/14/2009 *2nd REAC Score and Release Date:* 97b 10/6/2006 *3rd REAC Score and Release Date:* 97b 9/20/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	7.50	$954,252	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO360003001	4/30/2024	Active	136.4%	Sec 8 NC	102	102	0	102	0	0	0	0

PROJECT: *FHA #:*08598025 Hickory Townhouses, 2607-13 HICKORY ST, SAINT LOUIS, MO 63104, 314-771-5759 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: Hickory Townhomes, L. P., 707 Medford Dr, Columbia, MO 65203, (818) 668-2800 *Ownership Type:* Profit Motivated

Management Info: , , , ,

Most Recent REAC Score and Release Date: 69c 12/29/2010 *2nd REAC Score and Release Date:* 81c 1/14/2009 *3rd REAC Score and Release Date:* 68c 1/30/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	6.25	$2,776,722	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO360005011	8/31/2025	Active	111.8%	Sec 8 NC	64	64	0	0	6	46	12	0

PROJECT: *FHA #:*08511073 Jackson Park Place, 1220 WARREN ST, SAINT LOUIS, MO 63106, 314-436-0733 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: Murphy Senior Living Inc., 1220 Warren, St. Louis, MO 63106, 314-436-0733 *Ownership Type:* Non-Profit

Management Info: Kohner Properties, Inc., 7730 Forsyth, Clayton, MO 63105, 314-862-5955

Most Recent REAC Score and Release Date: 25c 2/23/2011 *2nd REAC Score and Release Date:* 63c 3/24/2010 *3rd REAC Score and Release Date:* 66c 4/1/2009

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.25	$7,050,587	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36T791008	5/31/2013	Active	133.2%	202/8 NC	141	141	0	132	9	0	0	0

PROJECT: *FHA #:*08511081 JENS-PRES, 9600 HALLS FERRY RD, SAINT LOUIS, MO 63136, 314-867-8993 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: Jens-Pres Inc., 6633 DELMAR, ST. LOUIS, MO 63130, (314) 726-0111 *Ownership Type:* Non-Profit

Management Info: St. Andrews Management Services, Inc., 6633 Delmar BLVD, St. Louis, MO 63130, (314) 726-0111

Most Recent REAC Score and Release Date: 94b 7/30/2008 *2nd REAC Score and Release Date:* 95b 11/6/2003 *3rd REAC Score and Release Date:* 98b 12/28/2000

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.93	$3,291,750	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36T831010	1/31/2031	Active	113.5%	202/8 NC	99	99	38	61	0	0	0	0

PROJECT: *FHA #:*08511076 JVL #17 ELDERLY HOUSING, 2801 DRMARTIN LUTHER KING DR, SAINT LOUIS, MO 63106, 314-5 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: JVL HOUSING CORP, , Saint Louis, MO 63106, 314-535-2220 *Ownership Type:* Non-Profit

Management Info: Majestic Management, 3920 Lindell Blvd, Saint Louis, MO 63108, 314-853-6073

Most Recent REAC Score and Release Date: 40c 9/8/2010 *2nd REAC Score and Release Date:* 72c 8/6/2009 *3rd REAC Score and Release Date:* 63c 9/24/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.38	$2,342,471	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO363200201	8/31/2015	Active	116.5%	202/8 NC	100	100	0	94	6	0	0	0

PROJECT: *FHA #:*08511075 JVL #21, 2829 HOWARD ST, SAINT LOUIS, MO 63106, 314-534-0344 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: JVL Elderly Housing Corporation, , Saint Louis, MO 63106, 314-534-0344 *Ownership Type:* Non-Profit

Management Info: Majestic Management, 3920 Lindell Blvd, Saint Louis, MO 63108, 314-853-6073

Most Recent REAC Score and Release Date: 85c 11/11/2009 *2nd REAC Score and Release Date:* 82b 11/21/2007 *3rd REAC Score and Release Date:* 79c 1/8/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.38	$2,847,128	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36T831012	7/31/2012	Active	117.0%	202/8 NC	90	90	22	68	0	0	0	0

PROJECT: *FHA #:*08535500 LINDELL PLAZA APARTMENTS, 4300 LINDELL BLVD, SAINT LOUIS, MO 63108, 314-421-1160 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: Lindell Plaza Apartments Associates, 4300 LINDELL BLVD., St. Louis, MO 63108, (314) 421-1160 *Ownership Type:* Profit Motivated

Management Info: McCORMACK BARON RAGAN MANAGEMENT SERVICES, INC., 1415 Olive St Suite 310, Saint Louis, MO 63103, (314)-421-1160

Most Recent REAC Score and Release Date: 87c 7/8/2009 *2nd REAC Score and Release Date:* 76c 7/30/2008 *3rd REAC Score and Release Date:* 71b 7/25/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	5.70	$1,141,096	Y	Yes	Rent Rdct	ONTRA, Inc.	Y	Y

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36H195066	10/31/2012	Active	106.0%	HFDA/8 SR	42	42	0	38	4	0	0	0

PROJECT: *FHA #:*08598033 METROPOLITAN VILLAGE APTS., 3114 FRANKLIN AVE, SAINT LOUIS, MO 63106, 314-727-6664 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: Metropolitan Village Apartments L.P., 1000 W Nifong Blvd, Columbia, MO 65203, 314-534-4400 *Ownership Type:* Limited Dividend

Management Info: Sansone Group/DDR LLC, 120 S Central Ave Ste 500, Saint Louis, MO 63105, (314) 727-6664

Most Recent REAC Score and Release Date: 86c 6/2/2010 *2nd REAC Score and Release Date:* 89b 9/9/2004 *3rd REAC Score and Release Date:* 82c 6/6/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	6.00	$5,397,446	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36T781002	2/28/2014	Active	121.0%	202/8 NC	147	147	0	141	6	0	0	0

PROJECT: *FHA #:*08535339 MINERVA PLACE APARTMENTS, 1342 MONTCLAIR AVE, SAINT LOUIS, MO 63112, 314-367-7800 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: Minerva Place Apartments Associates, % McCormack Baron Ragan Management Services,, St. Louis, MO 63103, (314) 421-1160 *Ownership Type:* Profit Motivated

Management Info: McCORMACK BARON RAGAN MANAGEMENT SERVICES, INC., 1415 Olive St Suite 310, Saint Louis, MO 63103, (314)-421-1160

Most Recent REAC Score and Release Date: 58c 1/13/2011 *2nd REAC Score and Release Date:* 86c 2/4/2009 *3rd REAC Score and Release Date:* 98b 2/1/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	ONTRA, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36A005001	1/31/2024	Active	117.6%	Sec 8 SR	56	56	0	50	6	0	0	0

PROJECT: *FHA #:*08535288 O'FALLON PLACE IA, 1405 N 16th St, SAINT LOUIS, MO 63106, 314-421-6387 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: O'FALLON PLACE LIMITED PARTNERSHIP IA, 1415 Olive St, Saint Louis, MO 63103, 314-6213400 *Ownership Type:* Profit Motivated

Management Info: McCORMACK BARON RAGAN MANAGEMENT SERVICES, INC., 1415 Olive St Suite 310, Saint Louis, MO 63103, (314)-421-1160

Most Recent REAC Score and Release Date: 52c 5/12/2010 *2nd REAC Score and Release Date:* 74c 5/21/2009 *3rd REAC Score and Release Date:* 66c 3/12/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO368023003	2/28/2013	Expired	82.6%	Sec 8 NC	200	200	0	50	75	75	0	0

PROJECT: *FHA #:*08598031 Park Place, 4399-FOREST PARK BLVD, SAINT LOUIS, MO 63108, 314-536-3300 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: PARK PLACE PRESERVATION, L.P., 55 Beattie Place, Greenville, SC 29601, 864-239-1000 *Ownership Type:* Profit Motivated

Management Info: NHPMN Management, LLC, 55 Beattie Place, Greenville, SC 29601, 864-239-1000

Most Recent REAC Score and Release Date: 95b 10/1/2009 *2nd REAC Score and Release Date:* 93c 9/5/2002 *3rd REAC Score and Release Date:* 89b 10/5/2000

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	6.00	$9,223,855	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36H195002	10/5/2025	Active	139.8%	HFDA/8 NC	242	242	0	242	0	0	0	0

PROJECT: *FHA #:*08535474 ROOSEVELT TOWNE APARTMENTS, 711 N Euclid Ave, Saint Louis, MO 63108, 314-361-7330 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: Roosevelt Towne Apartments, LLC, 2335 N Bank Dr, Columbus, OH 43220, 614-451-2151 *Ownership Type:* Profit Motivated

Management Info: National Church Residences, 2335 N Bank Dr, Columbus, OH 43220, (614)451-2151

Most Recent REAC Score and Release Date: 41c 2/16/2011 *2nd REAC Score and Release Date:* 80b 2/11/2009 *3rd REAC Score and Release Date:* 68c 2/27/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	5.16	$6,983,435	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36H195056	12/14/2021	Active	115.2%	HFDA/8 SR	154	154	0	135	19	0	0	0

PROJECT: *FHA #:*08535452 ST. RAYMOND'S APTS., 1015-A PARK AVE, SAINT LOUIS, MO 63104, 314-241-7838 *Metro Area (MSA)*

Owner Info: ST RAYMOND REDEVELOPMENT CORPORATION, 120 S Central Ave Ste 500, Saint Louis, MO 63105, (314) 727-6664 *Ownership Type:* Profit Motivated

Management Info: Sansone Group/DDR LLC, 120 S Central Ave Ste 500, Saint Louis, MO 63105, (314) 727-6664

Most Recent REAC Score and Release Date: 86c 3/18/2010 *2nd REAC Score and Release Date:* 61c 2/25/2009 *3rd REAC Score and Release Date:* 41c 4/16/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	5.50	$2,683,143	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO368023001	1/31/2015	Active	105.4%	Sec 8 NC	150	150	0	138	12	0	0	0

PROJECT: *FHA #:*08535462 TOWER VILLAGE III, 5050 HIGHLAND AVE, SAINT LOUIS, MO 63113, (314 726-6060 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: T V APARTMENTS, L. P., 4518 Blair Ave, Saint Louis, MO 63107, (314)535-4000x225 *Ownership Type:* Limited Dividend

Management Info: Robert Wood Realty Company, LLC, 625 N. Euclid Ave., St. Louis, MO 63108, 314-645-6033

Most Recent REAC Score and Release Date: 50c 7/30/2008 *2nd REAC Score and Release Date:* 92b 8/18/2005 *3rd REAC Score and Release Date:* 79c 8/28/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	ONTRA, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36H195081	5/31/2030	Active	109.0%	HFDA/8 SR	98	98	0	97	1	0	0	0

PROJECT: *FHA #:*08535348 UNION SARAH 510 DEMONSTRATION, 4109 ENRIGHT AVE, SAINT LOUIS, MO 63108, 314-381-87 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: UNION SARAH CITY VENTURE III, P. O. Box 6782, ST. LOUIS, MO 63144, (314) 308-6180 *Ownership Type:* Profit Motivated

Management Info: CITY EQUITY CORPORATION, 625 N. Euclid, ST LOUIS, MO 63108, (314) 361-4750

Most Recent REAC Score and Release Date: 56c 2/3/2011 *2nd REAC Score and Release Date:* 18c 8/18/2010 *3rd REAC Score and Release Date:* 56c 3/25/2009

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	Signet Partners	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO368023014	4/30/2024	Active	93.3%	Sec 8 SR	100	100	0	72	23	2	3	0

PROJECT: *FHA #:*08535251 UNION SARAH REHAB SS II, 5201 KENSINGTON AVE, SAINT LOUIS, MO 63108, 314-361-7300 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: New Beginning Redevelopment, LLC, 11549 Bellefontaine Rd, Saint Louis, MO 63138, 314-741-2423 *Ownership Type:* Profit Motivated

Management Info: Donald Robinson Realty, LLC, 11549 Bellefontaine Rd, Saint Louis, MO 63138, (314) 361-8868

Most Recent REAC Score and Release Date: 24c 4/7/2010 *2nd REAC Score and Release Date:* 38c 7/2/2008 *3rd REAC Score and Release Date:* 69c 3/23/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	Signet Partners	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO360005016	3/31/2026	Active	95.6%	Sec 8 SR	36	36	0	14	10	9	3	0

PROJECT: *FHA #:*08598013 WINTER GARDEN, 5708 KINGSBURY PL, SAINT LOUIS, MO 63112, 314-361-7225 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: Winter Garden Preservation, L.P., 55 Beattie Place, Greenville, SC 29602, 864-239-1000 *Ownership Type:* Limited Dividend

Management Info: NHPMN Management, LLC, 55 Beattie Place, Greenville, SC 29601, 864-239-1000

Most Recent REAC Score and Release Date: 97b 3/11/2010 *2nd REAC Score and Release Date:* 87c 3/19/2008 *3rd REAC Score and Release Date:* 79b 9/25/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	6.25	$3,646,357	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36H195028	3/31/2025	Active	115.1%	HFDA/8 SR	112	112	0	94	18	0	0	0

PROJECT: *FHA #:*08511086 GATEWAY PVA APARTMENTS, 1599 GENE CRAYTON AVE, SPANISH LAKE, MO 63138, 314-741- *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: NBA/GPVA Accesssible Housing, Debra Mesle, Weldon Springs, MO 63304, 314-993-9000 *Ownership Type:* Non-Profit

Management Info: PROFESSIONAL EQUITIES, INC., 18433 Edison Avenue, Chesterfield, MO 63005, (636) 519-7255

Most Recent REAC Score and Release Date: 89c 12/30/2010 *2nd REAC Score and Release Date:* 87c 12/31/2008 *3rd REAC Score and Release Date:* 95b 11/13/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.05	$2,223,561	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36T881010	7/21/2012	Active	127.7%	202/8 NC	40	40	0	1	39	0	0	0

PROJECT: *FHA #:*08598030 Meadowglen Apartments, 12465 Scenic Lake Drive, St. Louis, MO 63138, 314-741-2713 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: Meadowglen Apartments, LP, 7920 Ward Parkway, Kansas City, MO 64114, 816-561-4240 *Ownership Type:* Limited Dividend

Management Info: YARCO COMPANY, INC., 7920 Ward Parkway, KANSAS CITY, MO 64114, (816) 561-4240

Most Recent REAC Score and Release Date: 93b 5/6/2009 *2nd REAC Score and Release Date:* *3rd REAC Score and Release Date:*

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	6.00	$6,436,806	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36H195003	11/17/2017	Active	92.0%	HFDA/8 NC	208	208	0	208	0	0	0	0

PROJECT: *FHA #:*08598011 Parkview Place, 701 WESTGATE AVE, UNIVERSITY CITY, MO 63130, 314-721-7067 *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: Parkview Place Apartments, L.P., 206 Peach Way, Columbia, MO 65203, 573-443-2021 *Ownership Type:* Limited Dividend

Management Info: Fairway Management, Inc, P.O. Box 7688, Columbia, MO 65205, 573-443-2021

Most Recent REAC Score and Release Date: 90b 8/26/2010 *2nd REAC Score and Release Date:* 70c 10/14/2009 *3rd REAC Score and Release Date:* 99b 9/27/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	6.00	$3,744,844	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36L000002	8/31/2024	Active	134.5%	LMSA	156	156	39	117	0	0	0	0

PROJECT: *FHA #:*08544067 University Commons Apartments, 6417 North Drive, UNIVERSITY CITY, MO 63130, *Metro Area (MSA)* St. Louis, MO-IL

Owner Info: Sy University Investors, L. P., 7920 Ward Parkway, Kansas City, MO 64114, 816-561-4240 *Ownership Type:* Profit Motivated

Management Info: YARCO COMPANY, INC., 7920 Ward Parkway, KANSAS CITY, MO 64114, (816) 561-4240

Most Recent REAC Score and Release Date: 86c 11/4/2009 *2nd REAC Score and Release Date:* 72c 6/4/2008 *3rd REAC Score and Release Date:* 93b 6/29/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MO36M195005	7/31/2028	Active	86.1%	LMSA	26	133	0	10	5	8	3	0

TOTAL APARTMENTS AT RISK:	
Total Contracts:	29
Total Assisted Apartments:	3,291

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.

Section 8 Contract information is from February 2012.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. Melvin Watt's district in North Carolina

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 1,518

PROJECT: *FHA #:*05344198 BOOTH GARDENS APARTMENTS, 421 N POPLAR ST, CHARLOTTE, NC 28202, 7043760763 — *Metro Area (MSA)* Charlotte-Gastonia-Rock Hill, NC

Owner Info: The Salvation Army, A GA Corporation, 1424 NorthEast Expy NE, Atlanta, GA 30329, 404 728-1300 — *Ownership Type:* Non-Profit

Management Info: The Salvation Army, A GA Corporation, 1424 NorthEast Expy NE, Atlanta, GA 30329, 404 728-1300

Most Recent REAC Score and Release Date: 98b 5/26/2010 *2nd REAC Score and Release Date:* 96a 6/27/2007 *3rd REAC Score and Release Date:* 96a 6/17/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$945,154	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19L000045	7/19/2012	Active	73.2%	LMSA	128	130	56	72	0	0	0	0

PROJECT: *FHA #:*05344237 GREENHAVEN TOWNHOUSES, 1407 SPRING ST, CHARLOTTE, NC 28206, 7043337279 — *Metro Area (MSA)* Charlotte-Gastonia-Rock Hill, NC

Owner Info: Greenhaven Townhouses, A Limited Partnership, 2171 Judicial Dr Ste 200, Germantown, TN 38138, (901) 759-1855 — *Ownership Type:* Limited Dividend

Management Info: TESCO Properties, Inc., 2171 Judicial Drive, Germantown, TN 38138, (901) 759-7285

Most Recent REAC Score and Release Date: 86b 9/2/2010 *2nd REAC Score and Release Date:* 88b 10/8/2008 *3rd REAC Score and Release Date:* 85b 9/20/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$354,581	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19M000113	9/29/2014	Active	87.4%	LMSA	38	49	0	0	17	14	7	0

PROJECT: *FHA #:*05311245 MAYFIELD MEMORIAL APARTMENTS, 4912 DAYBREAK DR, CHARLOTTE, NC 28269, 7045966612 *Metro Area (MSA)* Charlotte-Gastonia-Rock Hill, NC

Owner Info: MAYFIELD MEMORIAL APARTMENTS, INC., 700 SUGAR CREEK RD, CHARLOTTE, NC 28213, (704) 596-7935 *Ownership Type:* Non-Profit

Management Info: Westminster Company, 2720 N. Church Street #200, Greensboro, NC 27415, 336-375-1552

Most Recent REAC Score and Release Date: 91b 6/9/2010 *2nd REAC Score and Release Date:* 99a 9/28/2006 *3rd REAC Score and Release Date:* 95b 11/20/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	4.59	$2,185,878	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19T821025	1/14/2031	Active	102.0%	202/8 NC	60	60	0	60	0	0	0	0

PROJECT: *FHA #:*05335740 National Church Residences of Charlotte, 2457 MIDLAND AVE, CHARLOTTE, NC 28208, 704-392-11 *Metro Area (MSA)* Charlotte-Gastonia-Rock Hill, NC

Owner Info: National Church Residences of Charlotte NC, 2335 North Bank Drive, Columbus, OH 43220, 614-451-2151 *Ownership Type:* Non-Profit

Management Info: National Church Residences, 2335 N Bank Dr, Columbus, OH 43220, (614)451-2151

Most Recent REAC Score and Release Date: 84b 4/29/2009 *2nd REAC Score and Release Date:* 91b 2/8/2006 *3rd REAC Score and Release Date:* 76c 3/9/2000

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(3) Mkt. Rate Modera	6.15	$2,913,661	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190011038	8/31/2012	Active	108.4%	Sec 8 NC	60	60	0	60	0	0	0	0

PROJECT: *FHA #:*05344161 ORCHARD PARK APARTMENTS, 845 CATES AVE, CHARLOTTE, NC 28202, 7043337265 *Metro Area (MSA)* Charlotte-Gastonia-Rock Hill, NC

Owner Info: CP/DB Housing Partners XIII, LP, 2171 Judicial Drive, Suite 200, Germantown, TN 38138, 901-759-1855 *Ownership Type:* Limited Dividend

Management Info: TESCO Properties, Inc., 2171 Judicial Drive, Germantown, TN 38138, (901) 759-7285

Most Recent REAC Score and Release Date: 69c 12/1/2010 *2nd REAC Score and Release Date:* 82c 11/13/2008 *3rd REAC Score and Release Date:* 79b 10/31/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$211,359	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19M000175	5/31/2012	Active	107.2%	LMSA	42	42	0	6	22	14	0	0

PROJECT: *FHA #:*05335456 WESTSIDE APARTMENTS, 5254 FREEDOM DR, CHARLOTTE, NC 28208, 7043931181 — *Metro Area (MSA)* Charlotte-Gastonia-Rock Hill, NC

Owner Info: WESTSIDE ASSOCIATES, a LP, P O Box 10469, GREENSBORO, NC 27404, (336) 294-8900 — *Ownership Type:* Profit Motivated

Management Info: M & M Properties, Inc., P.O. BOX 58, JOHNSON CITY, TN 37605, (423) 926-6031

Most Recent REAC Score and Release Date: 90b 7/23/2009 *2nd REAC Score and Release Date:* 94b 8/24/2006 *3rd REAC Score and Release Date:* 96b 1/23/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	The Siegel Group, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19H148064	9/30/2024	Active	87.3%	HFDA/8 NC	50	50	0	0	40	10	0	0

PROJECT: *FHA #:*05335216 WOODSTONE APTS, 4826 Woodstone Dr., CHARLOTTE, NC 28269, 704-596-0114 — *Metro Area (MSA)* Charlotte-Gastonia-Rock Hill, NC

Owner Info: Woodstone Apartments, A Limited Partnership, 2171 Judicial Drive, Suite 200, Germantown, TN 38138, (901) 759-1855 — *Ownership Type:* Profit Motivated

Management Info: TESCO Properties, Inc., 2171 Judicial Drive, Germantown, TN 38138, (901) 759-7285

Most Recent REAC Score and Release Date: 92a 6/10/2009 *2nd REAC Score and Release Date:* 96b 6/14/2006 *3rd REAC Score and Release Date:* 96b 12/5/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	North Carolina Housing Finance Agency	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190005002	6/30/2024	Active	94.7%	Sec 8 NC	50	50	0	12	20	12	6	0

PROJECT: *FHA #:*05335919 J T HAIRSTON MEMORIAL APTS, 718 MARSH ST, GREENSBORO, NC 27406, 3362752902 — *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: J T HAIRSTON MEMORIAL APARTMENTS, INC, 4 Suburban Ct, Greensboro, NC 27406, (336) 334-7085 — *Ownership Type:* Non-Profit

Management Info: Westminster Company, 2720 N. Church Street #200, Greensboro, NC 27415, 336-375-1552

Most Recent REAC Score and Release Date: 93b 5/5/2010 *2nd REAC Score and Release Date:* 70b 5/23/2007 *3rd REAC Score and Release Date:* 70b 4/26/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(3) Mkt. Rate Modera	5.50	$4,690,853	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19M000100	6/30/2013	Active	100.5%	LMSA	108	108	0	16	60	24	8	0

PROJECT: *FHA #:*05335427 LAURENCE MANOR APARTMENTS, 2300 JULIET PL, GREENSBORO, NC 27406, 3362729708 *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: Laurence Manor, Limited Partnership, 330 S Greene St, Suite B-11, Greensboro, NC 27401, (336) 273-0568 *Ownership Type:* Profit Motivated

Management Info: Affordable Housing Management, Inc., 330 S Greene Street, GREENSBORO, NC 27401, (336) 273-0568

Most Recent REAC Score and Release Date: 86b 1/20/2010 *2nd REAC Score and Release Date:* 69c 2/4/2009 *3rd REAC Score and Release Date:* 93b 2/15/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	OAHP WPO - CreditVest		

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190017009	6/30/2031	Active	124.6%	Sec 8 NC	32	32	0	8	20	4	0	0

PROJECT: *FHA #:*05335942 PARKSIDE APARTMENTS, 306 Oconnor St, Greensboro, NC 27406, 3362750026 *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: PA Greensboro, LLC, P.O. Box 42208, Fayetteville, NC 28309, 910-485-6600 *Ownership Type:* Profit Motivated

Management Info: United Management II, PO Box 42208, Fayetteville, NC 28309, 910 221-6600

Most Recent REAC Score and Release Date: 88b 12/20/2006 *2nd REAC Score and Release Date:* 71b 12/21/2005 *3rd REAC Score and Release Date:* 87b 1/1/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	3.49	$1,443,485	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19M000076	9/30/2029	Active	106.9%	LMSA	59	71	0	10	25	24	0	0

PROJECT: *FHA #:*05335872 LAKE ROAD APARTMENTS, 308 TAYLOR AVE, HIGH POINT, NC 27260, 3368823624 *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: Lake Road II, LP, 900 S. Gay Street, Suite 1600, Knoxville, TN 37902, 865-637-7777 *Ownership Type:* Profit Motivated

Management Info: LAWLER-WOOD, LLC, 900 South Gay Street, Knoxville, TN 37902, (865) 637-7777

Most Recent REAC Score and Release Date: 83c 8/26/2009 *2nd REAC Score and Release Date:* 73b 10/22/2008 *3rd REAC Score and Release Date:* 88b 11/11/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	5.38	$3,909,738	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC198023008	10/7/2026	Active	109.2%	Sec 8 NC	99	99	0	13	63	23	0	0

PROJECT: *FHA #:*05335925 SPRING VALLEY APT, 509 E COMMERCE AVE, HIGH POINT, NC 27260, 3368895099 *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: SVA High Point LLC, 3800 Raeford Rd, Fayetteville, NC 28304, 9104856600 *Ownership Type:* Profit Motivated

Management Info: United Management II, PO Box 42208, Fayetteville, NC 28309, 910 221-6600

Most Recent REAC Score and Release Date: 97b 8/10/2005 *2nd REAC Score and Release Date:* 82c 5/22/2003 *3rd REAC Score and Release Date:* 77c 6/6/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	4.60	$635,174	N	Yes	Mrtg Rstr	North Carolina Housing Finance Agency	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19L000047	8/31/2029	Active	108.1%	LMSA	44	79	0	3	24	17	0	0

PROJECT: *FHA #:*05335814 Meadowlark Glen Apartments, 739 Selma Drive, MOORESVILLE, NC 28115, 7046631371 *Metro Area (MSA)*

Owner Info: Meadowlark Development, LLC, PO Box 25168, Winston Salem, NC 27114, 336-765-6551 *Ownership Type:* Limited Dividend

Management Info: Community Management Corporation, PO Box 25168, Winston-Salem, NC 27114, (336)765-0424

Most Recent REAC Score and Release Date: 88c 12/23/2009 *2nd REAC Score and Release Date:* 48c 6/12/2003 *3rd REAC Score and Release Date:* 49c 10/31/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	5.95	$3,418,974	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19M000098	6/30/2025	Active	109.6%	LMSA	76	76	0	16	36	24	0	0

PROJECT: *FHA #:*05344212 CLANCY HILLS, 100 CLANCY ST., SALISBURY, NC 28147, 7046366408 *Metro Area (MSA)* Charlotte-Gastonia-Rock Hill, NC

Owner Info: Clancy Hills, A Limited Partnership, C/O WESTMINSTER COMPANY, GREENSBORO, NC 27415, (336) 282-5244 *Ownership Type:* Limited Dividend

Management Info: Community Management Corporation, PO Box 25168, Winston-Salem, NC 27114, (336)765-0424

Most Recent REAC Score and Release Date: 93b 8/20/2008 *2nd REAC Score and Release Date:* 94b 8/24/2005 *3rd REAC Score and Release Date:* 93b 9/5/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$245,936	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19L000009	8/31/2014	Active	109.4%	LMSA	88	88	0	12	56	20	0	0

PROJECT: *FHA #:*05335397 TOMLINSON HILL, 305-A PINEYWOOD RD, THOMASVILLE, NC 27360, 3364727853 — *Metro Area (MSA)*

Owner Info: TOMLINSON HILL LIMITED PARTNERSHIP, P O Box 25168, WINSTON-SALEM, NC 27114, (336) 765-0424 — *Ownership Type:* Limited Dividend

Management Info: Community Management Corporation, PO Box 25168, Winston-Salem, NC 27114, (336)765-0424

Most Recent REAC Score and Release Date: 98a 4/22/2009 *2nd REAC Score and Release Date:* 93a 5/4/2006 *3rd REAC Score and Release Date:* 99b 6/5/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	5.60	$467,275	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19H148049	12/13/2013	Active	139.4%	HFDA/8 NC	35	35	0	35	0	0	0	0

PROJECT: *FHA #:*05311174 CHERRY HILL, 840 W. 14TH ST, WINSTON-SALEM, NC 27105, 3367237524 — *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: Cherry Hill, A Limited Partnership, P O Box 25168, Winston-Salem, NC 27114, (336) 765-6551 — *Ownership Type:* Profit Motivated

Management Info: Community Management Corporation, PO Box 25168, Winston-Salem, NC 27114, (336)765-0424

Most Recent REAC Score and Release Date: 98a 2/10/2010 *2nd REAC Score and Release Date:* 96b 2/14/2007 *3rd REAC Score and Release Date:* 89b 2/10/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.57	$624,855	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190003009	3/27/2015	Active	118.9%	Sec 8 NC	40	40	0	40	0	0	0	0

PROJECT: *FHA #:*05311235 COLONY MANOR, 1611 WOODS ROAD, WINSTON-SALEM, NC 27106, 3369240531 — *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: Colony Manor, a Limited Partnership, P.O. Box 26560, Greensboro, NC 27415, 336-375-1552 — *Ownership Type:* Profit Motivated

Management Info: Westminster Company, 2720 N. Church Street #200, Greensboro, NC 27415, 336-375-1552

Most Recent REAC Score and Release Date: 83b 5/7/2008 *2nd REAC Score and Release Date:* 97b 2/17/2005 *3rd REAC Score and Release Date:* 89b 12/12/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.68	$843,310	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190022021	5/4/2016	Active	133.1%	Sec 8 NC	28	28	0	0	24	4	0	0

PROJECT: *FHA #:*05311206 GRANVILLE PLACE, 650 Granville DR, WINSTON-SALEM, NC 27101, 336-725-1529 *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: Granville Place, Inc., 750 Bethesda Rd., Winston Salem, NC 27103, (336) 765-3906 *Ownership Type:* Non-Profit

Management Info: NC Housing Services & Management Corp., 750 Bethesda Road, Winston Salem, NC 27103, 336-765-3906

Most Recent REAC Score and Release Date: 98b 8/27/2009 *2nd REAC Score and Release Date:* 98a 9/6/2006 *3rd REAC Score and Release Date:* 96b 11/7/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.78	$2,146,317	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19T771002	6/30/2015	Active	123.6%	202/8 NC	100	101	0	100	0	0	0	0

PROJECT: *FHA #:*05336031 HOLLAND HOMES, 955 MT ZION PL, WINSTON-SALEM, NC 27101, 3367483199 *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: G.W. HOLLAND HOUSING CORPORATION, 500 W 4th St, Suite 300, Winston Salem, NC 27101, (336) 727-8500 *Ownership Type:* Non-Profit

Management Info: Hsg Auth of the City of Winston-Salem, 500 W. 4th Street (Loewy Bldg), WINSTON-SALEM, NC 27101, (336) 727-8500

Most Recent REAC Score and Release Date: 94b 3/31/2010 *2nd REAC Score and Release Date:* 89c 4/3/2008 *3rd REAC Score and Release Date:* 89b 6/21/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	4.97	$5,280,000	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19M000117	5/31/2021	Active	106.0%	LMSA	114	114	0	114	0	0	0	0

PROJECT: *FHA #:*05336054 SOUTHGATE APARTMENTS, 980 E SECOND ST, WINSTON-SALEM, NC 27101, 3367254202 *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: Southgate, A Partnership, P O Box 29229, Greensboro, NC 27429, (336) 545-9000 *Ownership Type:* Profit Motivated

Management Info: Beacon Management Corporation, PO Box 29229, Greensboro, NC 27429, 336-545-9000

Most Recent REAC Score and Release Date: 91b 7/23/2009 *2nd REAC Score and Release Date:* 70c 7/30/2008 *3rd REAC Score and Release Date:* 82b 10/4/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	3.69	$2,559,153	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC198023002	12/31/2012	Active	109.2%	Sec 8 NC	108	108	0	34	51	23	0	0

PROJECT: *FHA #:*05311208 UNIVERSITY PLACE APTS, 1625 E 3RD ST, WINSTON-SALEM, NC 27101, 3367220013 — *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: EAST SALEM HOMES, INC., 750 Bethesda Rd., Winston Salem, NC 27103, (336) 765-3906 — *Ownership Type:* Non-Profit

Management Info: NC Housing Services & Management Corp., 750 Bethesda Road, Winston Salem, NC 27103, 336-765-3906

Most Recent REAC Score and Release Date: 94b 11/25/2009 *2nd REAC Score and Release Date:* 72c 12/3/2008 *3rd REAC Score and Release Date:* 92b 12/9/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.90	$3,693,264	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC19T791008	3/16/2032	Active	190.8%	202/8 SR	96	97	10	83	3	0	0	0

PROJECT: *FHA #:*05335845 WEST HILL APARTMENTS, 201 N SUNSET DR, WINSTON-SALEM, NC 27101, 3367234162 — *Metro Area (MSA)* Greensboro-Winston-Salem-High Poin

Owner Info: WEST HILL LIMITED PARTNERSHIP, PO Box 26560, GREENSBORO, NC 27415, (336) 375-1552 — *Ownership Type:* Profit Motivated

Management Info: Community Management Corporation, PO Box 25168, Winston-Salem, NC 27114, (336)765-0424

Most Recent REAC Score and Release Date: 92a 11/17/2010 *2nd REAC Score and Release Date:* 88b 12/3/2008 *3rd REAC Score and Release Date:* 87a 12/6/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/221(d)(4) MKT R	5.50	$788,716	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
NC190003014	5/31/2015	Active	134.9%	Sec 8 NC	63	64	0	63	0	0	0	0

TOTAL APARTMENTS AT RISK:

Total Contracts:	22
Total Assisted Apartments:	1,518

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.

Section 8 Contract information is from February 2012.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. Bradley Sherman's district in California

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 1,228

PROJECT: *FHA #:*12241082 DE SOTO GARDENS - 2, 8722 DE SOTO AVE, CANOGA PARK, CA 91304, 818 709-0735 — *Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: DE SOTO GARDENS, 5150 Overland Ave, Culver City, CA 90230, 3102042050 — *Ownership Type:* Limited Dividend

Management Info: G & K Management Co., Inc., 5150 Overland Ave, Culver City, CA 90230, (310) 204-2050

Most Recent REAC Score and Release Date: 91c 5/27/2009 *2nd REAC Score and Release Date:* 83c 6/6/2007 *3rd REAC Score and Release Date:* 92c 6/3/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/241(f)/221 - BMIR	5.69	$7,846,170	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA16L000014	12/31/2015	Active	79.0%	Preservation	238	248	0	24	116	98	0	0

PROJECT: *FHA #:*12241015 PARTHENIA TOWNHOUSES, 21218 PARTHENIA ST, CANOGA PARK, CA 91304, 310 204 050 — *Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: PARTHENIA TOWNHOUSES, 5150 OVERLAND AVE, CULVER CITY, CA 90231, 3102042050 — *Ownership Type:* Profit Motivated

Management Info: G & K Management Co., Inc., 5150 Overland Ave, Culver City, CA 90230, (310) 204-2050

Most Recent REAC Score and Release Date: 98c 4/28/2010 *2nd REAC Score and Release Date:* 92c 4/25/2007 *3rd REAC Score and Release Date:* 87b 7/7/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
241(f)/ 221-BMIR Equity Lo	7.00	$582,330	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA16M000403	2/28/2013	Active	86.9%	Preservation	11	24	0	0	5	6	0	0

PROJECT: *FHA #:*12211151 Budlong Manor, 11998 Terra Bella Street, LAKEVIEW TERRACE, CA 91342, *Metro Area (MSA)* Los Angeles-Long Beach, CA
Owner Info: TERRA BELLA DEVELOPMENT COMPANY, 2716 OCEAN PARK BLVD, SANTA MONICA, CA 90405, 310 314-2560 *Ownership Type:* Profit Motivated
Management Info: S.K. Management Co., LLC, 5757 Wilshire Blvd, Los Angeles, CA 90036, (323) 930-2300
Most Recent REAC Score and Release Date: 54c 7/22/2010 *2nd REAC Score and Release Date:* 57c 8/26/2009 *3rd REAC Score and Release Date:* 45c 8/20/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.50	$3,732,798	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA160095010	11/15/2012	Active	93.1%	Sec 8 NC	59	60	0	59	0	0	0	0

PROJECT: *FHA #:*12235540 Bonita Ranch Apartments, 14164 FOOTHILL BLVD, LOS ANGELES, CA 91342, *Metro Area (MSA)* Los Angeles-Long Beach, CA
Owner Info: Bonita Ranch, A General Partnership, 5150 Overland Ave, Culver City, CA 90230, 3102042050 *Ownership Type:* Profit Motivated
Management Info: G & K Management Co., Inc., 5150 Overland Ave, Culver City, CA 90230, (310) 204-2050
Most Recent REAC Score and Release Date: 93c 8/26/2009 *2nd REAC Score and Release Date:* 86c 8/29/2007 *3rd REAC Score and Release Date:* 93b 8/26/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	11.84	$2,051,499	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA160088011	5/31/2015	Active	103.7%	Sec 8 NC	48	48	0	8	28	12	0	0

PROJECT: *FHA #:*12244300 St. Nicholas Housing Development, 10220 AQUEDUCT AVE, NORTH HILLS, CA 91343, *Metro Area (MSA)* Los Angeles-Long Beach, CA
Owner Info: St. Nicholas Foundation, Inc., 14920 Parthenia Street,Suite 117, Panorama City, CA 91402, (818) 886-4040 *Ownership Type:* Non-Profit
Management Info: J & S MGMT CO, 14920 PARTHENIA ST, PANORAMA CITY, CA 91402, (818) 891-8813
Most Recent REAC Score and Release Date: 88c 7/21/2010 *2nd REAC Score and Release Date:* 77c 8/20/2009 *3rd REAC Score and Release Date:* 80c 10/17/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$20,544	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA16L000123	5/31/2012	Active	54.5%	LMSA	36	36	0	24	12	0	0	0

PROJECT: *FHA #:*12211140 NORTH HOLLYWOOD SR. CITIZENS, 11035 MAGNOLIA BLVD, NORTH HOLLYWOOD, CA 91601, (*Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: NORTH HOLLYWOOD SR. CITIZENS TOWERS, 8425 E. 12 Mile Rd., Warren, MI 48093, 586-753-9002 *Ownership Type:* Non-Profit

Management Info: Cooperative Services, Incorporated, 8425 E. Twelve Mile Road, Warren, MI 48093, (586) 753-9002

Most Recent REAC Score and Release Date: 89b 7/2/2009 *2nd REAC Score and Release Date:* 71c 7/30/2008 *3rd REAC Score and Release Date:* 60c 2/3/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.25	$13,063,851	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA16T821072	3/13/2015	Active	93.1%	202/8 NC	200	200	50	150	0	0	0	0

PROJECT: *FHA #:*12238057 Plummer Park Apts, 17051 PLUMMER ST, NORTHRIDGE, CA 91325, *Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: St. Nicholas Foundation, Inc., 14920 Parthenia Street,Suite 117, Panorama City, CA 91402, (818) 886-4040 *Ownership Type:* Non-Profit

Management Info: J & S MGMT CO, 14920 PARTHENIA ST, PANORAMA CITY, CA 91402, (818) 891-8813

Most Recent REAC Score and Release Date: 87b 8/26/2009 *2nd REAC Score and Release Date:* 75b 11/13/2008 *3rd REAC Score and Release Date:* 57c 9/19/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
231 Elderly Housing	7.50	$864,250	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA160030050	6/10/2012	Active	74.5%	Sec 8 NC	40	40	0	36	4	0	0	0

PROJECT: *FHA #:*12241071 KITTRIDGE GARDENS I, 6640 WILBUR AVE, RESEDA, CA 91335, 310 204 2050 *Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: KITTRIDGE GARDENS ONE, 5150 OVERLAND AVE, CULVER CITY, CA 90230, 3102042050 *Ownership Type:* Profit Motivated

Management Info: G & K Management Co., Inc., 5150 Overland Ave, Culver City, CA 90230, (310) 204-2050

Most Recent REAC Score and Release Date: 96b 11/25/2009 *2nd REAC Score and Release Date:* 80a 12/5/2007 *3rd REAC Score and Release Date:* 97a 11/18/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/241(f)/221 - BMIR	5.02	$4,998,758	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA16L000071	9/30/2014	Active	94.4%	Preservation	128	128	0	32	64	32	0	0

PROJECT: *FHA #:*12241074 KITTRIDGE GARDENS II, 6540 WILBUR AVENUE, RESEDA, CA 91335, 310 204 2050 — *Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: KITTRIDGE GARDENS II, 5150 OVERLAND AVE, CULVER CITY, CA 90230, 3102042050 — *Ownership Type:* Profit Motivated

Management Info: G & K Management Co., Inc., 5150 Overland Ave, Culver City, CA 90230, (310) 204-2050

Most Recent REAC Score and Release Date: 97b 5/5/2010 *2nd REAC Score and Release Date:* 97a 5/2/2007 *3rd REAC Score and Release Date:* 81c 5/18/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/241(f)/221 - BMIR	4.97	$2,400,136	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA16L000072	9/30/2012	Active	80.5%	Preservation	78	80	0	0	32	16	30	0

PROJECT: *FHA #:*12241077 RESEDA PARK APTS, 6505 RESEDA BLVD, RESEDA, CA 91335, 310 204 2050 — *Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: RESEDA PARK APTS, 5150 OVERLAND AVE, CULVER CITY, CA 90230, 3102042050 — *Ownership Type:* Profit Motivated

Management Info: G & K Management Co., Inc., 5150 Overland Ave, Culver City, CA 90230, (310) 204-2050

Most Recent REAC Score and Release Date: 90b 10/3/2007 *2nd REAC Score and Release Date:* 93b 4/1/2004 *3rd REAC Score and Release Date:* 84c 5/23/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/241(f)/221 - BMIR	4.71	$3,702,554	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA16M000207	1/31/2016	Active	88.8%	LMSA	136	136	3	133	0	0	0	0

PROJECT: *FHA #:*12235104 SHERMAN PARK APTS, 17964 SHERMAN WAY, RESEDA, CA 91335, 310 204 2050 — *Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: SHERMAN PARK APTS, 5150 OVERLAND AVE, CULVER CITY, CA 90230, 3102042050 — *Ownership Type:* Profit Motivated

Management Info: G & K Management Co., Inc., 5150 Overland Ave, Culver City, CA 90230, (310) 204-2050

Most Recent REAC Score and Release Date: 97a 4/23/2008 *2nd REAC Score and Release Date:* 98c 5/5/2005 *3rd REAC Score and Release Date:* 92b 6/27/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(3) Mkt. Rate Modera	8.50	$11,507	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA16M000209	3/31/2012	Active	86.9%	Preservation	134	135	0	134	0	0	0	0

PROJECT: *FHA #*:12241070 SUNLAND PARK APTS, 10836 ROYCROFT ST, SUN VALLEY, CA 91352, 310 204 2050 *Metro Area (MSA)* Los Angeles-Long Beach, CA

Owner Info: SUNLAND PARK APTS, 5150 Overland AVE, Culver City, CA 90230, 3102042050 *Ownership Type:* Profit Motivated

Management Info: G & K Management Co., Inc., 5150 Overland Ave, Culver City, CA 90230, (310) 204-2050

Most Recent REAC Score and Release Date: 95c 6/9/2010 *2nd REAC Score and Release Date:* 85c 6/25/2008 *3rd REAC Score and Release Date:* 61c 5/2/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/241(f)/221 - BMIR	4.75	$4,196,049	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
CA16L000011	12/31/2012	Active	79.5%	Preservation	120	120	0	0	24	56	40	0

TOTAL APARTMENTS AT RISK:

Total Contracts: 12

Total Assisted Apartments: 1,228

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.

Section 8 Contract information is from February 2012.

NATIONAL HOUSING TRUST

Special Report: FHA Insured Section 8 Properties in Rep. Michael Capuano's district in Massachusetts

(Properties are sorted alphabetically by city and property name)

TOTAL APARTMENTS: 10,456

PROJECT: *FHA #:*02398205 CHARLESVIEW INC, 5 HEFFERAN ST, ALLSTON, MA 02134, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Charlesview, Inc., 2 Brookline Pl Ste 206C, Brookline, MA 02445, (617)566-1026 *Ownership Type:* Non-Profit

Management Info: S-C Management Corporation, 2 Brookline Pl Ste 206, Brookline, MA 02445, (617) 566-1026

Most Recent REAC Score and Release Date: 85c 11/4/2009 *2nd REAC Score and Release Date:* 72c 9/4/2008 *3rd REAC Score and Release Date:* 50c 4/17/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	4.80	$46,000,000	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06L000036	6/21/2031	Active	145.0%	LMSA	200	213	0	71	40	53	36	0

PROJECT: *FHA #:*02311211 COMAVEN APARTMENTS, 1399 COMMONWEALTH AVE, ALLSTON, MA 02134, *Metro Area (MSA)*

Owner Info: Comaven Housing Associates Limited Partnership, Wingate Management Company, Newton, MA 02459, (781)707-9100 *Ownership Type:* Limited Dividend

Management Info: WINGATE MANAGEMENT CO. INC., Bluestone Place, Newton, MA 02459, (781) 707-9100

Most Recent REAC Score and Release Date: 91a 6/23/2010 *2nd REAC Score and Release Date:* 87a 6/4/2008 *3rd REAC Score and Release Date:* 98a 5/1/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/207/223(f) Refina	3.80	$8,685,754	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06L000010	4/26/2016	Active	136.4%	LMSA	89	89	26	36	25	2	0	0

PROJECT: *FHA #:*02311152 GOVERNOR APTS, 193 KELTON ST, ALLSTON, MA 02134, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Governor Apartments Associates, Wingate Management Attn: Robert Najarian, Newton, MA 02459, 781-707-9100 *Ownership Type:* Profit Motivated

Management Info: WINGATE MANAGEMENT CO. INC., Bluestone Place, Newton, MA 02459, (781) 707-9100

Most Recent REAC Score and Release Date: 82b 8/26/2009 *2nd REAC Score and Release Date:* 86b 9/22/2005 *3rd REAC Score and Release Date:* 99c 11/7/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/207/223(f) Refina	5.70	$5,692,919	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06H058109	6/10/2021	Active	143.8%	HFDA/8 SR	87	87	5	57	25	0	0	0

PROJECT: *FHA #:*02398113 BLUE/ELM HILL (GRANITE #3), 168 SEAVER STREET, BOSTON, MA 02121, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Grove Hall Redeveloper, LLC, 65 Allerton St, Roxbury, MA 02119, *Ownership Type:* Profit Motivated

Management Info: Peabody Properties, Inc., 536 Granite St, Braintree, MA 02184, (781) 794-1000

Most Recent REAC Score and Release Date: 87b 2/26/2009 *2nd REAC Score and Release Date:* 85b 1/2/2003 *3rd REAC Score and Release Date:* 78c 1/11/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06E000041	4/24/2024	Active	132.2%	PD/8 MR	141	286	1	49	52	20	17	2

PROJECT: *FHA #:*02398113 BLUE/ELM HILL (GRANITE #3), 168 SEAVER STREET, BOSTON, MA 02121, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Grove Hall Redeveloper, LLC, 65 Allerton St, Roxbury, MA 02119, *Ownership Type:* Profit Motivated

Management Info: Peabody Properties, Inc., 536 Granite St, Braintree, MA 02184, (781) 794-1000

Most Recent REAC Score and Release Date: 87b 2/26/2009 *2nd REAC Score and Release Date:* 85b 1/2/2003 *3rd REAC Score and Release Date:* 78c 1/11/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06E000040	1/2/2025	Active	144.7%	PD/8 MR	144	286	5	41	44	30	16	8

PROJECT: *FHA #*:02344081 BRADLEY PROPERTIES, 336 SHAWMUT AVE, BOSTON, MA 02118, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Phil C. Bradley Housing Partnership, 342 Shawmut Avenue, Boston, MA 02118, (617)927-7468 *Ownership Type:* Non-Profit

Management Info: THE CORNU MANAGEMENT CO. INC., 95 BROADWAY ST, BOSTON, MA 02116, (617) 542-3019

Most Recent REAC Score and Release Date: 71c 2/16/2011 *2nd REAC Score and Release Date:* 78c 2/24/2010 *3rd REAC Score and Release Date:* 83c 2/27/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$8,630	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06L000012	2/28/2029	Active	113.4%	LMSA	70	71	14	16	30	9	1	0

PROJECT: *FHA #*:02341027 BURBANK APTS, 18 HAVILAND STREET, BOSTON, MA 02115, *Metro Area (MSA)* Boston, MA-NH

Owner Info: BURBANK APARTMENTS COMPANY, 151 TREMONT ST, BOSTON, MA 02111, (617) 423-7000 *Ownership Type:* Limited Dividend

Management Info: First Realty Management Corporation, 151 Tremont Street, Boston, MA 02111, (617) 423-7000

Most Recent REAC Score and Release Date: 91c 11/19/2009 *2nd REAC Score and Release Date:* 90c 12/14/2005 *3rd REAC Score and Release Date:* 97b 12/5/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
241(f)/ 236 Equity Loan	7.75	$3,051,498	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06M000231	3/31/2011	Expired	125.6%	Preservation	67	173	20	26	21	0	0	0

PROJECT: *FHA #*:02398158 CASA MARIA, 130 ENDICOTT ST, BOSTON, MA 02113, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Casa Maria Apartments Limited Partnership, 95 Berkeley Street, Suite 500, Boston, MA 02116, 617-695-9595 *Ownership Type:* Profit Motivated

Management Info: The Community Builders, Inc., 95 Berkeley Street, BOSTON, MA 02116, (617) 695-9595

Most Recent REAC Score and Release Date: 63c 8/1/2007 *2nd REAC Score and Release Date:* 86c 10/14/2004 *3rd REAC Score and Release Date:* 96a 9/27/2001

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	5.50	$4,386,813	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA061155201	6/16/2030	Active	99.0%	202/8 NC	85	85	3	72	10	0	0	0

PROJECT: *FHA #:*02398100 CASAS BORINQUEN, 79 W BROOKLINE ST, BOSTON, MA 02118, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Casas Borinquen Apartments LP, 640 Tremont St, Boston, MA 02118, (617)927-1700 *Ownership Type:* Profit Motivated

Management Info: MALONEY PROPERTIES, INC, 27 Mica Lane, Wellesley, MA 02481, (781) 943-0200

Most Recent REAC Score and Release Date: 91c 7/30/2008 *2nd REAC Score and Release Date:* 82c 12/7/2005 *3rd REAC Score and Release Date:* 49c 9/30/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	5.94	$4,310,776	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06H058014	7/22/2024	Active	191.9%	HFDA/8 SR	36	36	0	18	6	6	6	0

PROJECT: *FHA #:*023GG00 CASTLE SQUARE, 484 Tremont St, Boston, MA 02116, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Trebhershaw Limited Partnership, Faneuil Hall Marketplace, Boston, MA 02109, (617) 742-4500 *Ownership Type:* Profit Motivated

Management Info: Winn Managed Properties, LLC, Six Faneuil Hall Marketplace, Boston, MA 02109, 617 742 4500

Most Recent REAC Score and Release Date: 84b 3/25/2009 *2nd REAC Score and Release Date:* 87c 9/13/2006 *3rd REAC Score and Release Date:* 87c 10/6/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06M000207	7/31/2029	Active	102.1%	Preservation	75	500	0	11	28	24	12	0
MA06M000192	7/31/2029	Active	100.4%	LMSA	375	500	0	125	122	88	40	0

PROJECT: *FHA #:*02344183 CHAUNCY HOUSE, 115 CHAUNCY ST, BOSTON, MA 02111, *Metro Area (MSA)* Boston, MA-NH

Owner Info: CHAUNCY HOUSE LIMITED PARTNERSHIP, 95 bERKELEY sTREET, bOSTON, MA 02116, 617-695-9595 *Ownership Type:* Limited Dividend

Management Info: The Community Builders, Inc., 95 Berkeley Street, BOSTON, MA 02116, (617) 695-9595

Most Recent REAC Score and Release Date: 94b 10/27/2010 *2nd REAC Score and Release Date:* 79c 11/5/2009 *3rd REAC Score and Release Date:* 61b 11/12/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	8.50	$476,310	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06M000075	8/31/2012	Active	71.9%	LMSA	34	87	13	21	0	0	0	0

PROJECT: *FHA #*:02398188 FRANKLIN PARK, 20 BOWDOIN AVE, BOSTON, MA 02121, *Metro Area (MSA)* Boston, MA-NH

Owner Info: TCB FRANKLIN PARK L.P., 95 BERKELEY ST, BOSTON, MA 02116, (617) 695-9595 *Ownership Type:* Profit Motivated

Management Info: The Community Builders, Inc., 95 Berkeley Street, BOSTON, MA 02116, (617) 695-9595

Most Recent REAC Score and Release Date: 97a 10/10/2007 *2nd REAC Score and Release Date:* 85c 12/9/2004 *3rd REAC Score and Release Date:* 67c 9/11/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	6.20	$11,894,341	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06H058001	4/13/2030	Active	105.0%	HFDA/8 SR	156	220	0	51	79	10	5	11

PROJECT: *FHA #*:02398034 MISSION PARK, 835 HUNTINGTON AVE, BOSTON, MA 02115, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Mission Park L.P., C/O Cornu Management Co., Inc., Boston, MA 02116, (617)542-3019 *Ownership Type:* Profit Motivated

Management Info: THE CORNU MANAGEMENT CO. INC., 95 BROADWAY ST, BOSTON, MA 02116, (617) 542-3019

Most Recent REAC Score and Release Date: 90c 3/12/2008 *2nd REAC Score and Release Date:* 70c 1/31/2007 *3rd REAC Score and Release Date:* 78c 12/7/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-E	7.05	$44,441,377	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06H058039	3/31/2025	Active	192.5%	HFDA/8 NC	775	775	0	391	228	128	28	0

PROJECT: *FHA #*:02311154 PETERBOROUGH HOUSING, 40 PETERBOROUGH ST, BOSTON, MA 02215, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Peterborough Housing Associates, Wingate Management Company, Newton, MA 02459, (781)707-9100 *Ownership Type:* Profit Motivated

Management Info: WINGATE MANAGEMENT CO. INC., Bluestone Place, Newton, MA 02459, (781) 707-9100

Most Recent REAC Score and Release Date: 82b 8/5/2009 *2nd REAC Score and Release Date:* 77c 1/10/2007 *3rd REAC Score and Release Date:* 69c 10/6/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/207/223(f) Refina	5.70	$19,653,643	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA060003013	6/30/2019	Active	160.5%	Sec 8 SR	220	220	16	158	40	6	0	0

PROJECT: *FHA #:*02335173 RESTORATION HOUSING/RHC, 52 FRANCIS ST, BOSTON, MA 02115, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Restoration Housing Corporation, 2 New Whitney Street, Boston, 00 02115, 617-232-4306 *Ownership Type:* Non-Profit

Management Info: S-C Management Corporation, 2 Brookline Pl Ste 206, Brookline, MA 02445, (617) 566-1026

Most Recent REAC Score and Release Date: 79c 1/13/2010 *2nd REAC Score and Release Date:* 76b 7/2/2008 *3rd REAC Score and Release Date:* 77c 7/25/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	7.50	$2,329,838	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA060003074	3/16/2013	Active	135.3%	Sec 8 SR	81	81	0	35	28	10	8	0

PROJECT: *FHA #:*02398074 SOUTH COVE APARTMENTS, 230 STUART ST, BOSTON, MA 02116, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Cove Plaza Associates Ltd Partnership, 170 Newbury St, Boston, MA 02116, 617-266-0044 *Ownership Type:* Profit Motivated

Management Info: Weston Associates Management Company, Inc., 170 Newbury St, Boston, MA 02116, (617) 266-0044

Most Recent REAC Score and Release Date: 86c 9/15/2010 *2nd REAC Score and Release Date:* 95b 6/28/2007 *3rd REAC Score and Release Date:* 80c 8/18/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-E	6.34	$28,499,816	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA060003033	1/10/2023	Active	219.0%	Sec 8 NC	229	231	0	193	36	0	0	0

PROJECT: *FHA #:*02398065 SOUTH END TENANTS HOUSES II, 139 PEMBROKE ST, BOSTON, MA 02118, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Tenants Development II Limited Partnership, 566 Columbus Ave, Boston, MA 02118, (617)247-3988 *Ownership Type:* Limited Dividend

Management Info: THE CORNU MANAGEMENT CO. INC., 95 BROADWAY ST, BOSTON, MA 02116, (617) 542-3019

Most Recent REAC Score and Release Date: 91c 4/29/2009 *2nd REAC Score and Release Date:* 95a 4/26/2001 *3rd REAC Score and Release Date:* 89c 6/24/1999

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	6.03	$20,770,622	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06L000014	5/5/2023	Active	180.7%	LMSA	172	185	14	64	71	7	12	4

PROJECT: *FHA #:*023033NI ST BOTOLPH STREET APTS, 150 ST. BOTOLPH ST, BOSTON, MA 02115, (617)267-8433 — *Metro Area (MSA)* Boston, MA-NH

Owner Info: ST. BOTOLPH STREET ASSOCIATES, 175 FEDERAL STREET, SUITE 700, BOSTON, MA 02110, (617) 482-8925 — *Ownership Type:* Limited Dividend

Management Info: Federal Management Co. Inc., 175 Federal Street, Boston, MA 02110, 617-482-8925

Most Recent REAC Score and Release Date: 91c 10/7/2010 *2nd REAC Score and Release Date:* 87b 11/19/2008 *3rd REAC Score and Release Date:* 81c 12/13/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06M000269	9/14/2016	Active	80.2%	Preservation	92	135	34	39	11	8	0	0

PROJECT: *FHA #:*02311123 ST HELENA HOUSE, 89 UNION PARK ST, BOSTON, MA 02118, — *Metro Area (MSA)* Boston, MA-NH

Owner Info: ST. HELENA'S HOUSE INC, 89 UNION PARK ST, BOSTON, MA 02118, (617) 426-2922 — *Ownership Type:* Non-Profit

Management Info: MALONEY PROPERTIES, INC, 27 Mica Lane, Wellesley, MA 02481, (781) 943-0200

Most Recent REAC Score and Release Date: 68c 5/12/2010 *2nd REAC Score and Release Date:* 74c 12/17/2008 *3rd REAC Score and Release Date:* 63c 12/5/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.63	$4,282,183	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06T831002	6/23/2031	Active	130.1%	202/8 SR	73	74	19	54	0	0	0	0

PROJECT: *FHA #:*02398052 STEARNS THE, 10 TEMPLE PL, BOSTON, MA 02111, — *Metro Area (MSA)* Boston, MA-NH

Owner Info: 10 Temple Place Limited Partnership, c/o Retirement Housing Foundation, Long Beach, CA 90815, 562.257.5100 — *Ownership Type:* Profit Motivated

Management Info: Federal Management Co. Inc., 175 Federal Street, Boston, MA 02110, 617-482-8925

Most Recent REAC Score and Release Date: 90b 9/3/2008 *2nd REAC Score and Release Date:* 42c 2/20/2008 *3rd REAC Score and Release Date:* 59c 11/22/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	6.50	$15,676,242	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA060003055	7/31/2020	Active	184.4%	Sec 8 SR	139	140	4	135	0	0	0	0

PROJECT: *FHA #:*02398049 SYMPHONY PLAZA EAST, 334 MASSACHUSETTS AVE, BOSTON, MA 02115, *Metro Area (MSA)* Boston, MA-NH

Owner Info: 334 Massachusetts Avenue Limited Partnership, c/o Retirement Housing Foundation, Long Beach, CA 90815, 562.257.5100 *Ownership Type:* Profit Motivated

Management Info: Federal Management Co. Inc., 175 Federal Street, Boston, MA 02110, 617-482-8925

Most Recent REAC Score and Release Date: 97b 10/29/2008 *2nd REAC Score and Release Date:* 84c 10/25/2006 *3rd REAC Score and Release Date:* 93c 10/2/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	6.33	$16,465,619	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06H058036	5/31/2020	Active	203.2%	HFDA/8 NC	188	188	54	121	13	0	0	0

PROJECT: *FHA #:*02398050 SYMPHONY PLAZA WEST, 333 MASSACHUSETTS AVE, BOSTON, MA 02115, *Metro Area (MSA)* Boston, MA-NH

Owner Info: 333 Massachusetts Avenue Limited Partnership, c/o Retirement Housing Foundation, Long Beach, CA 98015, 562.257.5100 *Ownership Type:* Profit Motivated

Management Info: Federal Management Co. Inc., 175 Federal Street, Boston, MA 02110, 617-482-8925

Most Recent REAC Score and Release Date: 98b 10/29/2008 *2nd REAC Score and Release Date:* 91b 7/20/2005 *3rd REAC Score and Release Date:* 76a 7/22/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	6.25	$18,918,216	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06H058035	5/31/2020	Active	204.1%	HFDA/8 NC	216	216	62	139	15	0	0	0

PROJECT: *FHA #:*02355108 TAI TUNG VILLAGE, 230 HARRISON AVE, BOSTON, MA 02111, *Metro Area (MSA)* Boston, MA-NH

Owner Info: CCBA Tai Tung Management, Inc., 90 Tyler Street, Boston, MA 02111, (617)542-2574 *Ownership Type:* Non-Profit

Management Info: Winn Management Company LLC, Six Faneuil Hall Marketplace, Boston, MA 02109, 617 742-4500

Most Recent REAC Score and Release Date: 81c 12/30/2009 *2nd REAC Score and Release Date:* 88b 11/7/2007 *3rd REAC Score and Release Date:* 93b 11/25/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(3) BMIR Urban Ren	3.00	$406,835	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06L000032	9/30/2015	Active	97.7%	LMSA	127	214	0	16	81	23	7	0
MA06M000097	9/30/2015	Active	98.2%	LMSA	82	214	0	34	23	14	11	0

PROJECT: *FHA #:*02398058 VICTORIA APARTMENTS, 348 SHAWMUT AVE, BOSTON, MA 02118, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Victoria Associates, 405 Shawmut Avenue, Boston, MA 02118, (617) 266-2668 *Ownership Type:* Limited Dividend

Management Info: MALONEY PROPERTIES, INC, 27 Mica Lane, Wellesley, MA 02481, (781) 943-0200

Most Recent REAC Score and Release Date: 93c 7/2/2009 *2nd REAC Score and Release Date:* 84c 8/1/2007 *3rd REAC Score and Release Date:* 80c 10/5/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	6.83	$27,661,067	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA060003073	4/30/2022	Active	172.2%	Sec 8 NC	190	190	0	11	119	34	23	3

PROJECT: *FHA #:*02336612 WASHINGTON COLUMBIA APTS, 143 COLUMBIA RD, BOSTON, MA 02121, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Washington Columbia Limited Partnership, 628 Washington Street, Dorchester, MA 02124, (617) 825-4224 *Ownership Type:* Profit Motivated

Management Info: Winn Management Company LLC, Six Faneuil Hall Marketplace, Boston, MA 02109, 617 742-4500

Most Recent REAC Score and Release Date: 83b 9/2/2009 *2nd REAC Score and Release Date:* 80c 9/12/2007 *3rd REAC Score and Release Date:* 99b 2/27/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	NW Financial Group	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06E000052	9/30/2025	Active	102.4%	PD/8 MR	151	151	0	55	87	9	0	0

PROJECT: *FHA #:*02336623 WASHINGTON COLUMBIA II, 50 COLUMBIA RD, BOSTON, MA 02121, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Washington Columbia II Limited Partnership, 587 Washington Street, Dorchester, MA 02124, (617) 825-4224 *Ownership Type:* Profit Motivated

Management Info: Winn Management Company LLC, Six Faneuil Hall Marketplace, Boston, MA 02109, 617 742-4500

Most Recent REAC Score and Release Date: 92b 4/3/2008 *2nd REAC Score and Release Date:* 65c 2/21/2007 *3rd REAC Score and Release Date:* 91b 12/4/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	NW Financial Group	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06E000067	2/28/2029	Active	102.4%	PD/8 MR	175	175	0	56	109	10	0	0

PROJECT: *FHA #:*02398106 WESTLAND AVENUE APTS, 66 Westland Ave, Boston, MA 02115, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Westland Avenue Associates, 66 Westland Avenue, Boston, MA 02115, (617) 267-6114 *Ownership Type:* Profit Motivated

Management Info: HALLKEEN MANAGEMENT, INC., 320 NORWOOD PARK SOUTH, NORWOOD, MA 02062, (781) 762-4800

Most Recent REAC Score and Release Date: 97b 10/16/2008 *2nd REAC Score and Release Date:* 67c 10/9/2003 *3rd REAC Score and Release Date:* 99a 9/21/2000

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	6.05	$10,034,878	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA060010034	9/23/2024	Active	189.6%	Sec 8 SR	30	97	3	6	14	6	1	0

PROJECT: *FHA #:*023GG00 COVENANT HOUSE I&II, 30 Washington Street, Brighton, MA 02135, 6172778932 *Metro Area (MSA)* Boston, MA-NH

Owner Info: B'nai B'rith I & II, Inc., 30 Washington St, Brighton, MA 02135, 6172778932 *Ownership Type:* Non-Profit

Management Info: Barkan Management Company, Inc., 24 Farnsworth St, Boston, MA 02210, (617) 482-5500

Most Recent REAC Score and Release Date: 95b 5/7/2009 *2nd REAC Score and Release Date:* 85c 5/2/2007 *3rd REAC Score and Release Date:*

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06T781011	8/31/2012	Active	108.4%	202/8 NC	149	200	0	141	8	0	0	0

PROJECT: *FHA #:*02335348 LEVENTHAL HOUSE, 40 WALLINGFORD RD, BRIGHTON, MA 02135, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Leventhal Limited Partnership, 30 Wallingford Rd., Brighton, MA 02135, 6179128402 *Ownership Type:* Profit Motivated

Management Info: JEWISH COMMUNITY HOUSING FOR THE ELDERLY, 30 WALLINGFORD RD, BRIGHTON, MA 02135, (617) 912-8404

Most Recent REAC Score and Release Date: 87c 7/22/2010 *2nd REAC Score and Release Date:* 65c 11/29/2006 *3rd REAC Score and Release Date:* 95b 12/25/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	5.19	$13,562,732	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06M000095	9/30/2026	Active	199.2%	LMSA	48	254	21	27	0	0	0	0
MA06L000038	9/30/2026	Active	200.6%	LMSA	205	254	37	168	0	0	0	0

PROJECT: *FHA #:*02311214 RESERVOIR TOWERS, 1925 COMMONWEALTH AVE, BRIGHTON, MA 02135, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Reservoir Towers Associates, Wingate Management Company, Newton, MA 02459, (781)707-9100 *Ownership Type:* Profit Motivated

Management Info: WINGATE MANAGEMENT CO. INC., Bluestone Place, Newton, MA 02459, (781) 707-9100

Most Recent REAC Score and Release Date: 93b 4/22/2009 *2nd REAC Score and Release Date:* 43c 10/1/2008 *3rd REAC Score and Release Date:* 99b 7/1/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/207/223(f) Refina	3.55	$22,743,635	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06H058006	6/30/2016	Active	181.1%	HFDA/8 NC	145	242	0	110	35	0	0	0

PROJECT: *FHA #:*023015NI BRISTON ARMS, 241 GARDEN ST, CAMBRIDGE, MA 02138, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Briston Arms LLC, 247 Garden St, Cambridge, MA 02138, 617-868-2400 *Ownership Type:* Limited Dividend

Management Info: MB Management Company LLC, 220 Forbes Rd, Suite 205, Braintree, MA 02184, (781) 356-2719

Most Recent REAC Score and Release Date: 90c 12/13/2006 *2nd REAC Score and Release Date:* 73c 10/12/2005 *3rd REAC Score and Release Date:* 96b 12/5/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06M000263	1/31/2015	Active	80.1%	Preservation	73	154	13	24	34	2	0	0

PROJECT: *FHA #:*02344018 HARWELL HOMES, 1 CITIZEN PL, CAMBRIDGE, MA 02141, *Metro Area (MSA)* Boston, MA-NH

Owner Info: HARWELL HOMES , INC. % MEREDITH MANAGEMENT CORP., ONE BRIDGE ST., SUITE 300, NEWTON, MA 02458, (617) 965-2200 *Ownership Type:* Non-Profit

Management Info: MEREDITH MANAGEMENT CORP, One Bridge Street, NEWTON, MA 02458, (617)965-2200

Most Recent REAC Score and Release Date: 63c 3/16/2011 *2nd REAC Score and Release Date:* 57c 9/3/2009 *3rd REAC Score and Release Date:* 86b 9/12/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.50	$70,267	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06M000120	9/30/2012	Active	65.8%	LMSA	17	56	0	11	4	1	1	0

PROJECT: *FHA #:*023039NI INMAN SQUARE APARTMENTS, 1221 CAMBRIDGE ST, CAMBRIDGE, MA 02139, *Metro Area (MSA)* Boston, MA-NH

Owner Info: INMAN SQUARE APARTMENTS CO., 1221 CAMBRIDGE ST, CAMBRIDGE, MA 02139, (617) 492-7818 *Ownership Type:* Non-Profit

Management Info: Better Cities Management, Inc., , , , 617/492-7818

Most Recent REAC Score and Release Date: 80b 12/8/2010 *2nd REAC Score and Release Date:* 60c 12/10/2009 *3rd REAC Score and Release Date:* 56c 9/24/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06H058062	8/19/2019	Active	112.8%	HFDA/8 SR	9	125	0	3	6	0	0	0

PROJECT: *FHA #:*02344039 RINDGE APTS. (402), 402 RINDGE AVE, CAMBRIDGE, MA 02140, *Metro Area (MSA)* Boston, MA-NH

Owner Info: 402 RINDGE CORPORATION, 402 Rindge Avenue, Cambridge, MA 02140, (617)876-5855 *Ownership Type:* Non-Profit

Management Info: S-C Management Corporation, 2 Brookline Pl Ste 206, Brookline, MA 02445, (617) 566-1026

Most Recent REAC Score and Release Date: 80b 11/4/2009 *2nd REAC Score and Release Date:* 87b 8/29/2007 *3rd REAC Score and Release Date:* 88c 9/15/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.50	$844,550	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06M000136	5/31/2012	Active	53.0%	LMSA	55	273	7	23	25	0	0	0

PROJECT: *FHA #:*02398051 WALDEN SQUARE APTS, 21 WALDEN SQUARE RD, CAMBRIDGE, MA 02140, *Metro Area (MSA)* Boston, MA-NH

Owner Info: WSQ Limited Partnership, 6 Faneuil Hall Marketplace, Boston, MA 02109, (617) 742-4500 *Ownership Type:* Limited Dividend

Management Info: Winn Managed Properties, LLC, Six Faneuil Hall Marketplace, Boston, MA 02109, 617 742 4500

Most Recent REAC Score and Release Date: 95b 11/11/2009 *2nd REAC Score and Release Date:* 82c 11/14/2007 *3rd REAC Score and Release Date:* 72c 12/20/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	7.13	$9,243,445	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06M000137	5/26/2022	Active	150.7%	LMSA	48	240	0	1	4	13	26	4

PROJECT: *FHA #:*02344210 CHARLES NEWTOWN COOP, 32 OLD LANDING WAY, CHARLESTOWN, MA 02129, *Metro Area (MSA)* Boston, MA-NH

Owner Info: The Cooperative of CharlesNEWtown Housing, Inc., 10 Old Ironsides Way, Charlestown, MA 02129, 6172420808 *Ownership Type:* Non-Profit

Management Info: S-C Management Corp, 2 Brookline Place, Brookline, MA 02445, (617) 566-1026

Most Recent REAC Score and Release Date: 86c 8/10/2005 *2nd REAC Score and Release Date:* 86c 12/12/2002 *3rd REAC Score and Release Date:* 85c 12/7/2000

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06L000029	1/31/2026	Active	137.7%	LMSA	262	262	0	19	98	113	32	0

PROJECT: *FHA #:*02398094 CITY SQUARE ELDERLY HSG, 42 Park St, Charlestown, MA 02129, *Metro Area (MSA)* Boston, MA-NH

Owner Info: CITY SQUARE ELDERLY HOUSING, INC., 110 Florence St, Malden, MA 02148, (781)324-6600 *Ownership Type:* Non-Profit

Management Info: Cooperative Services, Incorporated, 8425 E. Twelve Mile Road, Warren, MI 48093, (586) 753-9002

Most Recent REAC Score and Release Date: 99a 2/24/2010 *2nd REAC Score and Release Date:* 90b 1/11/2001 *3rd REAC Score and Release Date:* 70c 11/4/1999

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	5.61	$7,398,743	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06T791041	1/9/2026	Active	100.1%	202/8 SR	119	120	31	88	0	0	0	0

PROJECT: *FHA #:*02398107 MARY COLBERT APARTMENTS, 20 DEVENS ST, CHARLESTOWN, MA 02129, *Metro Area (MSA)* Boston, MA-NH

Owner Info: CHARLESTOWN ECONOMIC DEVELOPMENT CORP., 20 Devens St, Charlestown, MA 02129, (617) 242-2417 *Ownership Type:* Non-Profit

Management Info: Barkan Management Company, Inc., 24 Farnsworth St, Boston, MA 02210, (617) 482-5500

Most Recent REAC Score and Release Date: 91a 9/17/2008 *2nd REAC Score and Release Date:* 71c 10/24/2007 *3rd REAC Score and Release Date:* 58c 3/28/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-E	5.87	$1,583,229	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA063042201	7/31/2012	Active	164.0%	202/8 SR	30	30	0	28	2	0	0	0

PROJECT: *FHA #:*02344249 BROADWAY GLEN, 855 BROADWAY, CHELSEA, MA 02150, *Metro Area (MSA)* Boston, MA-NH

Owner Info: New Broadway Glen Apartments Limited Partnership, 75 McNeil Way, Dedham, MA 02026, 7813265800 *Ownership Type:* Limited Dividend

Management Info: First Realty Management Corporation, 151 Tremont Street, Boston, MA 02111, (617) 423-7000

Most Recent REAC Score and Release Date: 98b 11/25/2009 *2nd REAC Score and Release Date:* 97b 10/25/2006 *3rd REAC Score and Release Date:* 89c 10/28/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	8.50	$1,113,700	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06M000169	5/31/2014	Active	81.4%	LMSA	119	120	0	21	98	0	0	0

PROJECT: *FHA #:*02398092 COLLINS NON-PROFIT APTS, 150 CAPTAINS ROW, CHELSEA, MA 02150, *Metro Area (MSA)* Boston, MA-NH

Owner Info: COLLINS NON-PROFIT APARTMENTS, INC., 8425 E. 12 Mile Rd., Warren, MI 48093, (586) 753-9002 *Ownership Type:* Non-Profit

Management Info: Cooperative Services, Incorporated, 8425 E. Twelve Mile Road, Warren, MI 48093, (586) 753-9002

Most Recent REAC Score and Release Date: 90b 9/24/2008 *2nd REAC Score and Release Date:* 75c 9/27/2007 *3rd REAC Score and Release Date:* 68c 11/1/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-E	6.33	$6,431,706	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06T841029	8/7/2026	Active	104.4%	202/8 NC	99	100	26	73	0	0	0	0

PROJECT: *FHA #:*02311148 CARDINAL MEDEIROS MANOR, 11 WOODCLIFF ST, DORCHESTER, MA 02125, *Metro Area (MSA)* Boston, MA-NH

Owner Info: National Union Senior Citizen Housing, Inc, c/o Peabody Properties, Quincy, MA 02169, (617)328 1313-Guy *Ownership Type:* Non-Profit

Management Info: Peabody Properties, Inc., 536 Granite St, Braintree, MA 02184, (781) 794-1000

Most Recent REAC Score and Release Date: 98a 10/29/2008 *2nd REAC Score and Release Date:* 91c 12/25/2003 *3rd REAC Score and Release Date:* 99a 11/9/2000

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.10	$3,796,223	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06T841008	3/16/2027	Active	137.7%	202/8 NC	54	55	13	41	0	0	0	0

PROJECT: *FHA #:*02336610 DORCHESTER BAY/GRANITE #9, 414 COLUMBIA RD, DORCHESTER, MA 02125, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Glendale Associates Limited Partnership, 594 Columbia Road, Dorchester, MA 02125, 617-825-4200 *Ownership Type:* Profit Motivated

Management Info: MALONEY PROPERTIES, INC, 27 Mica Lane, Wellesley, MA 02481, (781) 943-0200

Most Recent REAC Score and Release Date: 62c 6/9/2010 *2nd REAC Score and Release Date:* 61c 5/27/2009 *3rd REAC Score and Release Date:* 72c 6/4/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	NW Financial Group	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06E000055	8/5/2026	Active	114.9%	PD/8 MR	134	134	20	74	32	8	0	0

PROJECT: *FHA #:*02336614 FIELDS CORNER/GRANITE #8, 60 CHARLES ST, DORCHESTER, MA 02122, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Fields Corner Granite Limited Partnership, 1 Arcadia Place, Dorchester, MA 02122, (617) 282-2093 *Ownership Type:* Profit Motivated

Management Info: ARCADIAN MANAGEMENT CO. INC., ONE ARCADIA PL, DORCHESTER, MA 02122, (617) 282-2093

Most Recent REAC Score and Release Date: 80b 10/28/2009 *2nd REAC Score and Release Date:* 51c 7/2/2008 *3rd REAC Score and Release Date:* 44c 10/17/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	NW Financial Group	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06E000054	9/30/2025	Active	100.7%	PD/8 MR	67	67	1	24	24	7	5	6

PROJECT: *FHA #:*02336613 LENA PARK APARTMENTS, 4 ESMOND ST, DORCHESTER, MA 02121, (617)288-8330 *Metro Area (MSA)* Boston, MA-NH

Owner Info: Granite Lena Park Limited Partnership, General Partner: Granite Lena Park, Inc.., Boston, MA 02124, (617) 288-8330 *Ownership Type:* Profit Motivated

Management Info: Winn Management Co., Inc., 6 Faneuil Hall Marketplace, Boston, MA 02109, (617) 742-4500

Most Recent REAC Score and Release Date: 61b 11/18/2010 *2nd REAC Score and Release Date:* 90c 7/18/2007 *3rd REAC Score and Release Date:* 97c 12/5/2002

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	NW Financial Group	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06E000051	7/31/2025	Active	112.6%	PD/8 MR	143	143	0	39	75	27	2	0

PROJECT: *FHA #:*02336621 VETERANS BENEFITS CLEARINGHOUSE, 495 BLUE HILL AVE, DORCHESTER, MA 02121, *Metro Area (MSA)* Boston, MA-NH

Owner Info: VBC Housing Limited Partnership, 495 Blue Hill Avenue, Dorchester, MA 02121, (617) 445-7030 *Ownership Type:* Limited Dividend

Management Info: United Housing Management LLC, 530 Warren Street, Dorchester, MA 02121, 617-541-5510

Most Recent REAC Score and Release Date: 95c 3/19/2008 *2nd REAC Score and Release Date:* 76c 3/22/2007 *3rd REAC Score and Release Date:* 78c 3/29/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4)/ 244 Mkt. Rate/ C	11.05	$1,042,949	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06E000063	6/30/2031	Active	128.2%	PD/8 MR	30	30	4	10	6	10	0	0

PROJECT: *FHA #:*02344269 WAYNE APTS, 2 ELM HILL PARK, DORCHESTER, MA 02121, *Metro Area (MSA)* Boston, MA-NH

Owner Info: WAYNE APARTMENTS PROJECT L.P., ONE JOHN ELLIOT SQ, ROXBURY, MA 02119, (617) 445-6901 *Ownership Type:* Limited Dividend

Management Info: CRUZ MANAGEMENT CO., INC., One John Elliot Square, Roxbury, MA 02119, 617-4456901

Most Recent REAC Score and Release Date: 78b 5/13/2010 *2nd REAC Score and Release Date:* 69c 1/28/2009 *3rd REAC Score and Release Date:* 82c 1/31/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
236(j)(1)/ Lower Income Fa	7.00	$1,267,376	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06M000191	6/30/2031	Active	123.6%	LMSA	349	349	7	104	191	33	10	4

PROJECT: *FHA #:*02398044 SHORE PLAZA EAST, 408 BORDER ST, EAST BOSTON, MA 02128, *Metro Area (MSA)* Boston, MA-NH

Owner Info: EBSP Associates, LLC, c/o LIHC, Portland, ME 04101, 207 772 8800 *Ownership Type:* Limited Dividend

Management Info: Weston Associates Management Company, Inc., 170 Newbury St, Boston, MA 02116, (617) 266-0044

Most Recent REAC Score and Release Date: 89c 9/24/2009 *2nd REAC Score and Release Date:* 88c 10/3/2007 *3rd REAC Score and Release Date:* 62c 11/22/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-E	7.17	$33,415,212	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06M000172	4/5/2026	Active	120.3%	LMSA	378	380	0	211	83	68	16	0

PROJECT: *FHA #:*02398147 BACK OF THE HILL, 100 S HUNTINGTON AVE, JAMAICA PLAIN, MA 02130, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Back of the Hill Apartments Limited Partnership, 95 Berkeley Street, Suite 500, Boston, MA 02116, 617-695-9595 *Ownership Type:* Profit Motivated

Management Info: The Community Builders, Inc., 95 Berkeley Street, BOSTON, MA 02116, (617) 695-9595

Most Recent REAC Score and Release Date: 97b 7/21/2010 *2nd REAC Score and Release Date:* 77c 9/16/2009 *3rd REAC Score and Release Date:* 63c 11/15/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	5.40	$7,291,569	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA063238201	2/24/2027	Active	121.9%	202/8 NC	124	125	0	99	19	6	0	0

PROJECT: *FHA #:*02311191 CUMMINS TOWERS, 855 AMERICAN LEGION HWY, ROSLINDALE, MA 02131, *Metro Area (MSA)* Boston, MA-NH

Owner Info: CUMMINS TOWERS CO., 151 TREMONT ST, BOSTON, MA 02111, (617) 423-7000 *Ownership Type:* Profit Motivated

Management Info: First Realty Management Corporation, 151 Tremont Street, Boston, MA 02111, (617) 423-7000

Most Recent REAC Score and Release Date: 90c 5/7/2008 *2nd REAC Score and Release Date:* 70c 5/16/2007 *3rd REAC Score and Release Date:* 80c 4/6/2005

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	3.95	$19,347,008	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06M000240	7/1/2020	Active	116.0%	Preservation	130	239	3	70	46	11	0	0
MA06L000064	7/1/2020	Active	116.4%	LMSA	50	239	0	20	27	3	0	0

PROJECT: *FHA #:*023GG00 COUNCIL TOWER, 2875 WASHINGTON ST, ROXBURY, MA 02119, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Council of Elders Housing Corporation, 2875 Washington Street, Boston, MA 02119, 6174278194 *Ownership Type:* Non-Profit

Management Info: ROGERSON COMMUNITIES, ONE FLORENCE ST, BOSTON, MA 02131, (617)363-2300

Most Recent REAC Score and Release Date: 70c 11/20/2003 *2nd REAC Score and Release Date:* 77b 10/24/2002 *3rd REAC Score and Release Date:* 82b 12/17/2000

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06T801014	5/29/2030	Active	130.3%	202/8 NC	144	145	28	116	0	0	0	0

PROJECT: *FHA #:*02335276 DIMOCK-BRAGDON APTS, 1841 COLUMBUS AVE, ROXBURY, MA 02119, *Metro Area (MSA)* Boston, MA-NH

Owner Info: DIMOCK BRAGDON ASSOCIATES., 1542 Columbus Avenue, Roxbury, MA 02119, (617) 989-9300 *Ownership Type:* Limited Dividend

Management Info: Winn Managed Properties, LLC, Six Faneuil Hall Marketplace, Boston, MA 02109, 617 742 4500

Most Recent REAC Score and Release Date: 94a 5/12/2010 *2nd REAC Score and Release Date:* 64c 4/1/2009 *3rd REAC Score and Release Date:* 41c 11/21/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	12.13	$2,403,716	N	Yes	Mrtg Rstr	NW Financial Group	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA060010025	2/5/2015	Active	137.5%	Sec 8 SR	54	54	0	4	25	25	0	0

PROJECT: *FHA #:*02311141 MADISON PARK IV, 122 DEWITT DRIVE, ROXBURY, MA 02120, *Metro Area (MSA)* Boston, MA-NH

Owner Info: New Madison Park IV Limited Partnership, 122 Dewitt Street, Roxbury, MA 02119, 6174458338 *Ownership Type:* Profit Motivated

Management Info: Winn Management Company LLC, Six Faneuil Hall Marketplace, Boston, MA 02109, 617 742-4500

Most Recent REAC Score and Release Date: 92c 5/7/2009 *2nd REAC Score and Release Date:* 74b 5/8/2008 *3rd REAC Score and Release Date:* 83c 11/4/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	6.25	$12,961,748	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA060003075	6/30/2013	Active	160.1%	Sec 8 NC	143	143	0	0	126	17	0	0

PROJECT: *FHA #:*02398060 MT PLEASANTS APTS, 2 WAVERLY ST, ROXBURY, MA 02119, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Roxbury-Mount Pleasant L. P., c/o Silver Street Development Corp., Portland, ME 04101, 207-780-9800 *Ownership Type:* Limited Dividend

Management Info: Housing Management Resources, Inc., 500 Victory Rd, Quincy, MA 02171, 617-471-7666

Most Recent REAC Score and Release Date: 81c 10/21/2009 *2nd REAC Score and Release Date:* 81c 9/27/2007 *3rd REAC Score and Release Date:* 93b 10/14/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-E	6.75	$6,806,577	N	Yes	Mrtg Rstr	RER Solutions, Inc.	Y	Y

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06A017001	1/9/2014	Active	116.4%	Sec 8 SR	98	98	3	51	40	4	0	0

PROJECT: *FHA #*:02398008 NEW PORT ANTONIO APTS, 8 IRWIN AVE, ROXBURY, MA 02119, *Metro Area (MSA)* Boston, MA-NH

Owner Info: New Port Antonio Limited Partnership, c/o United Housing Management LLC, DORCHESTER, MA 02121, 617 5415510 *Ownership Type:* Limited Dividend

Management Info: United Housing Management LLC, 530 Warren Street, Dorchester, MA 02121, 617-541-5510

Most Recent REAC Score and Release Date: 86c 10/28/2009 *2nd REAC Score and Release Date:* 89c 12/5/2007 *3rd REAC Score and Release Date:* 73c 1/18/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-E	8.00	$4,208,780	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06E000076	8/31/2015	Active	104.2%	PD/8 Existing	227	227	0	91	88	32	16	0

PROJECT: *FHA #*:02336611 NUESTRA COMUNIDAD, 1 FOREST PL, ROXBURY, MA 02119, *Metro Area (MSA)* Boston, MA-NH

Owner Info: La Concha Limited Partnership, 56 Warren Street, Boston, MA 02119, (617)989-1209 *Ownership Type:* Profit Motivated

Management Info: Winn Management Company LLC, Six Faneuil Hall Marketplace, Boston, MA 02109, 617 742-4500

Most Recent REAC Score and Release Date: 70c 8/4/2010 *2nd REAC Score and Release Date:* 89c 11/21/2007 *3rd REAC Score and Release Date:* 56c 8/30/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	Yes	Mrtg Rstr	NW Financial Group	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06E000056	7/31/2028	Active	104.0%	PD/8 MR	97	97	0	36	33	20	7	1

PROJECT: *FHA #*:02311130 PARK GARDENS, 24 WALNUT PARK, ROXBURY, MA 02119, *Metro Area (MSA)* Boston, MA-NH

Owner Info: 1982 PARK GARDENS L. P., 1 John Eliot Square, Roxbury, MA 02119, 6174458517 *Ownership Type:* Profit Motivated

Management Info: CRUZ MANAGEMENT CO., INC., One John Elliot Square, Roxbury, MA 02119, 617-4456901

Most Recent REAC Score and Release Date: 84b 6/10/2009 *2nd REAC Score and Release Date:* 81c 5/2/2007 *3rd REAC Score and Release Date:* 62c 9/9/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
207/ 223(f) Pur/ Refin Hsg.	5.98	$2,799,005	Y	Yes	Rent Rdct	RER Solutions, Inc.	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06E000026	8/31/2013	Active	126.8%	PD/8 Existing	38	38	0	18	20	0	0	0

PROJECT: *FHA #:*02335222 SARAH BAKER MANOR, 33 PERRIN ST, ROXBURY, MA 02119, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Sarah Baker Manor Associates, One John Eliot Square, Roxbury, MA 02119, (617) 445-6901 *Ownership Type:* Limited Dividend

Management Info: CRUZ MANAGEMENT CO., INC., One John Elliot Square, Roxbury, MA 02119, 617-4456901

Most Recent REAC Score and Release Date: 76b 12/22/2010 *2nd REAC Score and Release Date:* 62b 12/9/2009 *3rd REAC Score and Release Date:* 81b 12/26/2007

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
221(d)(4) Mkt. Rate Mod Inc	7.50	$1,261,604	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06A017002	8/17/2012	Active	140.3%	Sec 8 SR	41	41	0	34	7	0	0	0

PROJECT: *FHA #:*02398165 SCHOOL HOUSE KENILWORTH WILLIAMS, 6 KENILWORTH ST, ROXBURY, MA 02119, *Metro Area (MSA)*

Owner Info: School House Kenilworth Williams LP, 536 Granite Street, Braintree, MA 02184, 781-794-1000 *Ownership Type:* Profit Motivated

Management Info: Peabody Properties, Inc., 536 Granite St, Braintree, MA 02184, (781) 794-1000

Most Recent REAC Score and Release Date: 82c 9/19/2007 *2nd REAC Score and Release Date:* 68c 7/26/2006 *3rd REAC Score and Release Date:* 62c 7/15/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-R	8.00	$1,261,569	N	Yes	Mrtg Rstr	NW Financial Group	Y	

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA060003090	6/30/2028	Active	104.5%	Sec 8 SR	38	38	0	9	23	2	4	0

PROJECT: *FHA #:*02398220 WAIT STREET, 9 WAIT ST, ROXBURY, MA 02120, *Metro Area (MSA)* Boston, MA-NH

Owner Info: WAIT STREET ASSOCIATES, 7 Thomas Drive, Cumberland Foreside, ME 04110, 207-829-9200 *Ownership Type:* Profit Motivated

Management Info: SHP MANAGEMENT COMPANY, 7 Thomas Dr, Cumberland Foreside, ME 04110, 207-829-9200

Most Recent REAC Score and Release Date: 98a 10/17/2007 *2nd REAC Score and Release Date:* 74c 8/2/2006 *3rd REAC Score and Release Date:* 85c 9/4/2003

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06H058110	8/12/2021	Active	127.4%	HFDA/8 SR	100	100	9	71	20	0	0	0

PROJECT: *FHA #*:023GG00 WARDMAN TRUST, 3 WARDMAN RD, ROXBURY, MA 02119, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Wardman UE, LP, c/o Urban Edge, Roxbury, MA 02119, (617)989-0227 *Ownership Type:* Limited Dividend

Management Info: Winn Management Company LLC, Six Faneuil Hall Marketplace, Boston, MA 02109, 617 742-4500

Most Recent REAC Score and Release Date: 85b 6/10/2009 *2nd REAC Score and Release Date:* 82c 5/30/2007 *3rd REAC Score and Release Date:* 69c 8/10/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06E000074	8/31/2015	Active	106.3%	PD/8 Existing	88	88	0	22	34	22	10	0

PROJECT: *FHA #*:02355054 CLARENDON HILL TOWERS, 1366 BROADWAY, SOMERVILLE, MA 02144, 617-625 7150 *Metro Area (MSA)* Boston, MA-NH

Owner Info: CLARENDON HILL TOWERS ASSN, 1366 BROADWAY, SOMERVILLE, MA 02144, (617) 625-7150 *Ownership Type:* Profit Motivated

Management Info: FHRC Management Corporation, 149 Colonial Road, Manchester, CT 06045, 860-646-6555

Most Recent REAC Score and Release Date: 59c 12/16/2009 *2nd REAC Score and Release Date:* 34c 1/8/2009 *3rd REAC Score and Release Date:* 77c 1/3/2008

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
			Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06L000194	5/31/2030	Active	122.3%	LMSA	347	501	0	172	142	33	0	0

PROJECT: *FHA #*:02398167 MT PLEASANT APTS, 70 PERKINS ST, SOMERVILLE, MA 02145, *Metro Area (MSA)* Boston, MA-NH

Owner Info: PERKINS STREET ASSOCIATES, c/o PEABODY PROPERTIES, QUINCY, MA 02169, (617) 3281313 *Ownership Type:* Profit Motivated

Management Info: Peabody Properties, Inc., 536 Granite St, Braintree, MA 02184, (781) 794-1000

Most Recent REAC Score and Release Date: 93b 10/20/2010 *2nd REAC Score and Release Date:* 89b 8/29/2007 *3rd REAC Score and Release Date:* 95b 9/23/2004

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
542(c) HFA Risk Sharing-E	7.70	$5,469,600	N	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06A015004	9/22/2016	Active	144.4%	HFDA/8 NC	65	65	0	42	23	0	0	0

PROJECT: *FHA #:*02311208 PEARL STREET PARK, 240 PEARL ST, SOMERVILLE, MA 02145, *Metro Area (MSA)* Boston, MA-NH

Owner Info: Gilman Square Associates, c/o E.P. Management Co., Beverly, MA 01915, ((978)232-1126 *Ownership Type:* Profit Motivated

Management Info: E. P. Management Corporation, 7 Tozer Rd, Beverly, MA 01915, (978) 232-1126

Most Recent REAC Score and Release Date: 94b 8/19/2010 *2nd REAC Score and Release Date:* 90b 8/22/2007 *3rd REAC Score and Release Date:* 63c 9/27/2006

Section of Act	Interest Rate	Unpaid Balance	Refinanced?	In M2M?	M2M Option	PAE	Completed M2M?	Below Market?
223(a)(7)/207/223(f) Refina	3.95	$8,008,265	Y	No				

S8 Contract #	Expiration Date	Contract Status	Rent Category	Program	Assisted Apts	Total Apts	# Effic.	# 1 BR	# 2 BR	# 3 BR	# 4 BR	#5+ BR
MA06A015010	9/15/2018	Active	129.2%	Sec 8 NC	85	86	0	85	0	0	0	0

TOTAL APARTMENTS AT RISK:

Total Contracts:	83
Total Assisted Apartments:	10,456

Data compiled from several HUD sources and not independently verified. This list does not include Section 202 and 811 properties with PRAC or PAC contracts.

Section 8 Contract information is from February 2012.

Testimony of Sheila Crowley, Ph.D., MSW
President of the National Low Income Housing Coalition
presented to the
Subcommittee on Insurance, Housing, and Community Opportunity
Financial Services Committee,
United States House of Representatives
June 7, 2012

Chairwoman Biggert, Ranking Member Gutierrez, and Members of the Subcommittee, thank you for the opportunity to testify today on the rental housing needs of Americans and the federal government's role, including that of the Federal Housing Administration, in meeting these needs.

I am Sheila Crowley, President of the National Low Income Housing Coalition (NLIHC). NLIHC is dedicated solely to achieving socially just public policy that assures people with the lowest incomes in the United States have affordable and decent homes.

Our members include non-profit housing providers, homeless service providers, fair housing organizations, state and local housing coalitions, public housing agencies, private developers and property owners, housing researchers, local and state government agencies, faith-based organizations, residents of public and assisted housing and their organizations, and concerned citizens. We do not represent any sector of the housing industry. Rather, NLIHC works only on behalf of and with low income people who need safe, decent, and affordable homes, especially those with the most serious housing problems, including people without homes. NLIHC is funded entirely with private contributions.

We organize our work in service of three specific goals for federal housing policy:

- There will be no further loss of federally assisted affordable housing units or federal resources for affordable housing or access to housing by extremely low income people.
- The federal government will increase its investment in housing in order to produce, rehabilitate, and/or subsidize at least 3,500,000 units of housing that are affordable and accessible to the lowest income households in the next ten years.
- Housing stability in the neighborhood of one's choice, which is foundational to good health, employment, educational achievement, and child well-being for people with the lowest incomes, will be the desired outcome of federal low income housing programs.

Because our mission and goals focus on the housing needs of the lowest income people in the United States, we have a keen interest in the health of the rental housing sector, which provides most of the housing for low income households. Nationwide, 35% of all households are renters, but renters comprise 53% of households with incomes at or below 80% of the area median (AMI), 60% of those with incomes at or below 50% AMI, and 67% of households at or below 30% AMI.[1] The annual incomes at these levels in the Chicago-Naperville-Joliet Metro Area are $60,640 (80% AMI), $37,900 (50% AMI) and $22,740 (30% AMI).[2]

Almost everybody will be renters at some point in our lives. Young people, single people, and people with disabilities are more likely to rent than own. A higher portion of city dwellers are renters than are people who live in suburban or rural areas. Renters have more flexibility to move for new job opportunities. While renters may face annual rent increases, their costs are predictable and they do not incur sudden large home repair expenses, making renting more suitable for many seniors on fixed incomes. But the rental housing market perhaps is most important for low income people (80% AMI or less), who make up 41% of all households in the United States.[3] The importance of a healthy rental housing sector should not be underestimated in the functioning of our economy or in the well-being of our citizens.

The number of renters in the United States is on the rise. The increased demand for rental housing in the aftermath of the 2007-2008 housing crisis has been well-documented with families who lost their homes to foreclosure, people not buying homes because of tight credit or loss of income, people who are waiting for the house prices to stabilize before they venture into home ownership, or young people with high college loan debt all entering or staying in rental properties. As a result, vacancy rates are failing and rents are rising. The Joint Center on Housing Studies cites in its forthcoming *State of the Nation's Housing 2012* report that rents increased by 4.7% from the fourth quarter of 2010 to the fourth quarter of 2011. Rents were up in 63 of 64 metro areas examined, with West Coast markets increasing by as much as 12%.[4] In order to afford a modest two-bedroom rental unit today in the Chicago-Naperville-Joliet Metro Area, a household must have a combined annual income of $38,314.[5]

The United States has had a shortage of affordable rental housing for the lowest income households since the 1970s, which marked the onset of contemporary homelessness. The Great Recession has only made it worse. The National Low Income Housing Coalition has documented for many years what is referred to as the rental housing gap, that is, the number of renters in the three low income brackets (80%, 50%, and 30% AMI) and the number of rental housing units that are affordable and available for each income group.

Our latest analysis shows that nationwide there were 9.8 million extremely low income (30% AMI or less) renter households in 2010, up from 9.6 million in 2009. At the same time, the number of rental housing units they could afford fell from 5.9 million in 2009 to 5.5 million in 2010. In 2010, for every 100 extremely low income households, there were only 30 rental units that were affordable (paying no more than 30% of income) and available (not occupied by higher income households) to them. Consequently, 76% of

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[1] Source: NLIHC Tabulations of 2010 ACS PUMS Microdata
[2] Brave et al. (2012). *Out of Reach 2012*, National Low Income Housing Coalition.
[3] Source: NLIHC Tabulations of 2010 ACS PUMS Microdata
[4] Joint Center on Housing Studies. (forthcoming). *State of the Nation's Housing 2012 Report*. Harvard University.
[5] Brave et al. (2012). *Out of Reach 2012*, National Low Income Housing Coalition.

these households spent over half their income on housing. Renters in some states have better odds than those in other states, but no state has anywhere close to a sufficient supply. Illinois only has 28 such units for every 100 extremely low income households.[6] Attached is our latest "gap" report, including a chart that shows variations among the 50 states and DC.

While the shortage is less severe for households in the very low income category (50% AMI or less) and therefore the percent of households who spend more than half of their income for housing is less (36%), the shortage virtually disappears at the low income level (80% AMI). For every 100 low income households, there are 98 affordable and available units nationwide. Indeed, 42 states have a surplus of rental housing that is affordable and available to very low income households.[7]

This shortage of affordable rental housing for extremely low and very low income households is why preservation of the existing federally assisted housing stock is so critical. Without the three million units of Public Housing, Project-based Section 8, and other HUD rental housing programs, the situation would be much worse. Many of the privately owned, federally assisted housing projects are covered by FHA Multifamily mortgage insurance. The preservation imperative is why we are concerned about H.R. 4253 in its current form. While owners should have greater access to funds generated by a property, this access should be for the purpose of reinvesting and preserving the property.

Observers often ask if the shortage of rental housing for the very and extremely low income population is a housing problem or an income problem. The answer is that it is both. The growth in income inequality in the United States means stagnant or reduced incomes for people in the lower end of the income range, so there are simply more people in the market for low cost rental housing. Income supports such as housing vouchers increase access to existing housing for low income people lucky enough to obtain a voucher (75% of vouchers issued must go to extremely low income households). But in many housing markets, families are not able to find suitable housing that can be afforded with vouchers or landlords who are willing to rent to them.

Increasing the supply of rental housing that is affordable to extremely low income is the other side of the solution. The main engine of affordable rental housing production (and preservation) today is the Low Income Housing Tax Credit program. Approximately 2.2 million rental units have been assisted with the Low Income Housing Tax Credit program since the program's inception in 1986, but affordability for the lowest income households can only be achieved by coupling tax credits with Housing Vouchers or, in some cases, state and local housing dollars. A significant number of LIHTC properties also carry FHA Multifamily mortgage insurance and HUD is now working to streamline the FHA approval process so that more LIHTC properties can be covered.

The other federal program that supports affordable rental housing production is the HOME program. However, rental housing is just one use of HOME and since enacted in 1992, only 38% of HOME funds have been used for rental housing. Moreover, like the

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[6] National Low Income Housing Coalition. (2012, February). *Housing Spotlight, 2*(1).
[7] Ibid.

LIHTC program, HOME is not targeted to extremely low income households. Finally, the budget for HOME was cut by 33% in FY12 and will likely remain at the lower level of funding for FY13 at least.

Federal housing policy has long favored single family homeownership over rental housing with most federal housing programs and subsidies going toward home ownership, with the Federal Housing Administration mortgage insurance programs being a case in point. The FHA Multifamily Housing Programs cover a small fracture of the FHA insured properties. According to HUD, FHA's current portfolio consists of 4.8 single family homes and just 13,000 multifamily properties.

Both the FHA Single Family and Multifamily programs have grown considerably since the housing crisis to compensate for lack of private housing finance activity. In the case of the Multifamily program, it is important to note that HUD held no FHA insured multifamily properties in inventory in FY11. Given the considerable need to preserve and produce affordable rental housing, the FHA Multifamily Housing Programs should be valued and enhanced. NLIHC supports the proposal to authorize Ginnie Mae to securitize FHA-HFA Risk- Sharing loans (Section 542(c), especially because this program is targeted to affordable rental housing.

While other FHA Multifamily Programs generally have no affordability requirements, HUD's Strategic Plan calls for these programs to support "expand(ing) the supply of affordable rental homes where they are most needed" with the objective of "hav(ing) affordability, preservation, and sustainability components in 75% of endorsed products."[8] The department expects to reach this goal in FY12.

But much more needs to be done. There is no evidence that the private market is interested in or willing to invest in rental housing that can be afforded by the lowest income household, despite the huge demand. This is a role that government must fill, not unlike flood insurance. While many states and localities have created their own programs, they are small in comparison to the need. There is very activity that takes place in the United States housing sector that is not underwritten by the federal government in some form or fashion.

The Members of the Subcommittee are well acquainted with the National Housing Trust Fund and the National Low Income Housing Coalition's advocacy to get it enacted into law in 2008 and now to get it funded. The National Housing Trust Fund is primarily intended to increase the supply of rental housing that extremely low income households can afford. At least 90% of the funds must be used for rental housing and at least 75% of the funds must benefit extremely low income households and all funds must benefit households with incomes at 50% AMI or less. With sufficient funding, the National Housing Trust Fund will achieve our national goal of ending homelessness in our country.

The National Housing Trust Fund is designed as a block grant to states, distributed by a formula based on need. The states will decide which projects to fund, just as they do

[8] *FHA Annual Management Report, FY 2011,*
http://portal.hud.gov/hudportal/documents/huddoc?id=fhafy11annualmgmntrpt.pdf

with Low Income Housing Tax Credits.

As with most successful housing trust funds at the state or local level, the National Housing Trust Fund should be funded with permanent, dedicated sources of revenue that are not subject to the vicissitudes of the annual appropriations process. In an era of severe resource constraints, the conventional wisdom is that we cannot afford the National Housing Trust Fund or any other new spending for that matter. This is shortsighted. Funding for the National Housing Trust Fund would not only be good for the millions of families who need affordable rental homes, it would create many jobs in the hard hit construction trades and contribute to the recovery of our economy.

The National Housing Trust Fund campaign supports President Obama's proposed $1 billion for the National Housing Trust Fund in FY13 and urges Congress to include this amount or more in any tax package that is considered this year. The campaign also is monitoring deliberations about the future of federal housing finance policy to make sure that whatever entities emerge will have an affordability obligation similar to what was prescribed in HERA for Fannie Mae and Freddie Mac, specifically the requirement to contribute to the National Housing Trust Fund.

It is also the position of the National Housing Trust Fund campaign that the National Housing Trust Fund can and should be funded in a manner that is both budget neutral and would rebalance federal housing policy to place more emphasis on rental housing. The campaign supports a modest reform to the Mortgage Interest Deduction that would provide tax benefits to a greater number of low and moderate income homeowners and would produce enough savings to provide a robust source of funding for the National Housing Trust Fund.

The reform that would achieve both objectives would be to reduce the size of a mortgage eligible for a tax break from $1.1 million (includes home equity loans) to $500,000 and convert the deduction to a non-refundable tax credit set at 15%. These changes would mean that all homeowners with mortgages would get a tax break, not just those who have enough income to file itemized tax returns. The number of homeowners with mortgages who would get tax break would increase from 37 million to 52 million, with 94% of the increase being households with incomes less than $100,000 a year. It also would produce approximately $30 billion in savings that can be used to capitalize the National Housing Trust Fund.

The Mortgage Interest Deduction is under scrutiny today due to its size ($100 billion) and its role in over-subsidizing home ownership by the federal government. We do not support eliminating it, but the reform as proposed above, carefully phased-in, would make federal housing policy much fairer and much more efficient. The challenge will be to assure that any savings achieved from reform are directed back to meeting the nation's long standing housing needs.

I will be happy to answer any questions you may have. Thank you.

HOUSING SPOTLIGHT
National Low Income Housing Coalition
Volume 2, Issue 1 | February 2012

The Shrinking Supply of Affordable Housing

One way to measure the affordable housing problem in the U.S. is to compare the number of renter households with incomes under a specified level with the number of rental housing units that are affordable and available[1] to them. This approach is called affordable housing "gap" analysis.

At a time when more people in the U.S. are poor than have been in decades and when unemployment remains high, it should come as no surprise that the affordable housing gap is growing. More people with less income are looking for homes to rent at the same time that rents are rising. The obvious outcome of this mismatch between supply and demand is that some people do not have homes at all – they become homeless. The existence of the gap is not a matter of debate.

In this issue of *Housing Spotlight*, NLIHC uses new data from the 2010 American Community Survey (ACS) Public Use Microdata Sample (PUMS) to examine the disparity between the current supply of homes for rent and the number of low income households who need rental homes they can afford.[2] NLIHC also reexamines 2009 data using a revised methodology in order to make comparisons between 2009 and 2010.

LOWEST INCOME RENTERS FACE INADEQUATE SUPPLY OF AFFORDABLE HOUSING UNITS

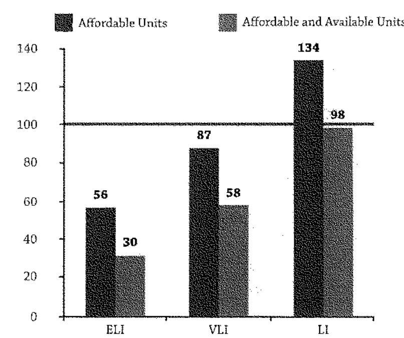
In 2010, there were approximately 40 million renter households in the United States. One in four, 9.8 million, had incomes that can be classified as extremely low (ELI) using HUD categories. (See Box 1 for definition of extremely low income and other HUD income categories). This is an increase of almost 200,000 ELI households between 2009 and 2010. However, the supply of rental units affordable to ELI households, which was already woefully inadequate to meet this need, decreased from 2009 to 2010 by over 200,000 units.

In 2010, there were 5.5 million rental units affordable to these 9.8 million ELI renters, producing an absolute deficit of 4.3 million affordable units. This is an increase in the shortage of 400,000 such units, which stood at 3.9 million in 2009. Another way of describing the gap is that for every 100 ELI renters in 2010, there were only 56 units they could potentially live in without spending more than 30% of their income on housing and utility costs (Chart 1). The comparahle number in 2009 was 59.

ELI renter households are not the only ones facing a shortage of affordable units. Those below the very low income (VLI) threshold also experienced a shortage, with only 87 affordable units for every 100 VLI renter households in 2010. Their situation grew even more dire since 2009, when there were 94 affordable units per 100 VLI renter households.

It is important to note that a surplus of affordable units was found for households in the low income (LI) category in 2010. There were 134 units for every 100 renter households. In 2009, there were 137 units for every 100 LI renter households.

Chart 1: Affordable, and Affordable and Available Units for Every 100 Renter Household at or Below Income Threshold (MMFI 2010)



Source: NLIHC Tabulations of 2010 ACS PUMS Data

1 An affordable unit is one in which a household at the defined income threshold can rent without paying more than 30% of its income on housing and utility costs. A unit is affordable and available if that unit is both affordable and vacant, or is currently occupied by a household at the defined income threshold or below.

2 NLIHC also conducts a "gap" analysis using data from the biannual American Housing Survey done by the U.S. Census Bureau and HUD. Although the datasets produce somewhat different numbers, the finding that there is a large and growing gap between the number of ELI renter households and rental housing they can afford is consistent.

AFFORDABLE DOES NOT MEAN AVAILABLE

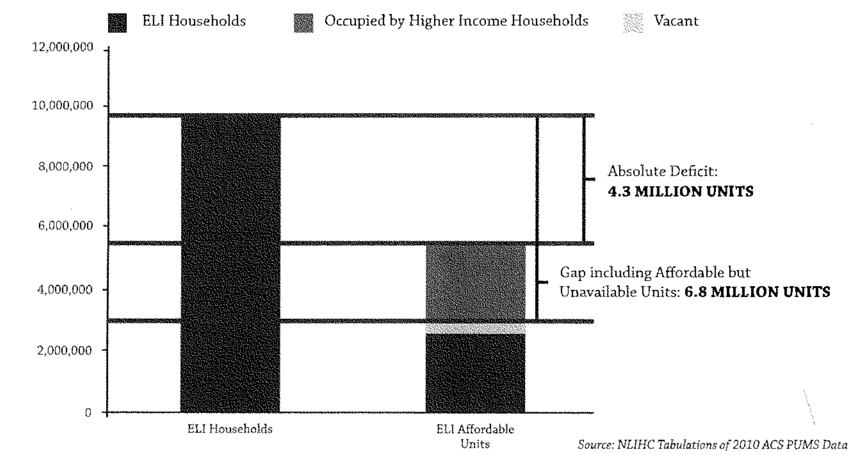
The gap analysis cannot stop at computing just the shortage of units that are affordable to ELI and VLI renters, because not all of the units that are affordable are available or appropriate for them to rent. First of all, many of those units are occupied by higher income renters, and thus are not available for rent by those most in need. Other reasons these affordable units may not be available are that some may be in poor condition, and others might be too far from jobs and public transportation. Finally, the range of affordable rents varies considerably within each income category, so that a unit affordable to someone with income at 29% of the area median, for example, is not likely to be affordable for someone with income at 15% of the area median.

FOR EVERY **100** ELI RENTER HOUSEHOLDS,
THERE ARE ONLY **30** AFFORDABLE AND AVAILABLE UNITS.

With these data it is possible to take into account the fact that higher income renters are occupying the most affordable units. When the analysis accounts for which households in which income groups actually live in these units, the shortage of units for ELI renter households is much greater. The true deficit of rental units that were affordable and available for ELI households in 2010 was actually 6.8 million, much higher than the affordable-only deficit of 4.3 million. Thus, there were only 3 million units that were both affordable and available to the 9.8 million ELI renter households in the U.S. in 2010 (Chart 2). This equals just 30 affordable and available units per 100 ELI renter households. In 2009, the shortage of units affordable and available to ELI renter households was 6.4 million and there were 33 affordable and available units per 100 ELI renter households.

Yet again, it is not just ELI households who face this problem. Though the situation improves somewhat when the income threshold is increased, households at the VLI level still face a shortage, with just 58 affordable and available units per 100 renter households at the VLI threshold or below. There were 62 affordable and available units per 100 VLI renter households in 2009. Finally, while in 2009, there was a slight surplus of affordable and available units for renter households at or below the LI threshold (101 units), there was a slight deficit in 2010, with 98 affordable and available units per 100 LI renters.

Chart 2: Renters and Affordable Units, by Occupancy Status, At or Below the ELI Threshold (MMFI 2010)



Source: NLIHC Tabulations of 2010 ACS PUMS Data

AFFORDABLE RENTAL SHORTAGE CREATES HEAVY BURDEN FOR ELI RENTERS

What are the consequences of this severe deficit of housing units that are both affordable and available to the lowest income renters? Some families must live in substandard housing, at the mercy of landlords who know their tenants have no other choice. Many must live long distances from their jobs, reducing family time. Others "double up" with other households, often resulting in crowded and stressful conditions.

But the most common result is that the vast majority of ELI households must spend excessive portions of their limited income on rent and utility costs. Some owner and renter households at all income levels face some level of housing cost burden, but it is ELI renters who experience the most severe cost burdens. If the standard for housing affordability is 30% or less of household income, anyone who pays more than that is said to have a housing cost burden. Paying more than half of one's income for housing and utility costs is considered a severe housing cost burden.

In 2010, half (50%) of all renters had some level of housing cost burden and of those, 27% had a severe housing cost burden, compared to 29% of all homeowners living with a housing cost burden, and just 12% of those owners facing a severe housing cost burden. Of those renters paying more than half of their income on housing costs, 68.1% of them were ELI, 23.8% were VLI, 6.6% were LI, and just 1.4% earned 80% or more of AMI (Chart 3). Three-quarters (76%) of ELI renter households spent the majority of their income on rent and utilities, leaving them with little money left for other necessities such as food, medicine, transportation, and childcare. These are the households that are most vulnerable to becoming homeless if their incomes go down or they have unexpected expenses.

As might be expected, based on the loss of affordable and available rental units since 2009, more families were living with severe cost burden in 2010 than in 2009. The percentage of renter households paying more than half of their income on rent and utilities increased across all income groups, with ELI and VLI renters most affected. Seventy-six percent of ELI renters and 36% of VLI renters had a severe housing cost burden in 2010, compared with 74% and 34% respectively in 2009.

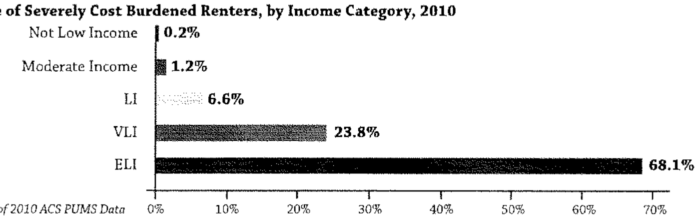
AFTER PAYING RENT AND UTILITIES, **3/4** OF ELI RENTER HOUSEHOLDS HAVE LESS THAN **50%** OF THEIR INCOME LEFT FOR FOOD, MEDICINE, TRANSPORTATION, CHILDCARE, AND OTHER ESSENTIAL COSTS.

ELI RENTERS HURTING IN EVERY STATE

Examination of the gap numbers by state reveals considerable variability in the affordable rental housing shortage. Table 1 shows the number of affordable units per 100 renter households at various income thresholds, the number of affordable and available units per 100 renter households at the same income thresholds and the percent of renters in each income category who experience severe housing cost burdens by state. The absolute shortage of affordable units is greatest in the Western states of Nevada, California, Arizona and Oregon, while Alaska, North Dakota, Montana, and Wyoming, some of the least populous states, appear to have a sufficient supply of affordable units for their ELI households.

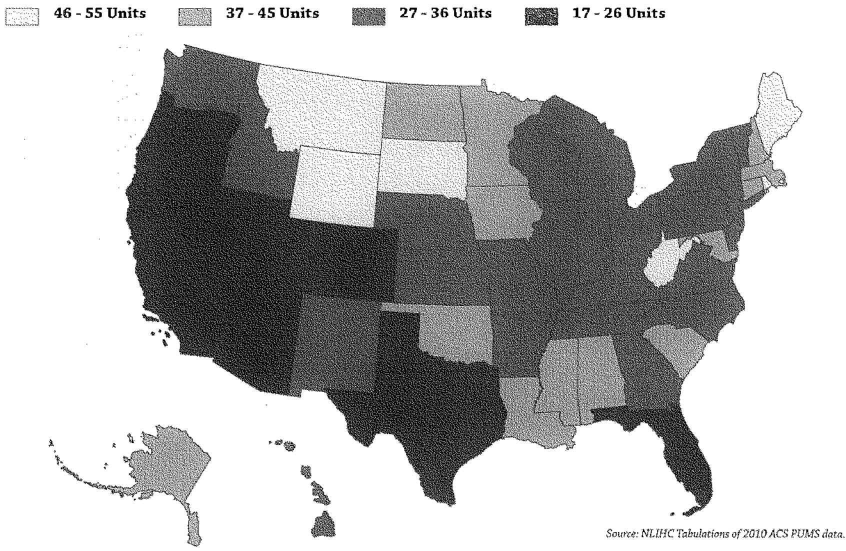
However, as Table 1 and Map 1 show, there is not a single state with enough units that are both affordable and available to house all ELI renters. The map illustrates that the lack of affordable and available units is most severe in the western states as well as in Texas and Florida. Wyoming, with just 55 affordable and available units per 100 ELI renter household, has the most units affordable and available to its poorest residents, but has a significant deficit nonetheless.

Chart 3: Percentage of Severely Cost Burdened Renters, by Income Category, 2010



Source: NLIHC Tabulations of 2010 ACS PUMS Data

Map 1: Affordable and Available Units per 100 ELI Renter Households, 2010



Source: NLIHC Tabulations of 2010 ACS PUMS data.

BOX 1: DEFINITIONS

	INCOME CATEGORY (for cost burden analysis)	INCOME THRESHOLD (for gap analysis)
Extremely Low Income (ELI)	0-30% of MMFI	Less than or equal to 30% MMFI
Very Low Income (VLI)	31-50% of MMFI	Less than or equal to 50% MMFI
Low Income (LI)	51-80% of MMFI	Less than or equal to 80% MMFI
Moderate Income	81-120% of MMFI	Less than or equal to 120% MMFI
Not Low Income	Greater than 120% of MMFI	Greater than 120% MMFI

Metropolitan Area Median Family Income (MMFI) The median family income in a metropolitan area

WHAT CAN BE DONE?

The data presented in this paper show the bleak circumstances of households who are struggling to make ends meet in these difficult times. The solution is not complicated. The supply of rental homes that the lowest income people can afford must be increased. A program is already in place that would provide for the production, rehabilitation and preservation of rental homes, 75% of which must be affordable to ELI households, with the rest serving VLI households. This program is the National Housing Trust Fund (NHTF), which was established in 2008 but has yet to be funded. Every year the NHTF goes unfunded is another year of worsening conditions for ELI and VLI renters. If the NHTF is funded in 2012, states and localities can begin to close the gap between the supply and demand for truly affordable housing.

Table 1: State Comparisons

Source: NLIHC Tabulations of 2010 ACS PUMS data.

States in **red** have less than the national level of affordable and available units per 100 households at or below the ELI threshold.

	AFFORDABLE UNITS PER 100 HOUSEHOLDS AT OR BELOW THRESHOLD			AFFORDABLE AND AVAILABLE UNITS PER 100 HOUSEHOLDS AT OR BELOW THRESHOLD			% WITHIN EACH INCOME CATEGORY WITH SEVERE HOUSING COST BURDEN		
STATE	*ELI*	*VLI*	*LI*	*ELI*	*VLI*	*LI*	*ELI*	*VLI*	*LI*
Alabama	73	107	147	38	70	109	74%	30%	6%
Alaska	100	113	148	39	63	98	67%	30%	5%
Arizona	**42**	**77**	**145**	**20**	**52**	**105**	**83%**	**40%**	**9%**
Arkansas	71	112	153	34	72	108	78%	33%	5%
California	**38**	**44**	**96**	**21**	**29**	**72**	**80%**	**52%**	**18%**
Colorado	**45**	**98**	**142**	**26**	**65**	**104**	**77%**	**29%**	**4%**
Connecticut	56	84	134	38	60	103	69%	29%	5%
Delaware	49	80	150	33	62	113	74%	31%	5%
District of Columbia	59	103	131	40	77	103	65%	29%	8%
Florida	**47**	**53**	**112**	**23**	**37**	**85**	**82%**	**60%**	**19%**
Georgia	**53**	**86**	**148**	**28**	**61**	**109**	**80%**	**39%**	**8%**
Hawaii	72	71	108	33	43	79	75%	48%	15%
Idaho	77	113	152	33	72	108	76%	30%	4%
Illinois	**49**	**87**	**137**	**28**	**59**	**102**	**77%**	**31%**	**6%**
Indiana	60	109	147	30	71	110	78%	23%	4%
Iowa	87	152	147	39	87	107	69%	15%	3%
Kansas	75	132	156	35	75	110	74%	22%	3%
Kentucky	70	118	149	35	76	109	71%	27%	5%
Louisiana	74	100	144	37	64	103	73%	33%	8%
Maine	89	106	145	51	70	109	53%	32%	3%
Maryland	60	90	139	37	64	104	70%	28%	6%
Massachusetts	63	86	128	42	61	96	63%	31%	8%
Michigan	**49**	**89**	**141**	**27**	**61**	**107**	**80%**	**35%**	**7%**
Minnesota	63	113	135	40	76	105	64%	23%	4%
Mississippi	77	98	143	37	66	105	77%	43%	9%
Missouri	63	121	149	35	78	109	72%	25%	4%
Montana	117	151	155	48	83	109	68%	26%	2%
Nebraska	75	151	154	34	85	109	69%	21%	2%
Nevada	**37**	**57**	**143**	**17**	**41**	**102**	**86%**	**49%**	**14%**
New Hampshire	63	91	138	37	61	101	69%	30%	7%
New Jersey	48	58	121	30	41	88	76%	45%	12%
New Mexico	70	97	146	30	63	102	75%	30%	7%
New York	53	77	116	32	52	86	74%	38%	10%
North Carolina	62	103	149	33	66	107	77%	34%	7%
North Dakota	104	181	157	45	99	110	63%	5%	1%
Ohio	55	113	149	31	77	111	76%	26%	4%
Oklahoma	83	124	157	38	75	111	76%	29%	4%
Oregon	**42**	**66**	**134**	**22**	**44**	**95**	**81%**	**38%**	**10%**
Pennsylvania	66	107	140	36	68	103	72%	28%	5%
Rhode Island	71	87	132	49	63	102	64%	35%	5%
South Carolina	74	103	148	43	69	110	77%	35%	6%
South Dakota	99	164	143	46	91	108	59%	27%	0%
Tennessee	67	98	150	34	67	110	76%	34%	5%
Texas	**52**	**89**	**151**	**26**	**61**	**108**	**78%**	**33%**	**6%**
Utah	**55**	**97**	**142**	**26**	**61**	**103**	**75%**	**27%**	**4%**
Vermont	72	81	142	35	55	104	72%	27%	5%
Virginia	63	91	146	32	57	104	76%	36%	6%
Washington	**50**	**81**	**141**	**28**	**52**	**100**	**73%**	**34%**	**6%**
West Virginia	95	129	152	46	81	108	67%	26%	1%
Wisconsin	**54**	**121**	**144**	**28**	**73**	**106**	**73%**	**24%**	**3%**
Wyoming	139	174	160	55	91	112	67%	22%	2%
United States	**56**	**87**	**134**	**30**	**58**	**98**	**76%**	**36%**	**9%**

ABOUT THE AMERICAN COMMUNITY SURVEY PUMS DATA

The American Community Survey (ACS) is a nationwide survey of approximately three million households, conducted annually. It provides timely data on the social, economic, demographic and housing characteristics of the U.S. population. The ACS replaced the Census "long form" in 2010 and eliminated the long waiting period for new data between each decennial census.

Each year the Census Bureau makes Public Use Microdata Sample (PUMS) files available to the public to allow for deeper analysis of the ACS. The PUMS files contain records on a subsample of housing units and contain information from the completed ACS questionnaire. This enables users to aggregate and tabulate the data in whatever way is relevant to their research. In order to determine the Metropolitan Area Median Family Income, NLIHC used the Missouri Data Center's MABLE/Geocorr2K online application (Version 1.3.3) to determine the geographic relationship between Core Based Statistical Areas and Public Use Microdata Sample Areas (PUMAs) and applied the median family income for a CBSA to the corresponding PUMA if at least 50% of the PUMA was in the CBSA. Otherwise, the PUMA was assigned the statewide nonmetropolitan median family income for the state the PUMA is in. NLIHC used this methodology on both the 2009 and 2010 ACS PUMS files in order to make the comparisons in this paper. However, this analysis should not be compared to previous analyses by NLIHC on the shortage of affordable housing units. As with any analysis based on a survey, all figures in this report are estimates and have associated margins of error.

FOR MORE INFORMATION

If you are interested in looking more closely at the numbers from your state, have questions on the methodology used, or have any other comments or questions on this edition of NLIHC's *Housing Spotlight*, please contact NLIHC's Senior Research Analyst, Megan Bolton.

More information about the ACS PUMS files can be found on the U.S. Census Bureau's webpage at http://1.usa.gov/d7Rn8c.

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The National Low Income Housing Coalition is dedicated solely to achieving socially just public policy that assures people with the lowest incomes in the United States have affordable and decent homes.

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410

Written Testimony of Marie D. Head
Deputy Assistant Secretary for Multifamily Housing Programs
Office of Housing
U.S. Department of Housing and Urban Development

Hearing before the House Financial Services Committee
Subcommittee on Insurance, Housing and Community Opportunity

Thursday, June 7, 2012

Chairman Biggert, Ranking Member Gutierrez, and members of the subcommittee, thank you for the opportunity to testify today regarding the Federal Housing Administration (FHA) multifamily programs. The insurance provided by the FHA has facilitated the financing of safe, decent, affordable single family and multifamily housing, as well as critically needed healthcare facilities, for individuals and communities who may not otherwise have access to the capital needed to finance these transactions. And today, while we are seeing signs of economic recovery, FHA continues to support the acquisition and refinance markets, providing critical liquidity to the market while also managing risk to the government and taxpayers.

The Role of FHA's Multifamily Programs in the Bolstering Economic Recovery

When this Administration took office, the economy was on the brink. The nation was losing 753,000 jobs a month, our economy had shed jobs for 22 straight months and consumer confidence had fallen to a 40-year low. In the face of this turmoil, this Administration took dramatic steps to prevent a complete financial meltdown. Since the President has taken office the economy has added private sector jobs for 27 straight months, for a total of 4.3 million jobs during that period. Today, an economy that was shrinking is growing again and we continue our efforts to speed that growth as we fight back from the worst economic crisis since the Great Depression.

The single family housing market in particular has suffered through this crisis, requiring swift and aggressive response. With house prices falling and foreclosures spiking, the Federal Reserve and Treasury helped keep mortgage interest rates at record lows. To provide access to these low interest rates, the Administration supported Fannie Mae and Freddie Mac, and we took steps to help families keep their homes – through mortgage modifications and FHA's loss mitigation efforts. The results of these extraordinary but necessary actions are clear. Since April of 2009, more than 5.9 million individual homeowners have received mortgage modifications and more than 1.3 million FHA loss mitigation actions and early delinquency interventions. Nearly 15 million families have been able to refinance their homes and foreclosures are down by nearly 50 percent.

In the multifamily sector, the Administration took equally dramatic steps to stem the financial meltdown as it related to multifamily housing and to keep construction activity going. For example, responding to the collapse in investor demand for Low Income Housing Tax Credit program, the Administration implemented two Recovery Act programs to provide direct capital support for threatened low-income housing developments. HUD provided $2.25 billion in new grant funds through the Tax Credit Assistance Program (TCAP) and the Treasury Section 1602 program, also known as the "exchange program", allowed state Housing Finance Agencies to convert a portion of their 2009 tax credit allocations into cash. Together these two programs jumpstarted construction on 126,000 homes – adding needed supply as low-income renters (including many foreclosed homeowners) were struggling to access affordable homes.

The Treasury Department's New Issue Bond Program (NIBP) is yet another example of decisive action by the Administration. NIBP allowed State and local Housing Finance agencies to issue new housing bonds at a moment in time when the marketplace wasn't otherwise interested in municipal tax-exempt issuances. Under NIBP, Treasury purchased approximately $15 billion in GSE securities backed by Housing Finance Agency (HFA) housing bonds. This liquidity allowed the HFAs to issue new housing bonds, consistent with what they would ordinarily have been able to issue with the allocations provided them by Congress, had there been traditional bond purchasers available. While much of the NIBP capital went to support HFA single family mortgage programs, the NIBP also supported HFAs in financing tens of thousands of new rental housing units for working families. The National Association of Local Housing Finance Agencies' estimates suggest that of the 24,000 rental units supported by NIBP, one in four would not have proceeded but for NIBP. And of those affordable multifamily developments that did go forward, their estimates suggest 10-15% less in additional subsidy was required by local, state and federal sources.

And, while the role of FHA in stabilizing the housing market is often spoken of in terms of the single family market, perhaps less heralded, but no less important, has been the role that FHA has played in providing critical liquidity for multifamily developments in the market during times of economic constriction. Under the FHA's General and Special Risk Insurance Fund (GI/SRI), FHA insurance has long assisted the nation in meeting the needs for safe, decent and affordable housing by facilitating financing to develop, rehabilitate and refinance multifamily rental housing. The financial recession, combined with historically low interest rates, and improvements in HUD business operations, led to an unprecedented increase in demand for FHA mortgage insurance over the last three years. This was particularly pronounced in certain types of multifamily housing and in regions of the country where conventional lending was inaccessible absent federal credit enhancement. FHA's ability to quickly scale up allowed it to play a countercyclical role that helped keep private investment flowing when conventional financing resources had otherwise retreated from the market.

Demand for new FHA insurance for new construction and refinancing of multifamily properties increased more than five-fold from 2008 to 2011, rising from $2.3 billion in FY 2008 to $12.4

billion in FY 2011. By the end of FY 2011, FHA's portfolio of multifamily loan guarantees had an unpaid principal balance of $50 billion on 9,977 loans. And today, while volume increases have stabilized, HUD expects elevated levels of mortgage insurance activity for the remainder of Fiscal Year 2012 and through Fiscal Year 2013. A significant share of the demand for FHA insurance reflects the larger demand for rental housing, particularly in many metropolitan areas which face an inadequate supply of multifamily housing. The ongoing demand for new rental housing is directly attributable to two factors, both attributable to the market downturn: (1) as many as 3.9 million former homeowners have been displaced by mortgage distress and are now in the rental market and (2) as many as 4.3 million new renter households, including many who postponed new household formation between 2008-2012 (for example, the number of 25 to 34 year olds living with parents was almost 50% higher in 2011 than in 2003).

In addition to providing critical liquidity to the marketplace, FHA insured multifamily developments also have a significant impact on communities by expanding affordable housing options, spurring economic development, and creating jobs. FHA estimates that the multifamily new construction loans endorsed by FHA in FY 2011 alone directly created 22,146 jobs, and supported the creation of 32,380 additional indirect or jobs. In total, FHA-insured multifamily projects yielded approximately 54,526 jobs throughout the nation. Clearly, FHA's multifamily new construction insurance program offers much more than just financing -- it creates jobs and improves the quality of life in communities nationwide.

While FHA's counter-cyclical role was crucial to mitigating the worst of the financial recession, its expanded footprint in multifamily finance is presumed to be temporary. FHA sees its role today as encouraging the return of private capital back into the mortgage market while balancing the need to remain a supportive mechanism for all types of housing moving forward, particularly for underserved markets and for lower income families. The good news is that private capital is returning.

Multifamily starts are up and much of that activity is being fueled by financing not insured by FHA. HUD's U.S. Housing Market Conditions Report indicates that during the first quarter of 2012, builders started construction at a seasonally adjusted annual rate of 196,000 new multifamily units, up 5 percent from the fourth quarter of 2011 and 27 percent from a year earlier... And even more encouraging, builders took out new building permits for multifamily developments at a seasonally adjusted annual rate of 232,000 new multifamily units, up 12 percent from the fourth quarter of 2011 and 61 percent from 1 year earlier. Of this new product that is being developed, the data suggests that much of it is being financed by conventional (non-FHA insured) debt sources. According to estimates provided in the Mortgage Banker Association Annual Report, while the number of FHA-insured initial endorsements is up overall by 17% (from $10.6 billion to $12.4 billion) from 2010 to 2011, its share of the marketplace is actually down by 26% (from 21.7% to 16.13%) over the same period.

The central role of housing in the U.S. economy demands that Federal agencies involved in housing policymaking manage programs and policies to support housing as a stable component of the economy, and not a vehicle for over-exuberant and risky investments. Today, an economy that was shrinking is growing again; instead of rapid job loss, 4.3 million new private sector jobs have been created in the last 27 months.

Managing Risk in FHA's Multifamily Programs

Since the start of this Administration, FHA has taken a number of comprehensive steps to improve its risk management capabilities and processes to ensure the ongoing solvency of the FHA insurance funds. The creation of the Office of Risk Management and Regulatory Affairs (ORM), authorized by a Congress, has allowed FHA to enter into the 21st century, implementing guidance, rules and risk analytics allowing FHA to better assess its risk. The Deputy Assistant Secretary for Risk Management and Regulatory Affairs oversees the coordination of FHA's efforts to focus risk management in a single division devoted solely to managing and mitigating risk to the FHA insurance funds - across all FHA programs.

In Multifamily, we have engaged in a series of program specific steps to ensure that we are taking the appropriate steps to manage and mitigate risk. These changes reflect the first update to some of the standards governing FHA insured multifamily programs in 40 years. Leveraging the lending industry's best practices and standards, these changes are a much needed step to insure that FHA multifamily programs are sound and will continue to be available to fulfill our mission of providing liquidity to the multifamily market and decent, affordable rental housing to our nation's communities. These changes also ensure that FHA's multifamily programs are designed to meet the needs of communities across the nation.

Updated Underwriting Standards and Heightened Qualifications

HUD recently proposed a change to multifamily lender approval that would require all new and existing multifamily lenders and underwriters to undergo an additional screening process to ensure that they are qualified and experienced before receiving approval to participate in some specialty multifamily insurance programs. Under the new policy, a separate lender approval will be required to offer the more complex FHA insurance programs, such as those for new construction, substantial rehabilitation and Low-Income Housing Tax Credits.

This shift is a result of analyzing outcomes associated with the Multifamily Accelerated Processing (MAP) program, which show that certain FHA programs demand skilled lenders and underwriters with specialized knowledge. Currently, HUD offers the full range of FHA programs out of its field offices without regard to specialized expertise.

As part of risk mitigation, FHA has already implemented revised underwriting standards to raise debt service coverage ratios, lower loan to value and loan to cost ratios, increase project reserves and sponsor equity investment, and limit sponsor cash out. Underwriting ratios are now targeted to different property types based on their risk profiles, with lower ratios for subsidized affordable housing properties and higher ratios for market rate properties.

Finally, to assure critical analysis of the risks of proposed transactions by MAP underwriters, FHA is drafting a Mortgagee Letter that will require a standard underwriter's narrative be used for applications submitted under all insurance programs. Currently, each lender uses its own narrative which leads to uneven and sometimes inadequate analysis of transaction risks. The new policy will also require that a standard table of contents be used to organize application submissions – a simple step toward ensuring consistent and complete presentation of the underwriting materials and to facilitate efficient review of the application package by HUD staff.

Breaking Ground: Delivering Results

Amid rapid growth for FHA multifamily housing programs, FHA was hard pressed to keep pace with the demand. Since 2008, firm commitments issued in FHA's multifamily programs have increased over five times. Not surprisingly, processing times have increased as well. During this period of increased activity, FHA took steps to reduce the processing time of loan applications.

Through the *Breaking Ground: Delivering Results* initiative, the Office of Multifamily Housing reduced the processing time of loan applications and improved employee morale while protecting the taxpayer. Through *Breaking Ground,* the Office of Multifamily Housing has centralized processing of Section 223(a) (7) loans to the Office of Affordable Housing Preservation which allows Multifamily Field Office staff to focus on the increasingly complex transactions in their pipeline. Additionally, Multifamily Housing has initiated a queue, an early warning screening system, and other management tools in order to more efficiently manage workload and provide greater transparency to lenders and borrowers regarding the status of their loan applications. In addition, FHA continues to conduct monthly performance dialogues with field staff to discuss progress toward meeting processing goals and identify proactive solutions to address performance deficiencies in order to ensure that every effort is taken to reduce processing times and get funds into communities. Finally, FHA has moved applications to various processing centers, using the existing Hub structure, in an effort to clear the backlog and balance workloads across offices.

This initiative continues to produce encouraging results. The total backlog in offices that have completed *Breaking Ground* has decreased by almost 75%. Specifically, the number of applications that have been in processing for over ninety days has dropped from 191 to 50 in just seven months. Furthermore, HUD staff is excited about *Breaking Ground:* Survey results demonstrate that over 83% of HUD multifamily staff believes that the program will help their office to become more effective and efficient. Staff morale has also improved significantly in the offices that have completed the program. Almost 90% of staff now feel encouraged to come up with new and better ways of doing things.

The Department also will shortly embark on a similar initiative "*Sustaining Our Investments*" to deal with the asset management functions for the changing FHA portfolio. The purpose of this initiative is to make existing asset management processes more efficient and effective, identify opportunities to enhance risk management processes within the market rate portfolio and improve our service delivery to our stakeholders. FHA also conducts monthly performance dialogues with field staff to discuss progress toward meeting program goals and to address performance deficiencies in order to ensure that the Department is mitigating risk to the GI/SRI.

Loan Committee

FHA Multifamily has also implemented a new loan committee approval process, aligning Hub and Program Center commitment authority and practice to ensure consistency in underwriting throughout the regional offices, as well as to provide a platform to share best practices. Loan committees at the Hub and National levels provide oversight for high risk transactions in the multifamily insurance program, based on loan size and a project's number of units. Loan committee approval processes are standard practice in the lending community and are an important tool to prudently manage credit risks and ensure the integrity and stability of the GI/SRI insurance fund. The Loan Committee has also proven to be an effective tool for increasing communication and a more consistent FHA platform

Adjusting Premiums

Given the unprecedented increase in the number and dollar volume of loans insured under the GI/SRI, particularly with respect to "market rate[1]" loans, in the President's Fiscal Year 2013 (FY 2013) Budget, the Department proposed premium increases for programs in the GI/SRI. This is the first premium increase in 10 years for these programs. The GI/SRI funds provide financing for the FHA multifamily and healthcare loan guarantee programs and several very small specialized loan products. These accounts also continue to hold a sizable portfolio of single family loan guarantees (HECM, condominium, and rehabilitation loans) insured prior to FY 2009 when responsibility for new lending under these programs was transferred to the Mutual Mortgage Insurance Fund.

In contrast, premiums for single family programs situated in FHA Mutual Mortgage Insurance (MMI Fund) have been increased four times since 2010. As with the premium increases for MMI programs, the proposal to increase premiums for market rate loans originated under the GI/SRI is intended to ensure that FHA products are priced appropriately to compensate for FHA's risk, consistent with current market conditions. This premium change should also have the indirect benefit of encouraging the return of private capital to the nation's mortgage markets.

FHA's risk profile has significantly changed since the market crisis beginning in 2008. The proposed increase in GI/SRI premiums will ensure that we are compensated for this new risk element associated with a bigger significant market rate based portfolio.

In April 2012, FHA published a notice in the Federal Register soliciting comment on the GI/SRI premium increase proposal. The proposed increases range from 5 basis points for 223(a)(7) refinancing to 20 basis points for 221(d)(4) new construction or rehabilitation activity. The increase premiums will have no impact on either development costs or rents. And, as the

[1] Generally, market rate housing covers a range of rental housing opportunities. In the FHA portfolio, market rate housing is generally affordable to those at approximately 80% of area median income.

Department monitors the programs, the impact of implementing the proposal, and the interest rate environment, the Department will consider adjusting the premiums as appropriate. It is also important to note that premiums for affordable housing projects (such as those with HUD rental subsidies and low income housing tax credits, as well as those insured under FHA risk-sharing programs) will not be increased under the proposal.

Given that the elevated role FHA is currently playing in the market is temporary, the proposed FHA premium structure brings FHA's pricing more in-line with the private mortgage insurance industry and enables more robust private competition while continuing to ensure sufficient levels of available capital in these sectors. The increase in premiums also reflect new realities – the Multifamily annual book of business is five times greater than it was just three years ago, and the risk profile has changed dramatically. FHA's multifamily apartment portfolio is now more than 50 percent market rate by unit count and 70 percent by unpaid principal balance (UPB), which adds a new component of risk, and a need to take steps to ensure the future viability of the portfolio. These risks are not yet fully captured by historical claim and default trends because they are too new to have matured as risks to the portfolio. Further, because of historically low rates, it is likely that FHA will "own" these risks for a very long time as it is unlikely that borrowers will refinance any time soon.).

Going forward, FHA will continue to examine its business models and practices, with an eye toward continuing to improve its risk management capabilities while expediting processing and approval timelines. These efforts will further enable FHA to facilitate the availability of affordable housing in a responsible manner.

The Role of FHA Multifamily in Preserving Affordable Housing

As part of our overall mission, HUD remains truly committed to preserving affordable housing. Over the past few years, with the loss of affordable housing units as a growing problem, we have put forth a conscious strategy to ensure continued access to affordable housing units in communities across the country.

Over the last 10 years, for every three units of affordable housing that are created, we are losing two. Hundreds of FHA direct and insured multifamily mortgages are set to mature this year and next. Over the next 10 years, mortgages will mature on approximately 2,000 Section 202, Section 236 and Section 221(d)3 BMIR properties that are home to nearly 200,000 low, very low and moderate income households. When the mortgages mature, the underlying use and affordability restrictions expire, putting the long term affordability of these projects at risk. The Department is taking this challenge head on, with a number of new Notices and policy efforts directed at preservation. And, to accomplish this goal, HUD has taken a number of steps administratively to protect and preserve affordable properties.

In an effort to keep low-income families and elderly tenants in their homes, we're creating more options for owners who participate in our programs. The *Supportive Housing for the Elderly Act* *of 2010*, provides new flexibilities and opportunities for Section 202 owners that refinance. One of the new flexibilities that HUD is currently implementing includes the option of using proceeds from a refinance in other HUD assisted senior housing properties.

We also just published a notice that removes the Mark-to-Market three-year limitation for debt relief. By removing the three-year limit, there are no time limits on the authority; so we are increasing access to qualified non-profit preservation owners interested in acquiring restructured properties. The notice also specifies preservation criteria that will facilitate assignment of restructured debt to qualified non-profits and clarifies that all restructured properties are now eligible - subject to the criteria in the notice- putting non-profit debt relief transactions within reach for the entire Mark-to-Market portfolio.

Additionally, in recognition of the fact that it can be difficult to leverage tax credit financing with FHA insured deal, earlier this year HUD announced a Low Income Housing Tax Credit Pilot. The pilot, which has rolled out with test sites in four hubs – Chicago, Detroit, Los Angeles and Boston – will allow FHA to increase the availability of affordable units by streamlining HUD's internal applications processes.

Another key preservation effort is the *Rental Assistance Demonstration* (RAD), which allows projects funded under the Public Housing, Section 8 Moderate Rehabilitation, Rent Supplement, and Rental Assistance Payment programs to convert their assistance to long-term, project-based Section 8 rental assistance contracts. Under the initial RAD Notice published in March, there are already seven projects with several hundred units in the process of conversion, with tens of thousands of additional units anticipated following publication of the final notice this summer.

In addition to these program reforms, we are working hard to "build the preservation toolbox" and provide Multifamily owners, management agents and residents with information and tools to work together to preserve assisted housing. As part of this effort, we have launched the "Partners in Housing", a multifamily preservation training series in seven cities around the country. This series has provided hundreds of owners, who represent tens of thousands of assisted units, with comprehensive training to recapitalize and improve their properties and commit to long term affordability. In addition, the Tenant Resource Network grant program NOFA competition is underway and we will make awards to nonprofit organizations to engage and educate residents of Section 8 properties on preservation options and opportunities, to ensure the voices of low-income residents are heard.

Preserving Affordable Units in Small Multifamily Buildings

As part of the Fiscal Year 2013 Budget, HUD is seeking legislation to facilitate lending to small multifamily properties which are an important provider of affordable, but unsubsidized, housing for low and moderate-income families. According to the 2010 American Community Survey, nearly one-third of renters live in 5 to 50 unit buildings. These buildings also tend to have lower median rents than do larger properties: $400 per month for 5-49 unit properties as compared to

$549 per month for properties with 50 of more units. Because they are expensive to finance, particularly in this environment, these properties are at risk of divestment.

HUD is proposing two legislative changes-one change to the Section 542(b) Risk Share program that would allow the Department to explore flexibility with the 542(b) Risk Share program to work with experienced affordable housing lenders to make Risk Share loans to small properties and the second change would allow Ginnie Mae to securitize risk share loans under Section 542(b). These changes would allow HUD to enter into Risk Share agreements with qualified lenders –such as well-capitalized Housing Finance Agencies or Community Development Financial Institutions – that have demonstrated experience making loans to support affordable housing and neighborhood stabilization. Under these Risk Share agreements, qualified lenders could make refinance, acquisition or rehab loans available to small (5 to 49 unit) properties. Lenders approved by Ginnie Mae could then securitize those loans on the secondary market, increasing the availability of capital for more multifamily lending.

HUD's proposal to improve the resources available to small building owners is part of the Department's broader commitment to re-balance the nation's housing policy to support rental housing and neighborhood revitalization. As Federal and state budgets shrink and the need for quality, affordable rental housing is on the rise, it's critical that we support small businesses who are finding solutions that work for families and for local economies – especially when those solutions come at no cost to the taxpayer. We look forward to working with Congress to ensure the availability of these unsubsidized, affordable housing units.

Conclusion

Madam Chairman and Ranking Member Gutierrez, as important as the FHA is at this moment, I want to emphasize that the elevated role it is playing is temporary – a bridge to economic recovery helping to ensure that mortgage financing remains available until private capital returns.

When demand for FHA's Multifamily mortgage insurance programs increased dramatically both in refinancing and new construction, the Department played an integral role in helping to avert a major financial crisis by providing needed liquidity to the multifamily financing market. In addition to the stabilizing influence that this liquidity provided to the financing market, the use of FHA programs facilitated the development of both market rate and affordable rental opportunities throughout the country in many markets where demand for rental housing is high and supply is tight. The changes and legislative requests that we have announced are crafted to ensure that FHA appropriately manages its business as it plays an elevated role in the market at present, and is able to step back to facilitate the continued return of the private sector as soon as possible. Until private entities can and will supply necessary levels of mortgage capital on their own, they need the FHA – and so does our housing market.

So, Chairman Biggert, while FHA must remain a key source of safe mortgage financing at a critical moment in our country's history, we recognize the risks that we face and the challenges of this temporary role that we play in today's market. And the bottom line is this: for the sake of both borrowers and American taxpayers, the loans that FHA insures must be safe and self-sustaining over the long-term. Thank you for the opportunity to testify. I would be pleased to answer any questions the members of the subcommittee may have.

Statement of
Mary Kenney, Executive Director, Illinois Housing Development Authority,
On Behalf of
The National Council of State Housing Agencies
Before the
Subcommittee on Insurance, Housing and Community Opportunity
U.S. House of Representatives
June 7, 2012

Thank you Chairwoman Biggert, Ranking Member Gutierrez, and members of the House Financial Services Subcommittee on Insurance, Housing and Community Opportunity, for convening this hearing on the Federal Housing Administration's (FHA) multifamily mortgage insurance programs. I appreciate the opportunity to testify in support of strengthening FHA's affordable multifamily lending capacity by authorizing Ginnie Mae to securitize FHA-insured multifamily loans under the FHA-Housing Finance Agency (HFA) Risk-Sharing program. Enhancing this program's proven ability to address our nation's growing affordable rental housing need at no cost and with minimal taxpayer risk is a sound, prudent course of action at this time, when such approaches are desperately needed.

As you may recall, the full Financial Services Committee included this authority in the Housing Preservation and Tenant Protection Act, H.R. 4868, which it reported in 2010. HUD, FHA, Ginnie Mae, and several affordable housing industry groups all support the proposal, which is contained in the Administration's FY 2013 Budget.

I am Mary Kenney, the executive director of the Illinois Housing Development Authority (IHDA), Illinois' state HFA. I am testifying on behalf of the National Council of State Housing Agencies. NCSHA is a national nonprofit, nonpartisan association that represents the interests of state HFAs before Congress and the Administration. NCSHA's members are the HFAs of the 50 states, the District of Columbia, New York City, Puerto Rico, and the U.S. Virgin Islands.

State HFAs are widely known for our safe and sound first-time homebuyer lending programs, which have provided a reliable source of affordable mortgage money for working families over many decades in strong and weak economies. We also provide low-cost multifamily financing to facilitate the development of affordable rental homes.

HFAs administer several key federal housing programs, a number of which are essential to our affordable rental home production efforts, including tax-exempt Housing Bonds, the Low Income Housing Tax Credit (Housing Credit), HOME, and the FHA-HFA Multifamily Risk-Sharing program. We thank you for your long-standing, bipartisan support of these programs and urge you to seize every opportunity to preserve and strengthen them, especially as Congress strives to further reduce the federal deficit and reform our housing finance and tax systems.

Addressing the Growing Need for Rental Housing

A strong arsenal of financing tools is essential to combat the shortage of affordable rental housing in this country, which is becoming even more severe as the full impact of the prolonged housing and economic crises is felt. Harvard University's Joint Center for Housing Studies' 2011 report, *America's Rental Housing*, found that in recent years, housing affordability has deteriorated as economic difficulties have taken a toll on household incomes, while doing little to reduce household housing outlays. Some 10.1 million renters, more than one in four, now spend over half their incomes on housing. The number of severely cost-burdened renters grew from 20.7 percent in 2001 to 26.1 percent in 2009. This shortage will likely worsen as more people move into the rental market after experiencing foreclosure.

According to the Joint Center, the shrinking affordable housing stock, falling incomes, and increased competition from higher-income renters have widened the gap between the number of very low-income renters and the number of affordable, adequate, and available rental units. In 2003, 16.3 million very low-income renters competed for 12 million affordable and adequate rentals not occupied by higher-income households. By 2009, the number of these renters reached 18 million while the number of units dipped to 11.6 million, pushing the supply gap to 6.4 million units.

To address this problem, the Joint Center asserts that "creative approaches will be necessary to close the gap between what low-income renters can afford to pay and the rents developers need to provide decent housing." I am here to talk to you about one such approach.

Authorize Ginnie Mae to Securitize FHA-HFA Risk-Sharing Loans

Congress has the opportunity now to make greater use of a sound and proven housing program and delivery system to support the development of affordable rental homes by allowing Ginnie Mae to securitize FHA-HFA Risk-Sharing loans. In granting this authority, Congress would:

- Make the highly successful FHA-HFA Risk-Sharing program even more effective, efficient, and productive;
- Achieve greater affordability within FHA-financed rental housing;
- Increase FHA multifamily productivity while reducing FHA's workload and risk;
- Further utilize the well-established, state-based HFA delivery system; and
- Generate revenue for the federal government.

Build on the Highly Successful FHA-HFA Risk-Sharing Program

Established in 1992 to increase and speed up FHA's multifamily mortgage production, the FHA-HFA Risk-Sharing program has been very successful, with 26 state HFAs financing nearly 1,000 loans, totaling more than $5 billion in principal and supporting more than 101,000 affordable rental homes. This activity has generated jobs, increased tax revenue, and promoted economic growth.

In Illinois, IHDA has financed 56 properties since 1994, providing more than 5,800 affordable homes and creating an estimated 8,500 jobs statewide. IHDA's investment in these projects totals $411 million, leveraging an additional $112.5 million. Of these 56 developments, 25 house a total of 3,013 low-income families, while the remaining 31 developments contain 2,789 rental homes serving the elderly. Importantly, the loan default rate has been very low—only one of the 56 loans has defaulted.

The FHA-HFA Risk-Sharing program allows state HFAs that meet rigorous financial standards to underwrite FHA multifamily loans in return for sharing the risk of losses on those loans. To qualify to participate in the program, an HFA must have a "top-tier" rating by a nationally recognized rating agency or otherwise demonstrate its capacity as a sound and experienced agency based on its track record in financing multifamily housing, fund balances, administrative capabilities, investment policies, internal controls, financial management, portfolio quality, and state and local support. The HFA must have at least five years of experience in multifamily underwriting. It also must maintain adequate reserves, hold a top-tier rating, or establish a dedicated account acceptable to HUD to demonstrate its ability to fulfill its financial obligations to FHA.

Under the program, FHA provides full insurance on the loans, and HFAs agree to accept up to 90 percent of the risk of losses on them. The more risk HFAs assume, the more underwriting flexibility FHA permits them. In the event of a default, FHA and the HFA apportion the loss according to the risk-sharing agreement they have made.

The program's loan default rates are very low. Premium revenue has exceeded total claims, generating net revenue for the federal government over the life of the program. A HUD FY 2011 report dated November 1, 2011, states, "[T]he risk sharing portfolio performed well during the fiscal year with no major defaults or claims on either the HFA or GSE loans."

Seize this Opportunity to Make the FHA-HFA Risk-Sharing Program Even More Productive and Efficient

Permitting Ginnie Mae to securitize FHA-HFA Risk-Sharing loans would reduce the cost of financing rental housing developments, making it possible to achieve lower rents and reach even lower income tenants. If Ginnie Mae were to securitize FHA-HFA Risk-Sharing loans, HFAs predict the interest rate on the underlying mortgages could be reduced by as much as 200 basis points, or 2 percent. This rate reduction would lower rents and potentially reduce the need for and cost of other federal housing subsidies.

Most FHA-insured multifamily loans are packaged into Ginnie Mae securities issued by lenders. Ginnie Mae guarantees the timely payment of interest and principal, increasing investor interest and driving down the interest rates on the securities and the underlying loans.

FHA-HFA Risk-Sharing loans, however, cannot be securitized through Ginnie Mae, so they have historically been financed through other means, including tax-exempt Housing Bonds or GSE participation investments. Ginnie Mae securitization of FHA-HFA Risk-Sharing loans would increase liquidity and reduce financing costs, making more loans possible for the development and preservation of affordable rental housing. This housing activity would in turn stimulate local economies by creating jobs, increasing tax revenue, and expanding investment.

The FHA-HFA Risk-Sharing program increases efficiency by delegating processing, underwriting, and servicing to state HFAs, reducing the workload on HUD staff and leading to faster loan processing than is common under the traditional FHA insurance programs. Strengthening the FHA-HFA Risk-Sharing program by allowing Ginnie Mae securitization will multiply these advantages and amplify the Risk-Sharing program's benefits.

Achieve Greater Affordability in FHA-Financed Rental Housing

Unlike virtually all other FHA multifamily loan insurance programs, all developments financed under the FHA-HFA Risk-Sharing program must qualify as affordable housing under the same requirements that apply to the Housing Credit and Housing Bond programs. This means that:

- 20 percent of the development's units must be both rent-restricted and occupied by households with incomes of 50 percent or less of the HUD-determined area median income (AMI); or

- 40 percent of the units must be both rent-restricted and occupied by families whose income is 60 percent or less of AMI.

A rent-restricted apartment's rent cannot exceed 30 percent of the imputed income based on the income limit for that apartment, i.e., the 50 percent and 60 percent of AMI limits mentioned above. HFAs are responsible for determining rent and income limits, including associated expenses, such as utilities.

In contrast, virtually all other major FHA multifamily mortgage insurance programs do not carry any rent restrictions or income limit affordability requirements. Even HUD, in its report summarizing Risk-Sharing program activity in FY 2011 acknowledged that, "...the risk-sharing program is a bigger contributor to the achievement of the Department's affordable housing goals than are the FHA full insurance programs."

Limited But Important Expansion of Ginnie Mae Activity

Enacting this authority would not expand significantly Ginnie Mae's role in affordable housing. Ginnie Mae already securitizes FHA-insured loans. Congress provided $500 billion in mortgage-backed securities guarantee authority to Ginnie Mae in FY 2012, and Ginnie Mae is requesting the same amount for FY 2013.

HUD's FY 2013 Budget estimates total HFA Risk-Sharing loan activity of $233 million in FY 2012, 2.1 percent of all expected FY 2012 FHA multifamily loan activity and less than one-half of 1 percent of all estimated Ginnie Mae activity. Even if allowing Ginnie Mae securitization of FHA-HFA Risk-Sharing loans doubled the program's volume, it would still total less than 1 percent of all Ginnie Mae activity.

Based on a recent survey NCSHA conducted of all HFAs, allowing Ginnie Mae securitization would increase total program volume somewhat. Though this increase is likely to be small, it would represent vital affordable housing lending that would probably not be conducted without federal support.

Reduce Taxpayer Risk

Allowing Ginnie Mae to securitize FHA-HFA Risk-Sharing loans would in fact reduce the risk to and involvement of the federal government in affordable housing by allowing state HFAs, which are best suited to meet the needs of their communities with this innovative tool, to take on a portion of that risk and underwrite the loans. In addition, FHA-HFA Risk-Sharing loans securitized by Ginnie Mae are less likely to be financed with tax-exempt bonds and may replace some loans that would have been fully insured by FHA, reducing taxpayer risk by transferring some of that risk to HFAs.

Generate Revenue for the Federal Government

The Congressional Budget Office (CBO) estimates that allowing Ginnie Mae to securitize HFA Risk-Sharing loans would result in $20 million in mandatory savings over 10 years ($2 million annually). The Administration's FY 2013 Budget documents also show that the Risk-Sharing program is a money-maker for the federal government.

Allowing Ginnie Mae Securitization of Risk-Sharing Loans is a No-Cost, Low-Risk, Prudent, Helpful Proposal

In conclusion, the FHA-HFA Risk-Sharing program has been very successful since its inception. Given the program's proven track record, lifting the prohibition on Ginnie Mae securitization is a prudent decision that would help meet our nation's affordable housing challenges with minimal risk and no additional cost to the federal government.

Though NCSHA also supports the Administration-proposed small multifamily loan risk-sharing proposal, we do not view it as a substitute for our proposed amendment to the FHA-HFA Risk-Sharing program. Notably, however, the Administration's small buildings proposal also calls for Ginnie Mae securitization, showing the value of this essential element.

Thank you for the opportunity to testify today. Please let me know if NCSHA or IHDA can provide any additional information.

MORTGAGE
BANKERS
ASSOCIATION
Investing in communities

Testimony of Rodrigo López, CMB
President & CEO, AmeriSphere
on behalf of the Mortgage Bankers Association

U.S. House of Representatives
Committee on Financial Services
Subcommittee on Insurance, Housing and Community Opportunity

"The Role of FHA in the Multifamily Mortgage Markets"

June 7, 2012

Chairwoman Biggert, Ranking Member Gutierrez and members of the subcommittee, thank you for the opportunity to testify on behalf of the Mortgage Bankers Association (MBA) on the roles of the Federal Housing Administration (FHA) insurance programs for the financing of multifamily and healthcare properties. While much attention has been paid to the single family homeownership programs and markets, we appreciate the subcommittee's focus on the financing of multifamily and healthcare properties that house a significant, and growing, percentage of Americans.

My name is Rodrigo Lopez and I am President and CEO of AmeriSphere Multifamily Finance. Headquartered in Omaha, Nebraska, AmeriSphere is one of the top 25 FHA multifamily and healthcare lenders, with over $200 million in FHA production in FY2011 – and we are on pace to produce another $ 200 million in FY2012. AmeriSphere has more than 50 employees in five offices across the country. My responsibilities include overseeing strategic planning and assessment for all of the company's loan programs, including multifamily programs with Fannie Mae and FHA. I am testifying on behalf of MBA, which represents the real estate finance industry, including a broad range of multifamily finance institutions.

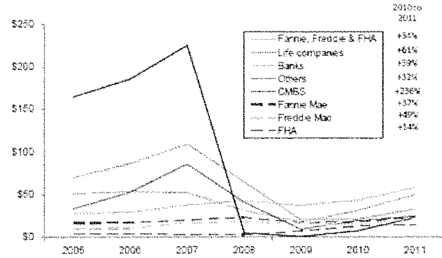
FHA's Role in the Market

The recent housing crisis put a spotlight on the importance of multifamily rental housing and FHA's critical role. One in every three households lives in rental housing, and over the course of a lifetime, most Americans will rent at one time or another. Rental housing supports students going to school away from home, workers relocating to find employment or seniors choosing to rent, as well as others who rent because they cannot afford to purchase a home or because they prefer the locations, amenities and lifestyles that may accompany renting.

FHA significantly increased its role in the multifamily market during the recent recession as other market participants pulled back. As demonstrated in the charts below, volumes of commercial and multifamily loan originations reached their peaks in 2007 and dramatically decreased in 2008 and 2009 (Chart 1). Many capital providers began reentering the market in 2009 and have steadily increased in 2010 and 2011. On the other hand, Fannie Mae, Freddie Mac and FHA stayed in the markets in 2008, 2009, 2010 and 2011.

Chart 1

Annual Commercial/Multifamily Mortgage Bankers Originations ($billions)

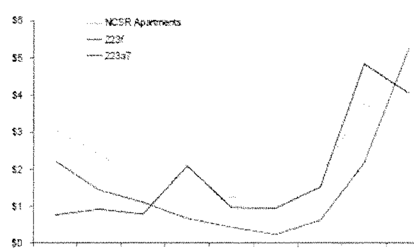


Source: Mortgage Bankers Association

Looking specifically at FHA volumes, Chart 2 indicates the countercyclical nature of the FHA business, with volume lows during the years when the CMBS market was lending in large volumes and banks and life companies were also heavy providers of multifamily debt. But FHA volume began to increase as the private market pulled back and actually peaked in FY2010 for the two major programs for purchase/acquisition (223(f)) and new construction/substantial rehabilitation of apartments (221(d)). (The 223(a)(7) program is somewhat of an anomaly because it involves solely the refinancing of loans with FHA-insured mortgages, similar to a loan modification.)

Chart 2

FHA Firm Commitments Issued/Reissued by Major Apartment/Coop Program ($billions), excludes OAHPs a7s

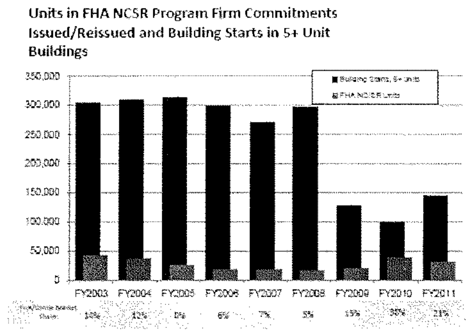


Sources: MBA, HUD

Chart 3 shows the share, in terms of units, of the multifamily new construction market that FHA occupies and demonstrates that, while the volume of multifamily lending by FHA increased from FY 2008 through 2010, both the absolute volume as well as the market share of FHA decreased in FY2011 as other investors returned to the market.

And we have recently been told by FHA staff that the new construction program volume in FY2012 is running about 10 percent behind FY2011 volumes.

Chart 3



Source: Mortgage Bankers Association, FHA and Census

FHA is an essential source of the long-term, fixed-rate debt needed to build and refinance affordable rental units for working families, seniors, and underserved populations. While FHA does provide financing for Low Income Housing Tax Credit assisted properties as well as properties with other federal or state subsidies, many of the properties financed and refinanced under the FHA multifamily programs are affordable to families at 60 to 80 percent of area median income without any type of direct subsidy. These types of properties are routinely financed by FHA-insured loans, particularly in the 223(f) and 223(a)(7) programs.

In addition, FHA financing is often used in secondary and tertiary markets. Without FHA, many of the rental housing properties that need rehabilitation would not be able to achieve the necessary capital, and new rental housing would not be able to be built. FHA insurance is also extremely important in the provision of quality and affordable seniors housing, healthcare facilities, and hospitals throughout the nation. Without the HUD healthcare programs, many communities will be stressed by a lack of affordable assisted living facilities and nursing homes. Also, HUD's own economic impact analyses on the healthcare programs states that they "demonstrate significant economic stimulus during and after construction." Nursing homes and hospitals, in particular, generate significant economic activity, both during construction or rehabilitation and post construction, with new healthcare jobs.

In addition, we believe that the HUD healthcare programs are on the front line of efforts to provide affordable healthcare. The HUD healthcare programs provide nonrated health care providers the opportunity to access capital at a cost available to borrowers with investment grade ratings. The interest savings provided by the insurance programs allows hospitals and nursing homes to spend less on interest costs and more on providing services, such as uncompensated care to the poor and elderly.

FHA's Financial Success

In 2011, the Federal Practice Group issued a study, commissioned by MBA, which provides an analysis of the net cash flow from the last two decades' experience of FHA-insured unassisted multifamily housing and nursing home mortgage loans. The loan programs analyzed in this study included Section 221(d)(4) Multifamily New Construction/Substantial Rehabilitation; Section 223(f) Multifamily Purchase/Refinance; Section 223(a)(7) Multifamily Refinance; Section 232 Nursing Home and Health Care New Construction/Substantial Rehabilitation; and Section 232 Nursing Home and Health Care Purchase/Refinance. The multifamily housing loans analyzed in the study include only unassisted loans, as defined by HUD.

The analysis involved loan-level data provided by HUD under the Freedom of Information Act on all unassisted multifamily housing and nursing home and health care facilities loan commitments made under these programs from FY1992 (when the Credit Reform Act of 1990 was implemented) through FY2010. The FOIA data were used to estimate net cash flows to the U.S. Treasury for each loan program under study, including an analysis of individual loan cohorts.

The findings of this study were:

- Overall, loans made through these programs between 1992 and 2010 have yielded positive estimated cumulative net cash flows for the U.S. Treasury of $927 million.
- Different loan cohorts have experienced different performance depending on when the loans were made and the market conditions they experienced.
- The greatest positive cumulative balance of cash flows to the U.S. Treasury has been for the Section 223(f) Multifamily Purchase/Refinance program loans, followed in declining order by Section 221(d)(4) Multifamily Development, Section 232 Nursing Home Refinance, and Section 223(a)(7) Multifamily Refinance.
- The exception is the Section 232 Nursing Home New Construction program, in which loans made during the period yielded a negative estimated cumulative balance of cash flows to the U.S. Treasury of $89 million.

These findings were derived from the analysis of historical program data and cover years of strong economic growth and, more recently, years of economic contraction. It should also be noted that HUD has significantly tightened its underwriting of healthcare loans and its risk mitigation procedures (including tightening of underwriting on specific loan sizes and types) in the multifamily programs (described more fully below). These changes should improve performance of the loans made going forward.

MBA contracted for this analysis because good data on the financial viability of the multifamily and healthcare programs is not readily available at HUD. While there is extensive data available on the income and expenses of the GI/SRI fund, this fund contains a large volume of single family loans. Congress made significant strides in separating the single family and multifamily programs in FY2009 when all new single family loans (except for Title 1 loans) were removed from the GI/SRI fund and moved to the MMI fund. However, a substantial number of single family loans originated from FY1992 to FY2009 remain in the GI/SRI fund, distorting the income and expense numbers in the fund, which many assume now only includes multifamily and healthcare loans.

MBA believes that it would be beneficial for Congress to ask HUD to separate the multifamily and healthcare loans from the single family loans in the GI/SRI data contained in the budget documents to provide Congress with a better understanding of the financial performance of the multifamily and healthcare programs.

FHA's Recent Adjustments in Light of Market Conditions

MBA applauds the leadership provided by HUD Secretary Shaun Donovan, Acting FHA Commissioner Carol Galante, and newly appointed Deputy Assistant Secretary for Multifamily Marie Head. These individuals bring extensive knowledge and experience in multifamily finance to FHA that is both refreshing and welcome. They have, over the past two years, made significant changes to the FHA multifamily programs to ensure responsible underwriting, risk management, and improved efficiencies.

In June 2010, a Mortgagee Letter was issued announcing significant tightening of the underwriting requirements for the Section 221(d)(4) new construction/substantial rehabilitation and Section 223(f) acquisition and refinancing programs. In addition to the underwriting changes, a national loan review committee was established, delegation to the field was modified, and FHA began a process of substantial credit policy and work flow management changes. HUD also has established a strong credit approach to application processing. In addition, HUD revised and tightened lender capitalization, licensing and monitoring requirements, made significant changes as part of the update of the loan closing documents, and finalized several changes to the regulations governing the FHA multifamily mortgage insurance programs.

HUD has also taken steps to mitigate risk related to large multifamily loans. In late December 2011, HUD issued a mortgagee letter regarding the underwriting of large loans, defined as those at or above $40 million. While only a small number of loans overall, HUD was concerned that a few defaults of large loans could have an overwhelming impact on the portfolio. Debt service coverage, loan-to-cost, and reserve requirements were tightened considerably for large loans (over and above the tightening already put into place). Also included in the new policy is additional scrutiny of sponsors asking for loans of $25 million or larger. Sponsors' creditworthiness, experience with large developments and past performance on FHA-insured properties are being examined much more closely before any loan applications are accepted.

Most recently, HUD has issued proposed regulations that would tighten lender and underwriter approvals and require re-approval and additional scrutiny of lenders every four years. This process is in addition to lenders' own quality control monitoring (usually performed by third party contractors) and HUD's review of lenders through their Lender Quality Monitoring Division.

All of these actions were intended to strengthen risk management practices related to the FHA multifamily mortgage insurance programs, ensure the health of the FHA multifamily portfolio and attract high-quality borrowers.

While MBA does not agree with every aspect of these actions, overall we have supported HUD's objectives and have worked to ensure that borrowers and lenders understand the changes, and we have offered suggestions for improvements in a number of areas.

These underwriting and risk mitigation processes and procedures have been instituted despite low default and claims rates on insured multifamily and healthcare loans.

Proposed MIP Increase

HUD recently issued a notice announcing increases of mortgage insurance premiums (MIPs) for certain FHA multifamily housing, health care facilities, and hospital mortgage insurance programs for commitments to be issued or reissued in FY2013.

MBA believes that any proposed increase to the MIP should be supported by data and statutory support that justify the increase. The notice does not provide compelling justification for the increases. Increasing the MIPs will not serve to build a buffer against future losses for FHA's multifamily programs, because there is no segregated fund and excess income is returned to the Treasury each year for purposes separate from these programs. The premium has been, and should continue to be, based on the management of risk to the government of the potential and severity of mortgage losses. The demonstrated strong performance of the programs, the recent implementation of processing changes to tighten credit review, improved legal documents and changes in the credit underwriting and loan requirements — all run counter to the proposed increase in the MIP.

It is important that any increase in the mortgage insurance premium be supported and preceded by a careful analysis of the need and impact of the change on these programs. HUD's notice does not provide data that supports the need for the proposed increase. In addition, ascertaining this data is difficult because the Obama administration's budget document does not account for the multifamily and healthcare programs separately; rather, they are combined with single family loans (most notably Home Equity Conversion Mortgages and loans on condominiums) that are negatively affecting the performance of the GI/SRI fund.

We believe that HUD should provide such support as part of any effort to increase fees. We also believe that any increase in fees for these programs should not be implemented at a time when demand for rental housing is increasing and preserving and investing in our stock of rental housing is critical.

FHA's Challenges and Recommendations for Strengthening FHA

MBA believes a critical requirement for achieving, sustaining and protecting the housing market's long-term vigor is ensuring that FHA has the resources it needs to operate in a modern real estate finance industry. Since 2008, HUD's multifamily staff levels have dropped significantly due to budget cuts and retirement rates. This often means that inexperienced and/or inadequately trained staff is performing key functions. HUD's multifamily staffing and training budgets have remained static or decreased, often because the needs in the single family programs have been more pressing. Technology funding has also suffered and the multifamily programs still operate without the ability to submit applications online, meaning any data must be re-keyed by HUD staff in order to process the data electronically.

With FHA volumes increasing from approximately $ 3.7 billion in FY2008 to over $12.5 billion in FY2011, FHA staff has exceeded what most thought was their maximum capacity. In order to meet the demand and provide necessary liquidity to the multifamily market, processing times have lengthened and HUD staff has been stretched to ramp up their productivity, often working long hours.

We commend HUD's recent efforts, as part of its *Breaking Ground* initiative, to improve its processes. HUD's ongoing dialogue with stakeholder partners in providing liquidity to the market has also been welcomed. While HUD has made significant progress, there is room for further improvement. For example, the process of reviewing applications hinders productivity. Rather than utilizing underwriters, as private lenders now operate, each application must be processed (usually sequentially rather than simultaneously) by a number of technical disciplines, including appraisers, architects and engineers, cost analysts, mortgage credit analysts, etc. MBA has recommended a more private sector approach to HUD's review of applications, and FHA Commissioner Carol Galante and DAS Marie Head are moving in that direction with streamlining processing of Low Income Housing Tax Credit-assisted projects. But progress is slow and the pilot program, now limited to four Hubs, should be expanded nationwide as quickly as possible. MBA believes that if HUD utilized this more streamlined process, HUD staffing levels may not need to be increased. With adequate training for staff and with improved technology, HUD could handle the current volume of business without additional staff.

Summary

FHA insurance is a vital component of the U.S. housing finance system for apartments and healthcare facilities. It is imperative that Congress and all policymakers support the multifamily and healthcare programs of FHA so that they can provide necessary liquidity and support rental housing options during the housing recovery and well into the future.

Recommendations:

- Congress should continue to provide sufficient commitment authority to FHA in order to support the multifamily and healthcare finance markets.
- Congress should encourage HUD to provide data and statutory support that justifies the MIP increase. In our view, the Notice does not provide compelling justification for the increases. Importantly, MIPs for FHA's multifamily and healthcare programs should be dedicated toward, and used solely for, these programs.
- In this regard, Congress should ask HUD to separate the multifamily and healthcare loans from the single family loans in the GI/SRI data contained in the budget documents to provide Congress with a better understanding of the financial viability of the multifamily and healthcare programs.
- Congress should provide additional support for staff training to allow new and seasoned HUD staff to upgrade their skills in underwriting, risk analysis and asset management.
- Congress should provide funding to upgrade technology to improve operational efficiencies. New technology would enable FHA to help manage risk and generally be better equipped to handle the challenges of modern markets.
- To streamline its application process, FHA should undertake a series of enhancements, such as reallocating resources, reducing inconsistency among field offices and HUD headquarters, increasing and delegating more responsibility to its field offices by increasing loan approval authority, and reducing or eliminating duplication of required information.
- HUD should continue and expand its current activities aimed at streamlining its processes and increasing the use of FHA-insured financing for projects using Low Income Housing Tax Credits.

Conclusion

MBA appreciates that FHA has been performing the countercyclical role for which it was created by ensuring a stable, liquid and affordable source of financing for multifamily housing and healthcare facilities. We look forward to working with Congress and FHA to continue striving toward the proper balance between prudent risk management practices and producing and preserving rental housing. Thank you again for the opportunity to share MBA's views.

TESTIMONY BY

RICHARD MOSTYN,

VICE CHAIRMAN AND CHIEF OPERATING OFFICER OF

THE BOZZUTO GROUP,

ON BEHALF OF THE

NATIONAL MULTI HOUSING COUNCIL

AND THE

NATIONAL APARTMENT ASSOCIATION

BEFORE THE

INSURANCE, HOUSING AND COMMUNITY OPPORTUNITY

SUBCOMMITTEE

OF THE

HOUSE COMMITTEE ON FINANCIAL SERVICES

FOR THE HEARING ON

"OVERSIGHT OF THE FEDERAL HOUSING ADMINISTRATION'S

MULTIFAMILY INSURANCE PROGRAMS"

JUNE 7, 2012

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Chairwoman Biggert and Ranking Member Gutierrez, on behalf of this nation's 17 million households who call an apartment their home, the National Multi Housing Council (NMHC) and the National Apartment Association (NAA) would like to thank you for the opportunity to testify today on the Federal Housing Administration's (FHA's) role in multifamily mortgage markets.

NMHC and NAA represent the nation's leading firms participating in the multifamily rental housing industry. Our combined memberships engage in all aspects of the apartment industry, including ownership, development, management and finance. The National Multi Housing Council represents the principal officers of the apartment industry's largest and most prominent firms. The National Apartment Association is the largest national federation of state and local apartment associations. NAA is a federation of 170 state and local affiliates comprised of more than 56,000 multifamily housing companies representing more than 6.3 million apartment homes throughout the United States and Canada.

My name is Rick Mostyn, and I serve as the Vice Chairman and Chief Operating Officer of The Bozzuto Group. Headquartered in the Washington, D.C. area, The Bozzuto Group is a diversified residential real estate company consisting of six integrated companies – Acquisitions, Construction, Development, Homebuilding, Land Development and Property Management – that together provide a broad range of real estate services throughout the Mid-Atlantic and Northeast. The company is committed to providing quality housing for individuals of all income levels, and our firm is familiar with and a borrower of construction and mortgage capital through the FHA multifamily loan guarantee program. Throughout The Bozzuto Group's more than 24-year history, the company has developed and acquired more than 35,000 homes and apartments.

On behalf of NMHC and NAA, I would like to commend this Subcommittee for their continued focus on the critical issues surrounding the multifamily housing industry. As is fully outlined below, the demand for multifamily housing is forecast to increase markedly as we emerge from the financial crisis, which makes the work of this Committee all the more critical. I would also like to commend Department of Housing and Urban Development (HUD) Secretary Shaun Donovan, Acting FHA Commissioner Carol Galante and Deputy Assistant Secretary Marie Head for their willingness to work with industry stakeholders to ensure FHA's vital multifamily programs are financially sound and widely available for future consumers. NMHC and NAA stand ready to support both Congress and the Administration in the effort to promote stability, reliability and accountability for FHA's multifamily programs.

GROWING DEMAND FOR RENTAL HOUSING AND SUPPLY-SIDE CHALLENGES IN THE MARKET

Prior to addressing the role of FHA's multifamily finance programs now and in the future, it is worthwhile to take a moment and note the fundamental role multifamily housing plays in our nation's economy.

The U.S. is experiencing a fundamental shift in its housing dynamics. Changing demographics and new economic realities are driving more people away from the typical suburban house and causing a surge in rental demand. Tomorrow's households want something different. They want more choice. They are more interested in urban living and less interested in owning. They want smaller spaces and more amenities. And increasingly, they want to rent, not own. Unfortunately, our housing policy has yet to adjust to these new realities. The trade winds in our industry are indeed changing as the U.S. Census Bureau highlighted in May of this year, stating the share of U.S. renter households has reached a 15-year high, and home ownership has reached a 15-year low.

The changes occurring in the market represent more than just preferences in shelter. Married couples with children now comprise less than 22 percent of households, and that number is falling. By 2030, nearly three-quarters of our households will be childless. Almost 80 million Echo Boomers (born late 1970s to early 1990s) are beginning to enter the housing market, primarily as renters. More than 75 million Baby Boomers (born 1946-1964) are beginning the natural transition to the next phase of their lives, and many of them will choose from the variety of rental options available to seniors.

Beyond just changing demographics, there is also an adjustment in consumer psychology underway in America. The housing crisis and the $14 trillion in wealth lost during the financial crisis reminded Americans that housing is shelter, not an investment or an ATM machine. That awareness is increasingly driving Americans to choose the housing that best suits their lifestyle. For millions, that is an apartment.

Today, nearly 89 million Americans, almost one-third of all Americans, rent their home. There are 17.5 million apartments (properties with five or more units) in the U.S. that, taken together, provide a place to live for more than 14 percent of all households. In this decade, renters could make up half of all new households—more than seven million new renter households. Because of these changes, University of Utah Professor Arthur C. Nelson predicts that half of all new homes built between 2005 and 2030 should be rental units.

Unfortunately, supply is already falling short of demand. With forecasts indicating that there could be upwards of seven million new renter households this decade, an estimated 300,000 units a year must be built to meet expected demand. Yet even though multifamily starts rose 60 percent in 2011, rebounding from record lows in 2009 and 2010, ground was broken on just 167,400 apartments last year. Furthermore, while the market continues to work through an oversupply of single-family housing, the nation could actually see a shortage of multifamily housing as early as this year. The shortage is particularly acute in the area of workforce and affordable housing. The Harvard Joint Center for Housing Studies estimates a nationwide affordable housing shortfall of three million units.

Finally, In addition to providing shelter, apartments have a tremendous impact on our nation's overall economy and job creation. In fact, the construction of 1,000 apartment units alone generates 1,160 full-time jobs in construction and related industries, $55 million in wages and $33 million in combined federal, state and local revenue and fees. Once constructed, 100 apartments in a community creates 32 local jobs, $2.3 million in local annual revenue and $400,000 in taxes and other revenues annually. On an overall basis, the aggregate value of America's apartment stock is $2.2 trillion, and our industry supports 662,000 individuals who manage and operate our properties.

THE MULTIFAMILY CREDIT MARKET AND FHA

Multifamily Capital Markets Overview

Historically, the apartment industry accessed debt and equity from a variety of capital sources, each with its own focus, strengths and limitations. Private-market sources include commercial banks, life insurance companies and the commercial mortgage-backed securities (CMBS) market. Commercial banks offer short-term, floating rate financing for smaller, local borrowers. Life insurance companies target higher-quality properties in select markets. Their capital allocations change with market conditions, and their loan terms do not typically extend beyond 10 years. The CMBS market was a viable source of capital for the industry in the mid-1990s through

2008, but has been materially diminished since that time, and it is unlikely to return to its pre-bubble levels of lending.

However, even in healthy economic times, these capital sources have been insufficient to meet the full needs of the apartment sector; most notably the affordable and workforce housing sectors and rental housing in smaller markets.

The Federal Government & Multifamily Finance

To ensure sufficient levels of liquidity are available to finance apartment housing, the federal government engages in the multifamily housing finance market through three primary entities: the GSEs (i.e., Fannie Mae and Freddie Mac); FHA; and Ginnie Mae (GNMA). Each of these plays an important but different role in ensuring the availability of mortgage finance to the rental industry.

The GSEs have served the multifamily housing finance system for decades, offering a broad range of mortgage products, including long-term debt, for the entire spectrum of apartment properties (market-rate workforce housing, subsidized, large properties, small properties, etc.) in all markets (primary, secondary and tertiary) at all times regardless of economic conditions.

The GSEs' multifamily programs have default rates of less than one-half of one percent— a tenth of those in the single-family sector. Furthermore, the independent Inspector General (IG) for the Federal Housing Finance Agency (FHFA) on May 24, 2012, announced that the only profits generated at the GSEs since 2008 were in their multifamily lines of business. Also according to the FHFA's IG, the GSEs earned a $7 billion profit from their multifamily divisions between 2008 and the first quarter of 2012. What minimal principal loan losses that were incurred by the GSEs were reserved against. However, those reserves were allocated to the government as part of the recovery of claims against single-family home mortgage activities.

Since its inception in 1934, FHA has insured over 53,000 multifamily mortgages and has been a cornerstone for the construction and permanent financing and refinancing of apartments. According to HUD, FHA holds approximately 13,000 multifamily mortgages in its portfolio (compared to 4.8 million single-family mortgages). While it accounts for 9.2 percent of the total outstanding multifamily mortgage debt, it is a material and important source of capital for underserved segments of the rental market.

FHA multifamily is best known for offering an alternative source of construction debt to developers that supplements bank and other private construction capital sources. It also serves borrowers with long-term investment goals as the only capital provider to offer 35-40-year loan terms. FHA lending is essential to borrowers in secondary markets, borrowers with smaller balance sheets, new development entities and non-profit firms, all of which are often overlooked by private capital providers.

FHA-insured debt has also been widely used by sponsors of targeted affordable housing and properties that receive federal, state and local subsidies, project-based Section 8 and proceeds from Low-Income Housing Tax Credits (LIHTCs).

FHA serves the multifamily market through three key programs:

- *Section 221(d)(3) and Section 221(d)(4) Mortgage Insurance Programs:* These programs are of the most importance to the conventional apartment industry. They insure mortgages for new construction or substantial rehabilitation of multifamily rental or cooperative housing for moderate-income families, the elderly and the handicapped. Section 221(d)(3) is used by nonprofit sponsors while Section 221(d)(4) is used by profit-motivated sponsors. Notably, the program enables GNMA to use mortgage-backed securities to provide liquidity support for long-term mortgages (up to 40 years), which leads to lower interest rates for borrowers.

- *Section 207/223(f) Program:* These mortgage insurance programs insure mortgage loans to facilitate the purchase or refinancing of existing multifamily rental housing that was originally financed with conventional or FHA-insured mortgages. Properties requiring substantial rehabilitation are ineligible for mortgage insurance under this program, though HUD permits the completion of non-critical repairs after endorsement for mortgage insurance. The Section 223(f) program enables GNMA to use mortgage-backed securities to provide liquidity support for long-term mortgages (up to 35 years), which leads to lower interest rates for borrowers.

With regard to performance, according to the FY2013 Budget's Federal Credit Supplement, the FY2012 budget noted a default rate of 19.11 percent for FHA new construction multifamily loans, while the FY2013 budget saw that rate fall to 13.18 percent—a significant decrease. These percentages, while seemingly high, also reflect a small segment of the FHA multifamily mortgage program. For example, in 2011, one of the largest funding years on record, conventional construction mortgages only comprised 10 percent of the loans insured by FHA.

Turning to the FHA's multifamily refinance program, the default rate dropped from 12.64 percent in the FY2012 Budget to 4.22 percent in the FY2013 budget. These rates are higher than the market but are moving in the right direction and indicate the emphasis FHA is placing on credit is appropriate. Even with these higher-than-average default rates, the government insurance premium has covered losses, meaning the FHA multifamily programs are self-sufficient and not creating taxpayer risk.

GNMA was established in 1968 to help create a secondary market for both single-family and multifamily FHA-insured loans. GNMA guarantees investors the timely payment of principal and interest on mortgage-backed securities (MBS) comprised of federally insured or guaranteed loans, including FHA loans. The GNMA guaranty allows mortgage lenders to obtain a more favorable price for their mortgage loans in the secondary market. Lenders can then use the proceeds to make new mortgage loans available. Notably, GNMA securities are the only MBS explicitly backed by the full faith and credit guaranty of the United States government, which means that even in troubled economic times, such as those that continue to confront the nation, investments in GNMA MBS are safe for investors.

ISSUES AND OPPORTUNITITES FACING FHA'S MULTIFAMILY PROGRAMS

In normal capital markets, FHA/GNMA play a limited, but important, role in the rental housing sector. During the economic crisis, however, FHA became virtually the only source of apartment construction capital. Demand for FHA financing surged, increasing more than five-fold. Applications have increased from $2 billion annually to $10 billion, and HUD anticipates that demand for FHA multifamily mortgage insurance will remain high for the next several years.

This escalation in demand, coupled with HUD's new processing procedures for the programs, has placed considerable strain on FHA's multifamily programs. Additionally, FHA revised its mortgage closing documents in 2011 for the first time in 30 years. As a result, a backlog of pending applications for new construction financing (through the 221(d)(3) and 221(d)(4) programs and refinancing for maturing mortgages through the 207/223(f) programs) has developed. Further exacerbating delays are efforts implemented in 2010 to create stricter credit requirements through more stringent loan terms and expanded underwriting review. In some cases, borrowers are subject to processing times that can exceed 18 months, and there are increasing questions over whether applications will move forward at all.

NMHC/NAA strongly support FHA's efforts to introduce sound credit and underwriting policies while maintaining efficient and timely processing of loans. We also believe these goals can be achieved without unnecessarily increasing government bureaucracy that may result in a bottleneck of applications and the rejection of qualified development transactions. It is vital to keep in mind that multifamily rental developments financed through FHA create thousands of jobs and generate revenue for the federal government and communities; hence, delays at FHA miss an opportunity to contribute to the economic recovery.

Peter Evans of Moran & Company testified on behalf of NMHC/NAA before this Subcommittee just over a year ago, on May 25, 2011, and identified issues of concern related to the current performance and future success of FHA's multifamily programs. As described below, HUD and FHA have been extremely responsive to our concerns. In fact, Secretary Donovan, Acting Commissioner Galante, Deputy Assistant Secretary Head and their team are working diligently to improve FHA's programs. Furthermore, NMHC/NAA, along with the National Association of Home Builders and the Mortgage Bankers Association, meet with senior HUD officials on a regular basis to build on the recent improvements to these programs. While progress has been made, more work remains for all parties.

FHA's Efforts to Improve Multifamily Programs and Challenges that Remain

It is important to the apartment industry that FHA continues to be a credible and reliable source of construction and mortgage debt. FHA not only insures mortgages, but it also builds capacity in the market, providing developers with an effective source of construction and long-term mortgage capital. Since early 2009, FHA has undertaken extensive actions to address credit risk, outdated legal documentation, lender and industry program guidance and the loan approval process. NMHC/NAA support much of what FHA has done, and we remain committed to working with FHA on outstanding issues associated with:

- maximizing the industry's access to FHA credit;
- improving the application process; and
- addressing credit risk, which is in the mutual interest of the industry and the taxpayer.

The following summarizes the areas in which we seek continued engagement with FHA:

Credit Risk Mitigation and Borrower Requirements:

The multifamily industry supports FHA's effort to improve credit-risk management associated with the multifamily insurance program. We agree that this is part of FHA's fiduciary responsibility and understand that current economic conditions have placed increased pressure on FHA to review credit policy for both single-family and multifamily mortgage insurance programs. Changes to the multifamily program's terms and requirements, approval process, documentation (MAP Guide) and closing documents represent HUD's best effort to set a positive future course for the program.

FHA has tightened lending terms and now requires greater levels of investment by developers to limit the government's exposure. This combined with FHA's inability to address other key factors that borrowers take into account when comparing FHA mortgage insurance to other private-sector debt makes it more costly and difficult for developers to construct multifamily housing. Unlike market lenders who can help borrowers shoulder the increased costs of additional loan requirements, FHA does not:

- compensate for or mitigate the government's requirement that developers pay higher cost for labor and wages;
- expedite application processing to reduce the cost and provide greater certainty to approvals;
- reduce fees and costs to make the program more competitive with the private market;
- increase per-unit loan limits to support soaring development costs and the price of land in in-fill markets; or
- promote or maintain reasonable borrower recourse requirements to make the program more competitive.

NMHC/NAA believe that each of the impediments noted above can be mitigated in a way that would both make FHA mortgage insurance more attractive and still protect taxpayer dollars. We hope to continue our dialogue with FHA in this regard.

Finally, establishing appropriate borrower credit terms is a key element to managing overall credit risk. Unfortunately, as part of its revised requirements for large multifamily loans, FHA promulgated guidance that NMHC/NAA believe will limit participation by strong, creditworthy and experienced developers – the very entities FHA should be seeking to attract. NMHC/NAA contend that the industry should continue to work with FHA to agree to a mutual set of borrower credit requirements that will both improve the credit profile of FHA's portfolio and lead to increased liquidity in the marketplace for quality rental housing.

Large Loan Risk Mitigation Policy:

For the first time in program history, FHA on December 29, 2011, announced that it would impose more stringent requirements on those seeking so-called "large loans" of over $40 million. FHA's action truly represents a solution in search of a problem. It is our understanding that in 2011 FHA received only a small number of these large loan applications.

NMHC/NAA has submitted detailed comments opposing FHA's large loans policy and met with FHA earlier this week in an effort to reverse these onerous changes. First and foremost, NMHC/NAA do not fully understand the credit problem that FHA attempts to address through this policy. FHA has not presented evidence that credit issues specific to larger loans exist that would justify the program changes proposed in the December guidance. Second, FHA's guidance could have the unintended consequence of preventing or delaying larger, job-creating projects to either construct or rehabilitate multifamily housing, particularly in our nation's cities where the cost of development is substantially higher than in the suburbs.

Small Loans and HUD Risk Sharing:

NMHC/NAA understand that HUD is seeking to modify Section 542 of the Housing and Community Development Act of 1992 (12 U.S.C. 1707) to expand mortgage credit for sponsors of small multifamily properties with 50 or fewer units. We support this effort. This segment of the market has traditionally not had access to debt at the same level as larger developments. Among other benefits, this will generate reinvestment into existing rental housing that is critical to low- and moderate-income families. Finally, we also favor statutory changes that would enable GNMA to issue securities in which HUD shares credit risk with qualified entities. GNMA's participation in this market would provide incentives to lenders to extend mortgage credit to owners of small multifamily properties. We welcome further discussion with both HUD and Congress as this proposal moves forward.

FHA IS NOT THE SOLUTION TO THE CRISIS CONFRONTING THE GSEs

As Congress examines ways to address the crisis confronting Fannie Mae and Freddie Mac, some suggested that Fannie Mae and Freddie Mac's secondary mortgage programs be replaced by or merged with FHA. NMHC/NAA strongly oppose such efforts. Such a move would exacerbate liquidity issues facing the multifamily industry, which could reduce the availability of workforce housing and jeopardize the economic recovery. Stated plainly, market fundamentals render this proposal, or any like it, unworkable.

Lawmakers should recognize that FHA serves a very different market than Fannie Mae and Freddie Mac. It provides capital to help develop and preserve rental housing where bank financing and other forms of capital are unavailable or in short supply. It should continue to perform this important mission, and an essential element of housing finance reform should be to identify appropriate areas where it is for private capital and FHA to partner. But these programs would not come close to meeting the apartment industry's broad capital needs.

Even if FHA served similar market segments to Fannie Mae and Freddie Mac, as our testimony suggests, FHA is woefully unprepared to assume greater responsibility. It is already struggling to meet current multifamily program demand, and there is no expectation that the resources exist within the current budgetary framework to bring it to the level that it could replace the liquidity provided by Fannie Mae and Freddie Mac.

Beyond its general capacity issues, FHA lacks the resources to effectively respond to the multiplicity of unique and often complex issues presented by income property underwriting. This means that many viable deals that could lead to the construction of workforce housing might not be able to go forward simply because FHA would be incapable of structuring a deal.

FHA's mortgage products also do not fit the variety of needs of the market and market conditions. Again, this means that profitable deals Fannie Mae and Freddie Mac might underwrite today would not go forward under a regime where FHA was the only government-backed market participant.

FHA also imposes arbitrary loan limits on its products that preclude credit in markets with significant land and development costs (i.e., high-cost markets). If FHA took over the activities of the

GSEs, credit support could well be inadequate in urban markets nationwide, leading to reduced construction and very possibly a smaller number of units available to lower- and middle-income families.

Finally, FHA has inadequate systems to oversee additional portfolios, manage credit risk and support prudent loan servicing. Whereas the GSE multifamily serious delinquency rates remain below one percent, moving operations to FHA could jeopardize this sterling record of success and unnecessarily leave American taxpayers open to billions of dollars in losses.

Instead of joining Fannie Mae and Freddie Mac with FHA, housing finance reform should seek to encourage partnership between private and FHA multifamily mortgage credit sources where appropriate. Although such areas may be limited, they should focus on the development and preservation of multifamily housing where bank and other forms of capital are unavailable or in short supply.

PRINCIPLES FOR GSE REFORM

While NMHC/NAA oppose merging GSE activities with FHA, we do strongly support housing finance reform and recognize the necessity of addressing the problems confronting Fannie Mae and Freddie Mac. That said, because of the multifamily sector's importance to the economy and prospects for recovery, proposals to address single-family housing problems must not be enacted at the expense of the very different, but vital, multifamily sector.

Though many have called for the elimination of Fannie Mae and Freddie Mac, this could create devastating consequences to multifamily housing if not done in a thoughtful and deliberative manner. Nearly all of the multifamily funding provided by the existing GSEs helped create work-force housing. In fact, fully 90 percent of the apartment units financed by Fannie Mae and Freddie Mac over the past 15 years—more than 10 million units—were affordable to families at or below the median income for their community.

Looking forward, it is hard to imagine a scenario in which necessary levels of workforce housing could be constructed without some level of government credit support, particularly during times of economic difficulty. Without government credit support of multifamily mortgages or mortgage-backed securities to ensure a steady and sufficient source of capital going forward, the apartment industry will be unable to meet the nation's housing needs in all markets.

Furthermore, it is also critical for Congress to note that in stark contrast to the GSEs' single-family programs, the enterprises' multifamily programs did not contribute to the housing meltdown. The risk models and underwriting standards Fannie Mae and Freddie Mac use work. In fact, Fannie Mae and Freddie Mac have earned net revenues exceeding $7 billion during conservatorship.

As a first step in ensuring that the multifamily industry continues to have access to capital to meet increasing rental housing demand in markets nationwide, NMHC/NAA released a draft outline of a proposal to privatize the GSEs' multifamily activities at the NMHC Board of Directors Meeting on May 17, 2012. We are including that outline as an attachment.

The outline provides a framework for spinning out Freddie and Fannie's multifamily businesses as stand-alone entities. The plan also calls for the retention of a federal credit guarantee that would be tied to the security, not the entity – a necessary provision to attract global investors. In addition, the proposal would fully compensate and protect the government for its guarantee and empower a strong regulator to oversee the new entities.

NMHC/NAA continue to develop the proposal with input from key stakeholder groups and will release more details in the future. The end goal will be to provide lawmakers and regulators with a road map for addressing the multifamily sector's capital concerns by ensuring liquidity remains available in all markets at all times.

Conclusion

In closing, NMHC/NAA look forward to working with this Committee and the Congress to improve FHA's multifamily programs and reform the nation's housing finance system. All parties must work together to secure a sufficient supply of capital for workforce housing, both for a sustained economic recovery in the near term and to meet the housing needs of future generations.

Thank you again for the opportunity to testify this morning, and I stand ready to answer any questions you may have.

NMHC National Multi Housing Council®
Apartments: Smart Communities, Smarter Living

National Apartment Association

May 17, 2012

Outline to Privatize the GSEs' Multifamily Activities

The $2 trillion multifamily industry today provides safe and decent housing to over 17 million American households that form the backbone of the nation's workforce. Looking ahead, renters could comprise fully half of all new households this decade for a total of 7 million added renter households. To meet this anticipated demand, a minimum of 300,000 net apartment units will have to be built annually. Yet new multifamily construction was constrained to just 167,400 starts in 2011. That's only slightly more than what's needed to replace the units lost every year to demolition, obsolescence and other losses.

Proposal: Privatize GSE Multifamily Activities to Meet Marketplace Needs

To ensure the multifamily sector can meet the demand for workforce housing in all markets at all times and repay taxpayers for the investment the Federal government has made in Fannie Mae and Freddie Mac, NMHC strongly believes that as GSE reform moves forward, multifamily must be addressed separately from the single-family market. Moreover, this should occur in the near term to maximize taxpayer benefit and provide the certainty the marketplace needs to meet the growing demand for rental housing.

The government has an ongoing role to play in multifamily housing finance until it can be proven that multifamily financing needs can be met without government assistance. Notably, the industry is not advocating for the preservation of the status quo. We propose:

- **Privatizing Fannie Mae's and Freddie Mac's Multifamily Functions:**
  - New stand-alone, separately capitalized entities.
  - Complete transfer of each company's entire multifamily platform to new entities.
  - Preserve the capabilities and capacity of existing multifamily platforms.
  - Competitive platforms in addition to successor entities to exist based on market need.
  - Privatization must include taxpayer compensation.

- **Providing Successor Entities Access to Federal Credit Guarantees:**
  - Security Guarantee necessary to maintain private capital investment to multifamily sector.
  - Entities will provide Federal credit guarantee to multifamily security investors.
  - No Federal guarantee to the successor entities or their investors.
  - Entities' lending activities may not crowd out private debt market providers.

- **Fully Compensating and Protecting the Government for its Guarantee:**
  - Successor entities will pay fee to government for <u>entire</u> cost of guarantee.
  - Risk-based capital requirements similar to commercial banks would apply.
  - Entities must retain risk in each mortgage to support prudent underwriting.

- **Enabling GSE-Successor Entities to Retain Limited Portfolios with No Guarantee:**
  - Limited multifamily mortgage portfolios permitted for a defined number of activities.
  - No mortgages held in portfolio would be subject to the government guarantee.
  - Current multifamily portfolios will continue to shrink through natural attrition.

- **Empowering Strong Regulator to Oversee GSE-Successor Entities:**
  - Establish and enforce effective capital standards and reserves.
  - Monitor and assess performance to ensure a competitive private debt market.

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Apartments: Smart Communities, Smarter Living

National Apartment Association

May 17, 2012

Why Privatize the GSEs' Multifamily Activities and Why Now

Ongoing Multifamily Mortgage Liquidity Support Critical to Workforce Housing

While it is clear that Fannie Mae and Freddie Mac (the GSEs) will not survive in their present form, the National Multi Housing Council (NMHC) strongly supports continuing the multifamily mortgage liquidity the GSEs provide to the apartment market for the following reasons:

- **In multifamily housing, Fannie Mae and Freddie Mac are the only "sure thing". We must support the nation's workforce housing needs in all markets and at all times.**
    - Private-label commercial mortgage-backed securities (CMBS) market simply lacks the capacity to provide sufficient liquidity to multifamily industry.
    - From the beginning of 2008 through the third quarter of 2011, GSEs have provided net credit of $144 billion to the multifamily industry while private-label CMBS sector experienced net **credit outflows of $43.7 billion**.
    - Banks and life companies are limited in capacity to fund multifamily and withdraw from the market during dislocations.
    - Fully 90 percent of apartment units financed by GSEs over past 15 years—more than 10 million units—were affordable to families at or below the median income for their community.

- **Privatization of the housing markets needs to be proved feasible, and it makes more sense to tackle the highly successful $2 trillion multifamily sector before trying to reform the still-struggling $12 trillion single-family sector.**
    - Fannie Mae's and Freddie Mac's multifamily businesses are performing extraordinarily well, making money for the taxpayer, and are relatively small enough to make IPOs a feasible execution to begin privatization.
    - While reform of single-family housing will take years to effect, privatization of multifamily can begin to repay the taxpayer now.

- **There are material differences in the way Fannie Mae and Freddie Mac purchase and securitize multifamily and single-family residential home mortgages, and there are two distinct secondary markets for the two types of mortgage products.**
    - Because of these differences, a one-size-fits-all solution for both single family and multifamily does not exist.
    - Any attempt at creating single housing solution could disrupt the financing and production of multifamily housing.

- **The GSEs' multifamily programs have contributed heavily to the creation of a mortgage credit standard that has led to growing institutional, sovereign and private capital investment.**
    - The platforms established by the GSE programs further enabled a strong development industry for a range of affordable, workforce and conventional rental housing.
    - GSEs have responded to the industry with a wide array of mortgage products.
    - Availability of GSE mortgage debt has been critical to short-term construction lending.

National Association
of Home Builders

Testimony of Robert F. Nielsen
On Behalf of the
National Association of Home Builders

Before the
House Financial Services Subcommittee on
Insurance, Housing and Community Opportunity

Hearing on
"Oversight of the Federal Housing Administration's
Multifamily Insurance Programs"

June 7, 2012

Introduction

Chairman Biggert, Ranking Member Gutierrez and Members of the Subcommittee on Insurance, Housing and Community Opportunity, I am pleased to appear before you today on behalf of the National Association of Home Builders (NAHB) to share our views on the importance and the oversight of the Federal Housing Administration's (FHA) multifamily mortgage insurance programs. We appreciate the invitation to appear before the Subcommittee on this important issue.

My name is Bob Nielsen. I am a multifamily builder from Reno, Nevada, and I am the Immediate Past Chairman of the Board of NAHB. NAHB represents over 140,000 members who are involved in building both single-family and multifamily housing, remodeling, and other aspects of residential and light commercial construction. NAHB's builder members construct approximately 80 percent of all new housing in America each year, and many of our multifamily builders rely on the use of FHA's multifamily programs to help provide decent, safe, affordable rental housing to many of our fellow citizens.

We want to commend the Subcommittee for its work on housing policy this Congress, and we appreciate this hearing to discuss the importance of multifamily rental housing and the federal programs that support this segment of the housing market. We also want to take a moment to recognize the U.S Department of Housing and Urban Development (HUD) for its work during the economic crisis with all multifamily stakeholders, many of whom are at this table, to ensure that credit remained available and affordable.

As we have testified in other committees, NAHB believes that a stable, effective and efficient housing finance system is critical to the housing industry's important contribution to the nation's economic performance and to the achievement of America's social goals. Residential construction - including the building of new structures as well as the remodeling of existing ones - has direct, positive impacts on the U.S. economy. The most obvious impacts are the work opportunities created in the housing industry, as well as in other industries that provide products or services to home builders and buyers. Workers are employed to directly engage in the construction activity. Jobs are generated in the industries where lumber, concrete, lighting fixtures, heating equipment, and other products that go into a home are produced. More jobs are created when real estate agents, lawyers, brokers and property managers provide services to home builders, home buyers and renters. NAHB estimates that the impacts include the following:

- 3.05 jobs from building an average new single family home.
- 1.16 jobs from building an average new multifamily rental unit.
- 1.11 jobs from $100,000 spent on residential remodeling.

As members of Congress and the administration move forward on restructuring the nation's housing finance system, NAHB would like to reiterate its longstanding belief that it is crucial for the federal government to continue to provide a backstop to ensure a reliable and adequate flow of affordable housing credit. A federal backstop must be a permanent fixture to guarantee a consistent supply of mortgage liquidity, as well as to allow rapid and effective responses to market dislocation and crises. That being said, NAHB looks forward to a continued dialogue with the members of this Subcommittee.

NAHB's testimony focuses on the Section 221(d)(4) and 223(f) programs, which provide mortgage insurance for new construction/substantial rehabilitation and the acquisition and refinancing of existing multifamily properties. These two programs are of critical importance to NAHB multifamily members. They are often used in tandem with the Low Income Housing Tax Credit (LIHTC) program to provide affordable housing. Indeed, HUD has been working to streamline the use of FHA insurance with the LIHTC program, as well as with other federal housing programs, such as HOME.

Our testimony includes an assessment of the department's risk management efforts; NAHB's concern regarding the administration's proposal to increase the mortgage insurance premiums; potential changes to the Guaranteed Insurance/Special Risk Insurance (GI/SRI) fund; recommendations regarding several appropriations issues that affect the FHA multifamily portfolio; and NAHB's policy direction regarding the future of FHA.

Background

Our members have long-supported the FHA multifamily mortgage insurance programs. These programs, most notably Section 221(d)(4) and 223(f), have enabled the construction and substantial rehabilitation of needed affordable rental housing units over the years, and as well as contributed to the ability of property owners to acquire, refinance, rehabilitate and preserve the existing stock of affordable housing. FHA historically has played an important role in the financing of multifamily rental housing, and it is especially important now during the current economic crisis. In FY2008, FHA issued firm commitments for just over \$2 billion in multifamily loans (excluding health care), which grew to \$5.8 billion in FY2009, \$11.8 billion in 2010 and \$13 billion in FY2011. This unprecedented increase in loan volume occurred as other sources of multifamily financing withdrew from the market as economic conditions worsened. FHA, along with Fannie Mae and Freddie Mac (the enterprises), are the primary sources of multifamily financing today.

However, the role of FHA during this economic crisis has been particularly important because private market sources of capital (banks, life insurance companies, and pension funds) for multifamily financing have not been available for all segments of the multifamily market. Life insurance companies tend to focus on large projects in the strongest markets and typically serve the highest income households. Once they meet their own portfolio investment targets, life insurance companies retract their lending. Banks do not provide 30-year term financing (as FHA does) and are subject to significant restrictions in terms of capital requirements. While the commercial mortgage backed securities (CMBS) market was significant at one time, it has not recovered from the financial crisis and is not expected to resume its past levels of volume. In addition, while the enterprises have been and remain critical sources for multifamily financing, they do not insure construction loans and have a poor record of addressing the financing needs for small multifamily rental properties.

Thus, while other lenders have started to return to the market, FHA continues to perform one of its critical roles - providing sufficient liquidity to meet market demand for financing both affordable and market rate rental housing in all geographic areas of the country during all economic cycles.

FHA's Risk Management Practices for Multifamily Programs

Early in the current housing crisis, HUD reassured NAHB that FHA would continue to provide liquidity to the market and quickly took steps to provide support for multifamily by instituting a waiver of the three-year rule for refinancings and extended that waiver twice. HUD also instituted a waiver to allow projects already under construction, with certain conditions, to apply for FHA financing.

As overall market conditions deteriorated, the department announced its intentions to institute a new risk management protocol for the multifamily insurance programs. In June 2010, a Mortgagee Letter was issued announcing significant tightening of the underwriting requirements for the Section 221(d)(4) new construction/substantial rehabilitation and Section 223(f) acquisition and refinancing programs. In addition to the underwriting changes, a national loan review committee was established, delegation to the field was modified, and FHA began a process of substantial credit policy and work flow management changes. The department also established a strong credit approach to application processing. In addition, HUD revised and tightened lender capitalization, licensing and monitoring requirements, made significant changes as part of the update of the loan closing documents, and finalized several changes to the regulations governing the FHA multifamily mortgage insurance programs.

The department also took steps to mitigate risk related to large multifamily loans. In late December 2011, HUD issued a Mortgagee Letter regarding the underwriting of large loans, defined as those at or above $40 million. While only a small number of loans overall, HUD was concerned that a few defaults of large loans could have an overwhelming impact on the portfolio. Debt service coverage, loan-to-cost and reserve requirements were tightened considerably for large loans (over and above the tightening already put into place). Also included in the new policy is additional scrutiny of sponsors asking for loans of $25 million or larger. Sponsors' creditworthiness, experience with large developments and past performance on FHA-insured properties will be examined much more closely before any loan applications are accepted.

All of these actions were intended to strengthen risk management practices related to the FHA multifamily mortgage insurance programs, ensure the health of the FHA multifamily portfolio and attract high quality borrowers. NAHB has been actively engaged in working with the department as these requirements have been implemented.

Although NAHB has not agreed with every action taken, overall we have supported HUD's objectives and have worked to ensure that borrowers and lenders understand the changes. Working with our industry colleagues, we have offered suggestions for improvements in a number of areas. Of particular concern has been avoiding an overcorrection; that is, ensuring that credit is not tightened unnecessarily. Also of continuing concern is that processing of FHA-insured loans remains slow, impeding access to needed credit.

Proposed Increases for the Multifamily Mortgage Insurance Premiums

As the department implemented the new risk management protocols discussed above, it did not propose an increase in the mortgage insurance premiums (MIPs) through FY2012. However, reversing this trend, the Administration's proposed FY2013 budget included an increase in the mortgage insurance premiums (MIPs) for most of the FHA multifamily mortgage insurance programs financing market rate loans. The department states in its Federal Register Notice (FR-5634-N-01) that, "These MIP increases will not only provide additional protection for the Guaranteed Insurance/Special Risk Insurance fund (GI/SRI) and increase receipts to the Treasury, but will also encourage private lending to return to the market by ensuring FHA is not under-pricing its risk."

The department proposes to increase the MIPs for the Section 221(d)(4) new construction/substantial rehab by 20 basis points (bps) from 45 to 65 and increase the MIPs for the Section 223(f) acquisition and refinance program by 15 bps, from 45 to 60. The increases do not affect affordable/assisted properties, that is, properties financed with Low Income Housing Tax Credits (LIHTCs) or that have Section 8 project-based or other types of rental assistance.

NAHB is opposed to these increases. We do not believe that HUD has provided compelling justification for them. The purpose of the MIPs is not to increase receipts to the Treasury, nor to adjust FHA's pricing of credit risk relative to current private market pricing. Increasing the MIPs will not serve to build a buffer against future losses, because there is no segregated fund and excess income is returned to the Treasury each year. These higher MIPs will only add to property owners' costs, thereby affecting rents. In the current economic environment, where rents are increasing, higher MIPs will only speed the upward trending of rents.

We believe it is extremely important that any increase in the mortgage insurance premium be supported and preceded by a careful analysis of the need and impact of the change. HUD's Notice provides no analysis of the need and impact of the proposed increase on borrowers, lenders or renters who live in properties insured under the programs.

NAHB believes that HUD's basis for these increases is a deviation of past practices and current policy. Historically, HUD has not raised the MIP to generate revenue beyond that needed to cover expected credit losses and associated program costs. Currently, the MIP is set at a level where the programs will break even (i.e., no credit subsidy is required) providing only a minimal amount of excess income. This level is established based on an economic model, as required under the Federal Credit Reform Act of 1990 (FCRA), that takes into account the risks and costs of the program. The HUD proposal makes no mention of any technical or actuarial defects of the model. If such defects exist, the Department should be transparent and indicate such as a reason for increasing the MIPs. Absent any information to this effect, we would presume that the Department believes the risk model is working appropriately.

It is our understanding that Congress did not intend the FHA MIP to be based on what the market would bear. Rather, Congress, in FCRA, set out a framework for federal insurance and guarantee programs "that would assure the government accounted for these guarantees in an appropriate manner." Originally, this calculation resulted in the need for an appropriation by Congress for the FHA multifamily programs. However, the credit subsidy calculation which has been used by HUD for the last 10 years has set the MIP for most of the multifamily programs at a level that would allow them to break even and not require an appropriation of credit subsidy. In fact, the multifamily programs have generated substantial negative credit subsidy for HUD over the years. As noted earlier, the current MIP increase runs counter to the Credit Reform Act, as it sets the MIP at what the Administration considers a rate more in line with the private sector. We believe it is more appropriate to set the FHA MIP based on FHA's costs and experience with FHA's portfolio of loans.

It is extremely important to note that, in the most recent past, the default rate used by HUD in the credit subsidy calculation has, in fact, **gone down**. In the case of the new construction program, according to the Federal Credit Supplement of the recently released FY2013 Budget Proposal, the FY2012 budget had a default rate of 19.11 percent, while the FY2013 budget saw that rate fall to 13.18 percent — a significant decrease. Similarly, the default rate for the multifamily refinance program dropped from 12.64 percent to 4.22 percent — a stunning decrease.

NAHB believes that should HUD impose higher MIPs on these loans, it would discourage market rate housing. Congress intended the FHA multifamily insurance programs to have a broad scope. The legislation authorizing the multifamily programs nowhere indicates a requirement or even a preference for assisted housing. In fact, Congress has repeatedly increased the maximum loan limits for the programs which are the only targeting mechanism for the multifamily insurance programs.

Moreover, rental housing in general — whether market rate or otherwise — is inherently affordable in character, and many of the properties financed and refinanced under the FHA multifamily programs are affordable to families at 60 to 80 percent of area median income without any type of direct federal or state subsidy. These types of properties are routinely financed by FHA-insured loans, particularly in the 223(f) programs, and these properties will be disadvantaged by the imposition of higher MIPs.

In addition, the proposed increases will disproportionately affect market rental properties in secondary and tertiary markets. Private capital (banks, pension funds and insurance companies) currently is focusing lending activities in the strongest markets and for the most well-capitalized large developers. Access to capital in the secondary and tertiary markets is much more limited, and FHA has always played a significant role in providing liquidity in these areas. HUD does not differentiate among markets in setting the MIPs, thus the increases penalize the borrowers who need HUD financing the most.

The need for an MIP increase in the face of reduced defaults has not been demonstrated and sets a precedent for poor public policy making, creating a de facto tax on rental housing.

FHA and the Private Market

Although the role of FHA has increased significantly in the multifamily market during this recession, NAHB believes that this has not been a direct effort to push out the private market; it has only done so because other market participants have pulled back. The volume of multifamily loan originations by CMBS issuers, banks, life insurance companies and other lenders reached their peaks in 2007 and dramatically decreased in 2008 and 2009. Many capital providers began reentering the market in 2009 and have steadily increased in 2010 and 2011. On the other hand, Fannie Mae, Freddie Mac and FHA stayed in the markets and even increased their volumes in 2008, 2009, 2010 and 2011.

FHA financing is often used in smaller markets where the enterprises and other market participants are less active and has filled the niche that local banks and thrifts have retreated from in recent years. Without FHA, many of the rental housing properties that need rehabilitation would not be able to achieve the necessary capital, and new rental housing would not be able to be built.

As conventional lenders have returned to the market, FHA's market share has declined because these financing sources are more flexible and less costly to pursue. This is occurring naturally without the need to unnecessarily increase costs through an increase in the MIP.

<u>The Guaranteed Insurance/Special Risk Insurance (GI/SRI) Fund</u>

NAHB recognizes there have been discussions on the establishment of capital ratios for the GI/SRI funds as a way of strengthening the risk management practices for the FHA programs. NAHB does not believe it is appropriate to apply the concept of capital ratios as used with the Mutual Mortgage Insurance Fund (MMIF) to the GI/SRI fund. The nature of the multifamily portfolio is significantly different from the single family portfolio insured under the MMIF.

Currently, there is no statutory requirement for capital ratios for the GI/SRI fund. If Congress must consider whether or not to establish capital ratios, it should be preceded by an in-depth analysis to determine the likely impact on the MIPs for the FHA multifamily programs. Until the FY2013 budget was proposed, implementation of the new risk management protocol did not include an increase in the MIP for any of the FHA multifamily mortgage insurance programs. Any proposal to implement a capital ratio on the GI/SRI funds could have a significant impact on MIPs. Higher MIPs will lead to higher costs for borrowers and renters who are served by the FHA multifamily programs. A key example is the Section 221(d)(4) program where a higher MIP will raise the required borrower debt service and/or equity contribution, resulting in a lower mortgage amount at a higher rate of interest. These higher costs would be passed along to the low- and moderate-income families who use the program in the form of higher rents or could result in properties not being built or rehabilitated because of the higher equity contribution required.

NAHB urges members of Congress to carefully consider the range of issues before proceeding to consider whether minimum capital ratios should be required of the GI/SRI fund. First and foremost, an in-depth analysis, conducted by a qualified third party, should be undertaken before any legislative proposals are moved forward.

<u>Other Issues Impacting the Multifamily Portfolio</u>

Section 8 Project Based Rental Assistance

The Administration's FY2013 budget includes a proposal to short-fund renewals of Section 8 Project Based Rental Assistance (PBRA) contracts. That is, instead of asking for sufficient appropriations to renew the funding of all expiring contracts for a full 12 months, funding would be provided only for the remainder of the fiscal year in which the contract is renewed. HUD believes that this is a cost-saving measure, but in fact, short funding in one fiscal year only exacerbates the problem for the next fiscal year.

Property owners and managers will need to make contingency plans for paying their mortgages and operating expenses if HUD does not have funding available to renew the contracts or make housing assistance payments. In addition, uncertainty about the budgets for PBRA raises concerns about the reliability of federal funding commitments among owners, managers, lenders and residents and could stall or prevent the preservation of FHA-insured multifamily properties that provide affordable housing through PBRA.

We strongly support the Senate Appropriations Transportation, Housing and Urban Development (THUD) bill as passed by the Full Committee, which provides full 12-month funding for PBRA contracts. We would urge this Committee to work with their counterparts in Appropriations to ensure spending levels which enable property owners to properly administer the programs that serve those in need.

HUD's Legislative Proposal for Small Multifamily Financing

HUD is interested in finding new financing options for the refinancing, rehabilitation and/or acquisition of small multifamily rental properties (defined as five to 50 units). Small properties are an important source of affordable housing – nearly a third of the nation's renters live in small, unsubsidized housing. Typically such properties are owned as "Mom and Pop" investments or by other small business entities, which often have difficulty obtaining financing for capital improvements or to acquire these properties.

The HUD budget for FY2013 includes a proposal to amend Section 542(b) of the Housing and Community Development Act of 1992. Under the Section 542(b) risk share legislation, HUD provides reinsurance on multifamily housing projects whose mortgage loans are originated, underwritten, and serviced by Qualified Participating Entities (QPEs). QPEs include eligible lenders, such as state housing finance agencies (HFAs), government sponsored enterprises (GSEs) or other approved entities.

Under this proposal, a greater number of experienced affordable housing lenders would be allowed to make risk share loans to refinance, rehabilitate and recapitalize small properties. The proposal would amend Section 542(b) to allow Ginnie Mae to securitize risk share loans. Thus, lenders approved by Ginnie Mae for the program could securitize these loans on the secondary market, reducing the costs of financing such properties and freeing up capital for additional multifamily lending.

HUD also proposes to amend Section 542(c) of the Housing and Community Development Act of 1992, which allows FHA to enter into risk sharing programs with HFAs only. HUD's proposed amendment would permit Ginnie Mae to securitize loans made under Section 542(c).

NAHB supports HUD's efforts to expand the availability of financing for small multifamily rental properties and to provide a secondary market outlet for such loans. These two legislative proposals are an important step in the right direction, and we urge the Committee to work with HUD on its proposed amendments to Sections 542(b) and (c).

H.R. 4253 Preservation Enhancement and Savings Opportunity Act

NAHB would like to express its support for H.R. 4253. The bill was introduced to address an issue affecting properties originally financed in the early 1970s with a subsidized mortgage loan under Section 236 of the National Housing Act. In 1994, to encourage the continued availability of the property for affordable housing, the financing for the property was restructured under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (LIHPRHA).

Under the LIHPRHA agreements, the owner became obligated to operate the property as low income housing for the remaining useful life of the property. The restructured financing imposed a fixed maximum amount on annual cash distributions to the equity owners of the property. These distribution limits, while initially quite workable, over time have developed adverse and unexpected impacts relating to the federal income tax liabilities of the owners. Initially, the net income from the property was in reasonable balance with the depreciation and mortgage interest deductions, with the result that the permitted fixed cash distribution was at least sufficient to permit the equity owners to satisfy their federal income tax liability relating to the property.

With the passage of time, deductible mortgage interest has been an ever-declining portion of the constant mortgage loan payments, and depreciation deductions have also declined. Thus, the annual federal taxable income of the owner has increased substantially, while the permitted distribution under the LIHPRHA Agreements has remained at the constant dollar amount fixed in 1994.

The bill would address this situation by removing contractual limits on distributions of surplus cash, permitting the owner to take an annual distribution of any project income that remains after all project operating expenses and maintenance costs have been provided for, in accordance with HUD standards, and all debt service obligations have been paid. In essence, the bill simply accelerates the owners' access to their own funds. The proposed legislation would ameliorate a burdensome and unintended result of LIHPRHA, at no budgetary or tax cost to the Federal government (as the funds are project funds and do not belong to HUD) and without threatening the physical or financial well-being of the property.

The Future of FHA Multifamily Financing

The focus of the discussion on the future of housing finance reform largely has been on single family homeownership. Less attention has been paid to the multifamily rental housing segment of the housing finance system, even though almost one-third of Americans live in rental housing, and demand for rental housing in the future is expected to increase.

In particular, NAHB estimates that the aging of the "echo boom" generation will result in demand for between 300,000 and 400,000 multifamily housing units on average per year over the next ten years. The timing of this demand will depend on the pace of economic recovery, but the housing needs of these households will not be postponed indefinitely. In 2011, the 178,000 multifamily housing starts were roughly half of the 300,000 to 400,000 units needed to keep pace with demographic factors over the next 10 years. Production of multifamily housing will undoubtedly increase above the current low levels. It is important that the financing mechanisms to support that production are available.

The administration, in its 2011 report, *Reforming America's Housing Finance Market,* emphasizes that Americans must have access to a range of affordable housing options, whether they own or rent. The report notes that renters face significant affordability challenges and says that the housing finance system must promote liquidity and capital to support affordable rental options that alleviate high rent burdens on low-income households.

The report states that, in the near term, the administration will begin to strengthen and expand FHA's capacity to support both lending to the multifamily market and for affordable properties that are underserved by the private market. Options include risk-sharing with private lenders and development of programs dedicated to hard-to-reach segments, such as small rental properties, underserved markets and rural areas.

While NAHB strongly supports such activities as appropriate for FHA, the current structure, staffing levels and resources available may not be sufficient to take on such additional responsibilities, nor does FHA have the institutional flexibility to respond to the range of market needs quickly and efficiently. FHA continues to struggle to improve loan processing times, and staffing levels are at all-time lows. Consideration must be given as to how to implement the structural and budgetary changes that would be needed for expanded responsibilities.

NAHB also believes that more thought needs to be given to a future financing system that will meet the needs of moderate and middle income renters. Fannie Mae and Freddie Mac have developed expertise in providing financing to the middle of the rental market, where housing is generally affordable to moderate income families. However, FHA has a role to play in this segment of the market as well, particularly if the enterprises' eventual dissolution leaves a void that will not be filled by other entities.

Conclusion

The FHA multifamily mortgage insurance programs play a critical role in the nation's housing finance system. These programs provide access to credit in all geographic areas of the country and under all economic conditions. NAHB strongly supports HUD's efforts to strengthen the programs and to implement changes that improve their efficiency and effectiveness without impeding access to credit.

NAHB also strongly believes that the programs must be protected from being used as sources of income for non-housing uses. Raising the MIPs to provide revenue to the federal government is poor public policy and only increases the cost of housing. Similarly, instituting minimum capital ratios without a thorough study and justifiable need is not an action supported by NAHB.

The future of the nation's housing finance system remains in flux; the future of the FHA multifamily mortgage insurance programs must be part of the discussion. NAHB believes that the FHA mission should remain broad, that the programs should encompass market rate and affordable housing, and that more effort should be directed towards increasing program flexibility and staff resources.

Thank you again for this opportunity for the National Association of Home Builders to share our views on the FHA multifamily mortgage insurance programs.

The University of Chicago Booth School of Business

Written Testimony of

Joseph L. Pagliari, Jr.
Clinical Professor of Real Estate
University of Chicago Booth School of Business

"Oversight of the Federal Housing Administration's Multifamily Insurance Program"

Before the House Financial Services Committee
Subcommittee on Insurance, Housing and Community Opportunity

June 7, 2012

Madam Chairwoman and Members of the Subcommittee;

Thank you for inviting me to testify today. My name is Joseph L. Pagliari, Jr. and I am a Clinical Professor of Real Estate at the University of Chicago | Booth School of Business, where I teach courses on real estate finance, investment and development. A significant portion of my research focuses on various aspects of mortgage finance. However, the viewpoints expressed in this testimony are my own.

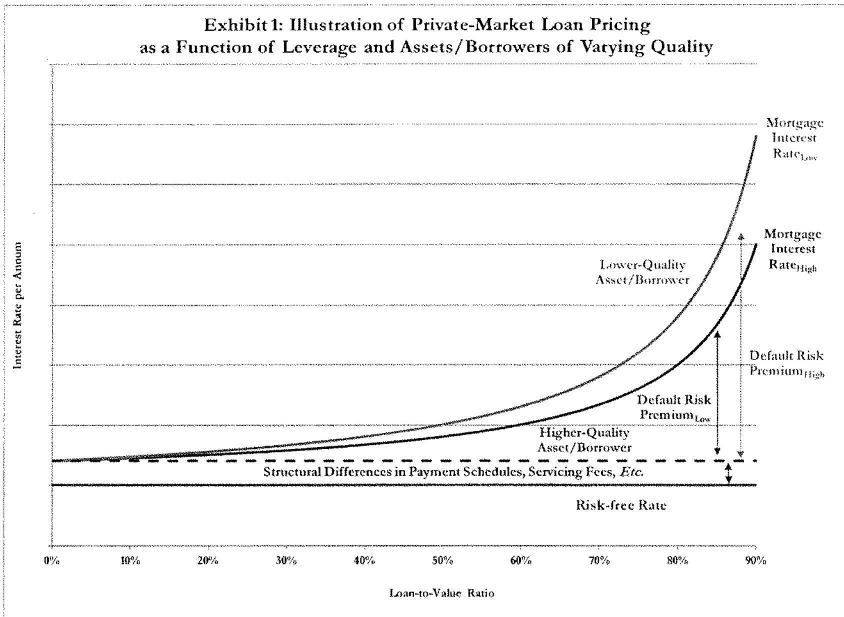
I was invited to testify on the multifamily insurance program sponsored by the Federal Housing Administration (FHA), with local HUD (Department of Housing and Urban Development) offices performing most of the loan-underwriting services. In this regard, my testimony will focus on three major areas:

1. PRICING STRUCTURE | Adverse Selection & Excessive Leverage

As a starting point, consider that private-market commercial mortgage lenders charge increasingly higher interest rates (quoted as a spread to Treasury bonds of an identical maturity length) as the project's leverage ratio increases – representing the lender's compensation for the increasing probability and severity of a borrower default.[1] Now, it is also the case that lender's estimates of the probability and severity of default additionally vary with the lender's perception of market-area fundamentals,[2] building quality, borrower reputation, state law (with regard to lender rights), *etc.* – or, more broadly, with perceptions of asset and borrower quality. A simple comparison of lower- and higher-quality assets/ borrowers is illustrated in Exhibit 1, where the lender charges the lower-quality asset/borrower a higher interest rate across all loan-to-value (LTV) ratios.

[1] Unlike single-family mortgage lending, in which lenders must also price the costless option granted the borrower to prepay without penalty, commercial mortgage lenders by and large contract away this costless option by some incorporating form of a prepayment penalty.

[2] This includes socio-economic characteristics, employer concentrations, job growth, state law (with regard to tenant rights), *etc.*



In contrast, the FHA/HUD lending programs (*e.g.*, §221(d)(4), §223(a)(7) and §223(f)) do not vary the interest rate – either by the leverage ratio or by asset/borrower quality.[3] The result of these two very different sets of practices (*i.e.*, the private market attempting to price default probabilities by varying the interest rate while FHA/HUD does not) creates two main effects: adverse selection and excessive leverage. To appreciate these effects, consider Exhibit 2, which attempts to contrast the private-market's pricing practices[4] with that of FHA/HUD and to illustrate the potential for adverse selection and excessive leverage. In order to illustrate these effects, Exhibit 2 displays three potential FHA/HUD interest rates relative to private-market interest rates: 1) lower- and higher-quality assets/borrowers, 2) lower-quality only and 3) no assets/borrowers.

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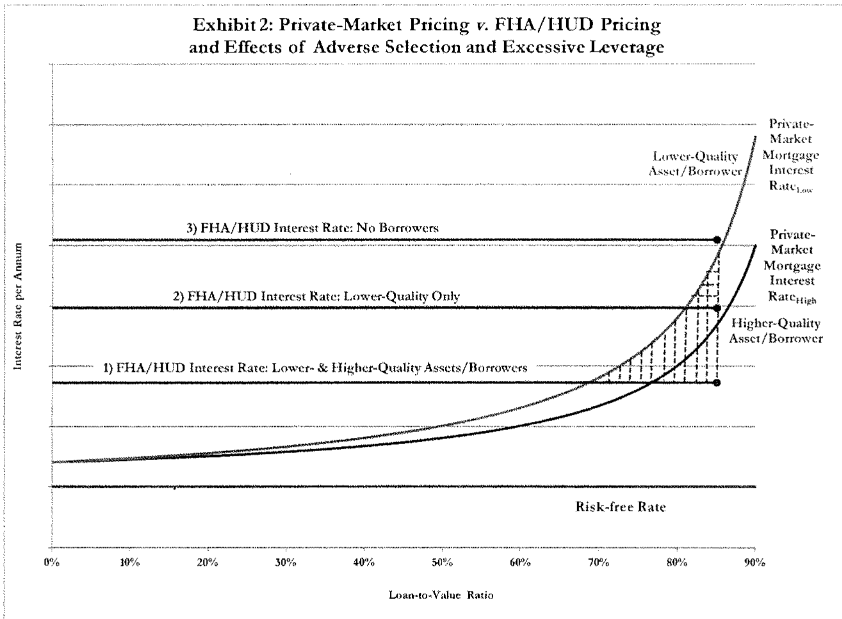
[3] There are some instances in which HUD will vary items such as the initial and ongoing reserves in response to such characteristics as the LTV ratio or asset/borrower quality. Overall, the changes in reserve requirements tend to have a *de minimus* effect on the effective interest rate (*i.e.*, net loan proceeds – after fees and initial reserves – in comparison to future principal and interest obligations).

[4] In this usage, pricing means the effective interest rate. Further note that such rates – as measured by spreads to Treasury bonds – vary over time.



A few additional prefatory comments are in order:

- The FHA/HUD interest rates shown in Exhibit 2 terminate at an 85% leverage ratio; this crudely represents the maximum leverage FHA/HUD will permit.[5]
- Borrowers look to minimize the total costs of indebtedness, for a given leverage ratio and loan maturity. In so doing, borrowers consider more than just the interest rate; other factors to consider include: the degree of recourse liability[6] assumed by the borrower, the term[7] of the loan, the assumability of the loan, prepayment prohibitions and penalties, the speed of loan closing, ease of post-closing/loan-servicing issues, *etc.*

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[5] There are, however, differences by lending program, by affordable *v.* market-rate apartments, *etc.*

[6] The §221(d)(4) program essentially provides the borrower with a construction loan which, upon property stabilization, converts to a "permanent" loan. The program requires very little recourse liability to the borrower as compared to private-market construction loans.

[7] The FHA/HUD programs permit maturities of 35 years or more. Currently, there are few – if any – private-market alternatives offering such long-dated maturities.

- Exhibits 1 and 2 describe private-market loan pricing in terms of the leverage ratio. However, lenders also examine the debt-coverage ratio (DCR) and underwrite the loan "size" based upon the lower indicated loan amount as between these two tests (*i.e.*, LTV *v.* DCR).[8] Regardless, the principle is the same: lenders charge increasingly higher interest rates as one or more measures of project leverage increase.

a. <u>Adverse Selection</u>

Consider the three rate-setting possibilities[9] shown in Exhibit 2 at the maximum FHA/HUD leverage ratio:

1) When the FHA/HUD rate is lower than private-market interest rates, then the FHA/HUD multifamily lending programs attract both lower- and higher-quality assets/ borrowers. However, FHA/HUD charges too little – relative to the private market's consensus view of the appropriate interest rate at that leverage ratio – to both sets of borrowers (as indicated by the vertical distance between the FHA/HUD interest rate and the private-market interest rates to lower- and higher-quality assets/borrowers). This is a form of adverse selection in the sense that this rate-setting regime disproportionately attracts lower-quality assets/borrowers precisely because the FHA/HUD interest rate is much cheaper on a relative basis to the borrower's private-market alternative.

2) When the FHA/HUD rate is lower than private-market interest rate for lower-quality assets/borrowers but higher than the rate for higher-quality assets/borrowers, then the FHA/HUD multifamily lending programs attract only the lower-quality assets/ borrowers. Here too, FHA/HUD charges too little – relative to the private market's consensus view of the appropriate interest rate at that leverage ratio – and experiences some form of adverse selection (in the sense that this rate-setting regime only attracts lower-quality assets/borrowers precisely because the FHA/HUD interest rate which is much cheaper on a relative basis to the borrower's private-market alternative).

3) When the FHA/HUD rate is higher than private-market interest rate for lower-quality assets/borrowers, then the FHA/HUD multifamily lending programs attract no borrowers. In this interest-rate regime, FHA/HUD prices itself out of the market.

So, in all instances in which FHA/HUD is originating loan volume (*i.e.*, in the first two of these three rate-setting regimes), FHA/HUD under-prices – by comparison to the private-market's consensus view – the likelihood and severity of borrower defaults and, in so doing, disproportionately attracts lower-quality assets/borrowers.

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[8] Which of these two tests produces the binding constraint depends largely on the spread between income yields (or capitalization rates) and interest rates. When income yields are greater than interest rates, then the LTV test tends to be the binding constraint and *vice verse.*

[9] Again, let's ignore – for purposes of simplicity and without jeopardizing the main results – the other earlier-mentioned dimensions (*e.g.*, recourse liability, assumability, term, *etc.*) by which borrowers determine their all-in borrowing costs. It may, however, be more accurate to view these interest-rate differentials (between the private market and FHA/HUD) as the borrower's main focus and the starting point from which these other dimensions are examined by the borrower.

b. **Excessive Leverage**

Exhibit 2 also suggests that myopic borrowers[10] may be persuaded to utilize more leverage in their capital structure; this is possible because the FHA/HUD interest rate does not increase with higher leverage ratios. Consider the case in which the FHA/HUD rate is lower than private-market interest rates for both lower- and higher-quality assets/borrowers. This incremental savings in the borrower's interest rate – as indicated by the vertical dashed lines in Exhibit 2 – may be used by the borrower to increase the amount of borrowing. In turn, the increased leverage increases the probability and severity of the borrower's potential default. The outcome is identical, but the magnitude is smaller, when the FHA/HUD rate is lower than private-market interest rates for lower-quality assets/borrowers but above the private-market interest rates for higher-quality assets/borrowers – as indicated by the intersection of the horizontal and vertical dashed lines in Exhibit 2. [Of course, there is no excessive leverage in the case when the FHA/HUD rate is higher than private-market interest rate for lower-quality assets/borrowers – because, in such instances, there are no borrowers under the FHA/HUD multifamily lending programs.]

c. **Other Considerations**

There are a number of other considerations that should be raised as well:

- As indicated in Exhibits 1 and 2, the spreads in private-market interest rates (*i.e.*, pricing impacts) due to differences in lower- *v.* higher-quality assets/borrowers are widest when leverage is highest. Consequently, FHA/HUD loans are most often originated at leverage ratios where the appropriate default premium is most difficult to identify and where the costs of misidentification are highest.

- It would be incorrect to interpret Exhibit 2 as suggesting that these rate-setting regimes are static. They are not; indeed, fluctuating FHA/HUD multifamily loan-origination volumes (as a percentage of both private- and public-market apartment lending) over time provide some sense of the dynamic nature of this process.

- It would also be incorrect to interpret Exhibit 2 as suggesting the private-market's consensus view on the pricing of the anticipated probability and severity of the borrower's default is always correct. Clearly it is not; there is plenty of evidence of private-market lenders under-pricing the probability and severity of the borrower's default in, for example, the recent financial crisis. However, this is not an important and pertinent issue: markets are never perfect predictors of future events.

- To this point, I have not drawn much of a distinction between FHA/HUD multifamily loans made to apartment projects with an "affordability" component and to those that do not. From the narrow standpoint of the potential mispricing of the interest rate (and the accompanying default risk assumed by the lender), the "affordability" component matters only in the sense that it may alter characteristics of asset/borrower quality (and, therefore, the appropriate interest rate). Of course, there are broader policy implications; a point I will return to in §2 and §3 of my remarks.

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[10] Myopic in the sense that they ignore the increased riskiness of their leveraged equity position, as they borrow more.

2. COSTS | Underwriting Experience & Risks May Be Changing

a. FHA/HUD Underwriting Experience

The forgoing notions of adverse selection and excessive leverage beg the question as to: Whether or not the private-sector does a better job of pricing (via their interest rate schedule) default risk and of underwriting the asset/borrower than is found with the FHA/HUD experience? This is an empirical question. I have not been privy to such data with regard to the FHA/HUD experience.

Such an analysis, were it to take place, should cover a sufficient length of time (in order to fairly represent the experiences of both sides), should incorporate the incremental costs of FHA/HUD to originate and monitor the loans, and should be careful to control for various effects (*e.g.*, the "vintage year) that may help explain differential performance. However, such an analysis is unlikely to control for all such effects; some priced effects may be either unobservable (*e.g.*, borrowers' perceptions about ease of loan-servicing issues after origination) or lack of a counterfactual (*e.g.*, the non-recourse aspect of the construction loan embedded in the §221(d)(4) program may have few – if any – counterparts in the private market).

Ultimately, such an analysis may be less than completely conclusive. Nevertheless, it is difficult to imagine that the FHA/HUD credit-loss experience does not suffer as a result of the effects of adverse selection and excessive pricing.[11]

b. Risks May Be Changing

Over the last thirty years, the multifamily market has been the "core" property type[12] that has generally displayed the best risk/return characteristics.[13, 14] Consider Exhibit 3:

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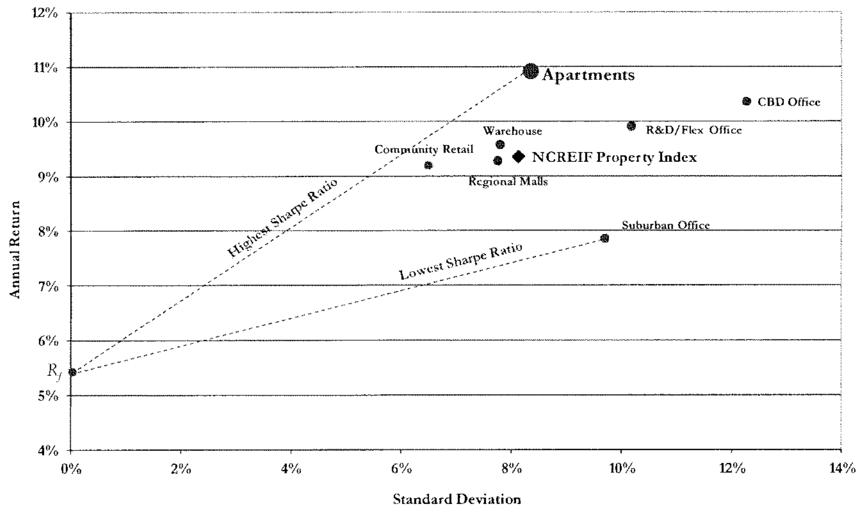
[11] This is not meant to impugn the loan-underwriting efforts of the local HUD offices. To use a playing-card analogy: The HUD offices must play with the cards they're dealt; they don't have the luxury of folding.

[12] While there is no universally agreed-upon definition, most institutional investors would agree that "core" properties are represented by built and fully leased properties, of the following types: apartments, industrial, office and retail.

[13] Property performance is supplied by the National Council of Real Estate Investment Fiduciaries (NCREIF), a non-profit trade association which quarterly reports the (unlevered) income and appreciation returns from the real properties owned privately by institutional members. At the end of 2011, the NCREIF Property Index comprised approximately 6,500 properties with an aggregate market value of roughly $275 billion.

[14] The Sharpe ratio (SR) represents a measure of risk-adjusted (financial) performance. The higher the number, the better the performance. It is calculated by subtracting the risk-free rate (r_f) from the realized return (r_i) and dividing the result by the standard deviation (σ_i) of the realized return: $SR = \frac{r_i - r_f}{\sigma_i}$.

Exhibit 3: Historical Performance of the NCREIF Property Index and Various Property Types for the Period 1978 through 2011



However, there is an old saying that roughly goes as follows: "Something is not a risk until it is one." Translation: A backward-looking review of performance may lead to unwarranted confidence about future events. Certainly, the US housing market leading up to the 2008 financial crisis is one oft-cited example. While I am not predicting a housing-like crash in multifamily values, there are at least two reasons to be concerned that the past may not be perfect prologue to the future:

- Declining Capitalization Rates – Over much of the last decade (and more), capitalization rates[15] have been lower and declining more steeply for multifamily properties than they have for other core property types. See Exhibit 4. The implication for declining capitalization rates is that future returns may be lower.[16]

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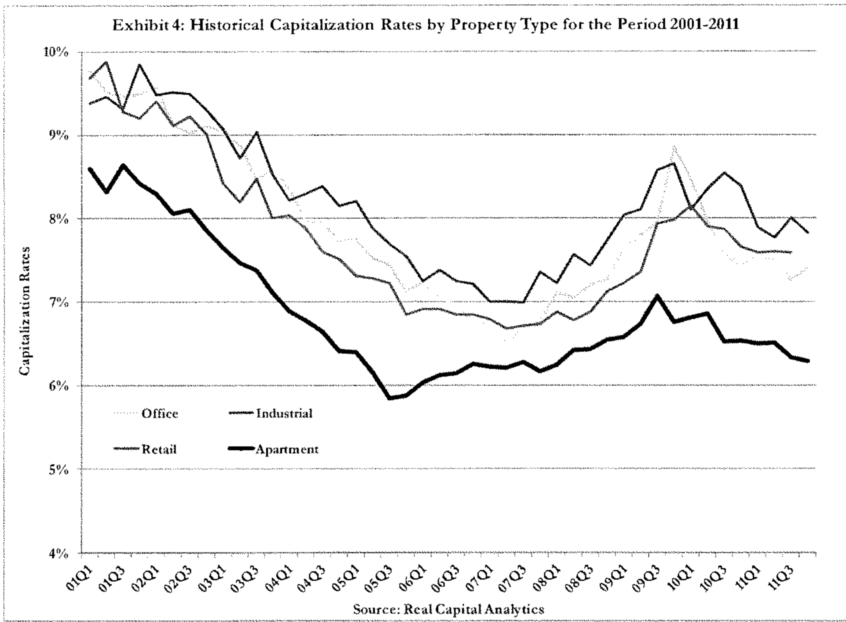
[15] Capitalization rates, or income yields, represent the ratio of net operating income (after replacement reserves) divided by property value.

[16] In principle, future asset-level returns $[E(k_a)]$ are function of current capitalization rates $\left(\frac{CF_1}{P_0}\right)$, the growth (g) in those cash flows over time and the effects (Δ) of shifting changing capitalization – where an increase in capitalization rates leads to a decline in total returns. $E(k_a) = \frac{CF_1}{P_0} + g + \Delta$



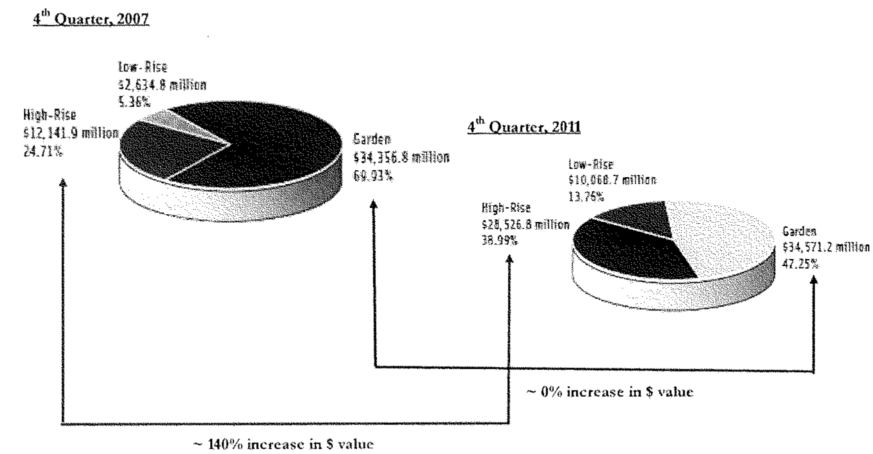
- NIMBY *v.* YIMBY – For some time, I have contended that the apartment investors and lenders have benefitted from the reluctance of many suburban municipalities to encourage multifamily development. The euphemism for this type of behavior is NIMBY: not in my backyard.

  Investors and lenders have benefitted from this municipal behavior because it acts as a governor on additions of new supply. And, excessive new supply additions are often the element most detrimental to property/market performance. Even property types (*e.g.*, suburban office) and metropolitan areas (*e.g.*, Austin, Phoenix) with exceedingly strong growth characteristics have – from time to time – succumbed to excessive construction. When new supply starts exceeds demand growth, the markets fall into disequilibrium – causing rents to fall, vacancies to rise and values to tumble.

  However, in many urban markets, municipal authorities are increasingly in favor of multifamily development: NIMBY in reverse → YIMBY (yes in my backyard). Against a backdrop of the rise of the "24-hour" city and attempts to re-gentrify parts of aging cities, municipal authorities look more favorably on the long-run enhancements to the tax base and short-run additions to (construction-related) jobs that these multifamily projects generate. While these attributes may be laudable goals from the municipalities' perspective, these increasingly pro-development attitudes of urban officials may pave the way for lower apartment returns as well as greater volatility in those returns.

As one example of the potential swing of the pendulum from apartments located in NIMBY municipalities as compared to those in YIMBY municipalities, consider the changing proportion of garden apartments (as a proxy for NIMBY communities) *v.* high-rise apartments (as a proxy for YIMBY communities) within the NCREIF database. See Exhibit 5. Over just the last four years, the dollar volume of garden apartments have essentially remained flat, while the dollar volume of high-rise apartments has increased by approximately 140%.

Exhibit 5: Illustration of the NCREIF Index' Changing Apartment Composition



The potential for (unlevered) apartment returns to decrease and/or the volatility of those returns to increase is unwelcomed news for multifamily lenders – as this worsens the prospects for the likelihood and severity of borrower default. Of course, this would be a private-market problem in the absence of the FHA/HUD multifamily lending program (and other government-sponsored lending programs). However, the issues of potentially privatizing profits while socializing losses are also at play here – particularly so when the FHA/HUD multifamily-lending programs are utilized by market-rate apartment communities. Consequently, the adequacy of the FHA/HUD interest rate[17] (including the MIP – mortgage insurance premium – payment) should be viewed in the context of potentially shifting risk/return characteristics for multifamily properties as well as the earlier-mentioned problems of adverse selection and excessive leverage.

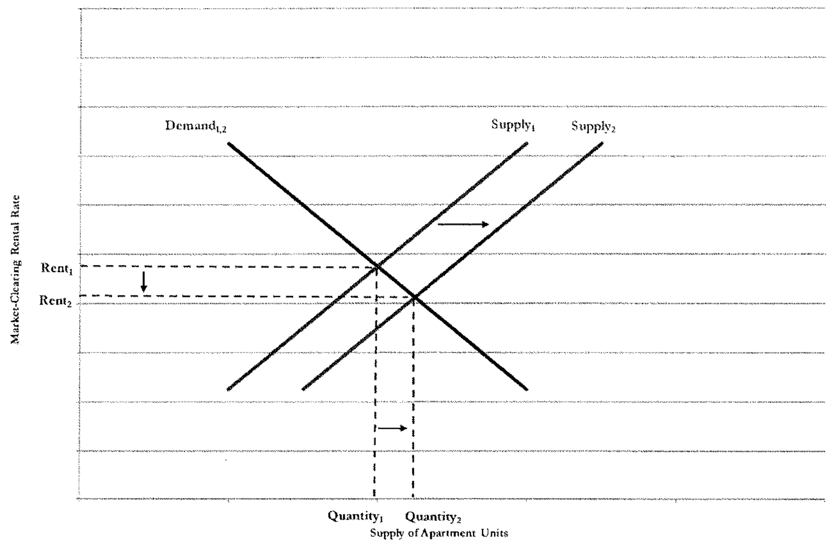
[17] At present, the borrower's cost is approximately 125 basis points (bps) over the 10-year Treasury rate (45 bps for MIP, 40 bps for the investor's spread, 25 bps for GNMA and servicing and 15 bps for the "swap" spread) – even though the FHA/HUD loan has a longer maturity date.

3. **BENEFITS: | Interconnected Markets & Adverse Home Pricing**

a. **The Partial-Equilibrium Case**

Of course, the costs of the FHA/HUD multifamily lending program ought to be weighed against the benefits. In a partial-equilibrium setting, the benefits – as illustrated in Exhibit 6 – are familiar to most: An increase in the marginal supply of apartments produces lower rents and expands the number of rental choices (*i.e.*, quantity of apartments available).

Exhibit 6: Illustration of Partial Equilibrium Analysis: Change in Rent and Units Due to Increased Suppy



Presumably, the increase in the marginal supply of apartment units is due (at least in part) to the existence of the FHA/HUD multifamily-lending programs. Moreover, the lower rents and increased apartment quantity benefits low- and moderate-income households – even when the FHA/HUD multifamily-lending programs extend credit to market-rate apartment properties – despite apartment markets being somewhat segmented along various price points. These benefits are shared because of the interconnectedness of property markets; for example, a reduction in the rental rates of the most-expensive apartment buildings also lowers the rental rates on the less-expensive apartment buildings.

b. **General Equilibrium | Shared Surplus → Sellers**

However, the partial-equilibrium analysis above ignores other effects which may mitigate the benefits identified above. Among those effects is that the "surplus" illustrated in Exhibit 6 (as the marginal supply of apartments increases) may be shared with sellers in the case of apartment development. That is, the developer is able to pay more for the land (as is often the case in suburban/ex-urban development) or the to-be-demolished building (as is often the case in urban development), because the credit subsidy (due to the lower interest rate – as compared to private-market alternatives) implicit in the FHA/HUD lending programs permits the developer to pay more for the to-be-developed property than would be the case without the subsidy.[18] A similar argument can be made for redevelopment and rehabilitation instances. But perhaps most tellingly of all, the credit subsidy implicit in the FHA/HUD lending programs also permits acquirers of existing apartment complexes to pay a higher price for an existing multifamily property in good condition.

c. **General Equilibrium | Adverse Effect on Home Prices**

Another potential general-equilibrium effect is the adverse impact on home prices attributable to the increased supply of multifamily properties. Because the homeownership and rental markets are interconnected,[19] there is a substitution effect: for example, a decrease in the rental rates of apartment properties leads to a fall in the value of owner-occupied housing. Without conjecturing about the long-term policy merits of lowering (by FHA/HUD extending credit and subsidizing the interest rate) home appreciation rates, the short-term effects ought to be considered in light of other governmental efforts currently designed to stabilize and enhance home values.

Conclusions

The very nature of the FHA/HUD loan-pricing practices (*i.e.*, an interest rate that is in invariant to the leverage ratio and to asset/borrower quality) is likely to lead to borrowers characterized by adverse selection and excessive leverage. So, what is the credit-loss experience of the FHA/HUD multifamily lending program? There is an empirical answer – were the data available – to FHA/HUD's past experience. There are, however, also factors on the horizon (*e.g.*, lower apartment income yields and an increasingly pro-development view among municipalities) which might suggest that future multifamily risk/return experience will be less favorable than the past. Naturally, these realized and anticipated costs ought to be measured against the benefits of FHA/HUD extending credit and subsidizing the interest rate for multifamily loans. The benefits are generally thought to be a decrease in rental rates and an increase in the supply of apartment units. However, this "surplus" is at least partially enjoyed by land sellers (in the case of apartment development) and apartment owners/sellers (in the case of existing apartment complexes). Moreover, the lowering of

[18] The local version of this subsidy/rent-seeking – but just in another form – is when a developer approaches the municipal zoning board for permission to increase the density over what is normally allowed. The developer asserts that he/she cannot economically acquire the land without an increase in the permitted density. If the zoning variance is granted, who is largely the beneficiary? The land seller, because the developer can now afford to pay a higher price (in part because the developer can amortize certain fixed costs over a greater number of units).

[19] Roughly half of the apartment tenants who choose not to renew their lease do so because they are buying a home.

rental rates will – because of the interconnectedness of markets – lower the values of owner-occupied housing. (At least in the short run, this effect may be inconsistent with other government policies designed to improve home values.) Without sifting through all the evidence, it is impossible to say whether the benefits exceed the costs or vice verse – and, in turn, to make judgments about future costs/benefits. This lack of clarity may be an acceptable risk if the FHA/HUD multifamily lending programs were confined to "affordable" apartment communities; however, these lending programs have also been extended to market-rate apartment communities. In this latter regard, it is difficult to see what larger public purpose is being served. There is no "free lunch" and, therefore, FHA/HUD's involvement in market-rate apartment communities must mean that it is lending on terms more advantageous than such borrowers can find in the private market.

House Financial Services Committee

June 7, 2012

Subcommittee on Insurance, Housing and Community Opportunity - Hearing on FHA Multi-family Programs

Testimony of Peter D. Schiff, economist, author and financial expert

Chairman Biggert, Ranking Member Gutierrez and members of the Committee, thank you inviting me here to testify today. My name is Peter Schiff, and I own Euro pacific Capital, a privately held stock brokerage firm. I am more widely known top the general public as an economist, author, speaker and advocate of the free enterprise system.

Unlike many of my co-panelists I do not come hear representing a specific coalition or group that has an interest in promoting the multi-family sector. I am here to represent the interests of the common U.S. taxpayer who will have to make good any liabilities incurred by the Federal government and who will have to live with the consequences of distortive government policies (as we all have been doing co conspicuously in recent years).

I also assume that I have been invited for my track record in forecasting problems in the housing market. A good deal of my reputation was established in 2007 and 2008 when my prior predictions regarding the dangers confronting the housing and credit market were spectacularly realized. There can be no question that if a hearing similar to this had been convened in 2006 to consider federal home mortgage policies, a roomful of qualified experts would have insisted that no crisis was then evident in the mortgage market. And so I can only thank this committee for its circumspection in this instance.

I have absolutely no objection to the idea that a healthy rental housing market is needed in this country, especially for those lower income individuals who depend on inexpensive housing options. However, I believe that market forces are sufficient by themselves. In general, free markets are the most efficient mechanism to ensure that market demands are met with the most cost effective options.

However, as the housing market has been the subject of an inordinate amount of regulation and market distorting tax and subsidy policies over the years, it has developed in ways that don't conform to the economic realities of our citizenry. In particular the construction and maintenance of rental units has been stunted by Federal policies have greatly favored home purchasers over renters.

The Federal Housing Authority and the Government Sponsored Entities of Fannie Mae and Freddie Mac, have undertaken herculean efforts to remove the credit risks associated with home mortgage lending. At the same time the tax code is replete with advantages for home owners, most notably the home mortgage tax deduction, that are not available to renters. In addition, the current policy of the Federal Reserve is to keep interest rates as low as possible, specifically to stimulate home purchases. Taken together, these factors have exaggerated the economic benefits of home ownership and have drawn excessive amounts of investment capital into the sector. Put simply, we are dedicated more resources to the single family home ownership market than we would if government had not decided to make home ownership a priority. As a result, financing for multi-family rental units have suffered.

Renting simply offers few of the regulatory advantages than owning does. So the country has not developed as many units as would have been the case has the government refrained from interfering with the country's housing decisions. As it stands now, Americans have extremely low savings rates. The average American family now only has $7,000 worth of savings, which would not be nearly enough to afford a 20% down payment on the average American house. This would mean that the vast majority of Americans should be renters and not owners. Normally, these simple facts would attract investment capital to build affordable rental properties.

Critics of the free market like to argue that investors will ignore the needs of the poor as the profits are not significant enough to entice development. There is little in capitalism to support this position. Great riches can be made by serving the needs of low income people. Just ask Sam Walton. Wal-mart became successful by specifically targeting its inventory and pricing to low to moderate income consumers. Wal-Mart was able to expand, prosper, and attract investment capital without government guarantees or incentives. Such would also be the case in the low income housing market if government had not siphoned away investment capitol. If there is demand, a supply will be produced, A paucity of rental units relative to demand is all the incentive that industry needs.

But as is usual for government, legislators are now looking to ameliorate the pernicious effects of one set of distortive policies with another layer of regulations. This Committee may be looking to balance a playing field that never should have been tilted in the first place. By insuring a greater quantity of loans to developers of multi-family apartment properties, it is hoped that investment capital can be more willingly targeted to the market. However, hoping to micro manage capital flows always create a raft of unintended consequences.

Legislators also rarely consider the unintended consequences of their actions. Credit in the United States is a limited commodity. Money loaned for one purpose in unavailable to be lent for other purposes. Through its effort to take the risks out of home lending, the FHA has directed more credit into the real estate market that would otherwise been the case. That means these funds were not available to be lent to other enterprises which may have put the capital to work in areas that may have been more needed in the economy. I think capital should flow to where its needed most. Market determined interest rates is the factor that controls these flows. The FHA short circuits these signals and harms our economy. It's time that the FHA itself becomes short-circuited.

As a reminder to this Committee to proceed with caution and awareness, I submit as testimony portions of my newly released book, The Real Crash- America's Coming Bankruptcy that relate to how government policies created the housing bubble in the last decade, and how those policies continue to prevent a true turnaround in the market today. I hope with benefit of this hindsight, this Committee would abandon its instinct to over involve government in another area of the housing market and instead look to withdraw itself from areas that it has already devastated.

<u>Government Creates the Housing Bubble Through Bad Policy</u>

Excerpts from Chapter Two of: *The Real Crash – America's Coming Bankruptcy: How to Save Yourself and Your Country* (St. Martin's Press, 2012)

Politicians in both parties decided that government should promote home ownership. Democrats focused on helping poor people own homes by making mortgages easier to get. Republicans spoke of an "ownership society" that would promote personal responsibility.

Bankers and realtors, two of the most powerful interest groups in Washington, both agreed, and they helpfully pointed out ways the government could subsidize mortgages.

The biggest subsidy for buying a home is the tax deduction for mortgage interest. If you rent your home, none of your rent is deductible. If you buy your home outright, your costs are not tax deductible. But if you borrow in order to buy your house, all of the mortgage interest – which is a majority of the monthly payment for many homeowners – is tax deductible.

This is the single biggest tax break most people get, and it's a huge reason to buy a home – especially one that costs a lot. If you borrow $250,000 for a 30-year mortgage at 6 percent, your monthly payments will be about $1,500. About $1,250 of that is interest. In the first year, you'd pay almost $15,000 in interest, and thus be able to reduce your taxable income by $15,000. In seven years, you will have paid $100,000 in interest, saving at least $25,000 on taxes.

Also, you can deduct the interest on your second home. The only limit is that you can only deduct the interest on $1 million worth of mortgage.

This is a huge mortgage subsidy. Even though it's just a tax deduction, it's still a subsidy, because it distorts the market in favor of homeownership (more precisely, leveraged homeownership).

Another reason the mortgage deduction counts a subsidy: other taxpayers pay for it, at least indirectly. According to official estimates, the deduction reduces federal revenue by about $100 billion per year. Total revenue from individual income taxes is just above $1 trillion. So, if Congress abolished this deduction, and instead lowered all tax rates across the board, we could cut everyone's taxes by nearly 10 percent.

Put another way, almost 10 percent of your tax dollars go to benefit leveraged home-ownership by Americans.

Even if you're one of those homeowners getting the deduction, there's a chance you're still losing out on net. It's important to remember that subsidizing something doesn't just benefit the people buying it. In fact, it often benefits the sellers more.

In the case of mortgage subsidies, there are plenty of "sellers" who benefit. First is the homeowner who sold you the home. Decreasing the monthly cost of owning a home also drives up the price of buying a home. After all, you're not the only one with access to the mortgage-interest deduction. The deduction boosts demand, thus boosting price.

As a result of the home mortgage deduction, homebuyers end up paying more for their home. So while they get to deduct their interest payments, those payments are much higher due to the price effects of the deduction. Take away the excess demand generated by the deduction, and home prices would fall. True, mortgage interest would no longer be deductable, but the payments would be much lower. Most homebuyers would be better off without the deduction.

The real beneficiary of the deduction is the seller, who sells his house at an inflated price. Of course if he uses the proceeds to trade up to an even larger house, he losses out as well. The only winners are those who sell and rent, trade down to less expensive houses – or professional homebuilders, who sell houses for a living.

Realtors also profit. Greater demand for buying a home means more homes bought, meaning more commissions. Also, higher demand means higher home prices, meaning higher commissions. Lenders also profit from the home mortgage interest deduction, which encourages people to not only to buy, and thus take out mortgages, but to take out bigger mortgages than they otherwise would.

The combined influence of realtors and lenders insured the home mortgage interest deduction. The story of the deduction goes back to 1913. When the income tax was created, all interest – including personal loans and business borrowing – was tax deductible. After credit cards became ubiquitous in the 1980s, Congress ended this deduction, but thanks to the lobbying of the realtors and mortgage lenders, mortgage interest was spared, and it remained deductible.

Home ownership gets other special tax breaks, with one big one driving the idea of a home as an investment: the capital gains exclusion. Most investments you might make – say, you start a business, or invest in stock – are subject to capital gains taxes. Your home is not. If you live in your home for two years, you can sell it and earn up to $500,000 in profit on tax free. This is another huge subsidy to homeownership as compared to other investments, and it encouraged serial home flipping during the bubble years.

Fannie and Freddie: 'one of the great success stories of all time'

The greatest drivers of the housing bubble, after the Federal Reserve, were the Government Sponsored Enterprises Fannie Mae and Freddie Mac, who were supposed to make housing more affordable, but who ended up creating a housing bubble instead.

In 2004, if you asked the average Washington politician about Fannie and Freddie, you would have been told that these GSEs were sound, essential, and independent of government. In 2007, as the housing and mortgage crisis became apparent, that same politician would have said that Fannie and Freddie were doing just fine, and they wouldn't need a bailout. Come late 2008, those very same politicians were crying that taxpayers needed to bail out both.

In 2004, when Alan Greenspan came before the Senate Banking Committee, the issue of the GSEs came up. Senator Chris Dodd, the largest Congressional recipient of housing related campaign contributions said of them, "I, just briefly will say, Mr. Chairman, obviously, like most of us here, this is one of the great success stories of all time." In July 2008, after the New York Times reported that the federal government might have to take over Fannie and Freddie, stocks of both GSEs fell nearly 50 percent.

Dodd chastised the sellers and those of us saying Fannie and Freddie were bankrupt. "There is no reason for the kind of reaction we're getting. These fundamentals are sound. These institutions are sound. The have adequate capital. They have access to that capital. And this is a reason for people to have confidence in these GSEs—in Fannie and Freddie." In the end, Fannie and Freddie collapsed, and rather than let them fail, the government bailed them out and took them over.

..When you think of the 2008-2009 economic crisis, some words might come to mind: mortgaged-backed securities, housing bubble, subprime mortgages, cronyism, moral hazard, derivatives.

When you think of these words, you should think of Fannie Mae and Freddie Mac.

Franklin Roosevelt created the Federal National Mortgage Association during the Great Depression in order to stimulate home buying ("FNMA" became "Fannie Mae). In 1968, Congress privatized Fannie, and a couple of years later, created a competing agency, the Federal Home Loan Mortgage Corporation, or Freddie Mac.

What these agencies do is to buy mortgages from lenders. You can imagine how this opens up the mortgage market. Without someone buying up mortgages, a bank is somewhat limited in how many loans it can make – after all, even with fractional reserve banking and loose reserve requirements, your loans still need to be backed up by some amount of assets.

The problem with Fannie and Freddie is that they knew that while their profits were real – and huge – there risk was not real. More precisely, the politically connected bigwigs who ran the halls at these GSEs knew that if their companies ever lost money, the taxpayers would bail them out.

This government guarantee was not explicit, but implicit. Of course, Fannie's biggest boosters denied there was any guarantee. Barney Frank, in 2003, famously said:

"There is no guarantee. There's no explicit guarantee. There's no implicit guarantee. There's no wink-and-nod guarantee. Invest and you're on your own. Nobody who invests in them should come looking to me for a nickel. Nor anyone else in the federal government."

Fannie Mae officials also fiercely denied they enjoyed any subsidy. But they did. Fannie Mae was able to borrow at lower interest rates, because lenders realized that taxpayers would bail them out. Near-zero borrowing costs had two detrimental effects. First, it allowed Fannie and Freddie to buy up massive amounts of riskier mortgages. Second, it made it impossible for anyone to compete with these GSEs..

So, the net effect of Fannie and Freddie was to drive down lending standards and interest rates. Had there been no government subsidized secondary mortgage market, selling mortgages would have been harder for banks, and lending standards and interest rates would have been higher.

This was exactly the point. Fannie was in "The American Dream Business," they would say. Their job was get people to buy homes they who otherwise wouldn't buy homes, and to make everyone pay more.

Some like to point out that subprime was the real problem and that Fannie and Freddie did not guarantee subprime loans. While that is technically true, they were the biggest buyers of these loans in the secondary market. In fact, without their lavish appetites far fewer subprime loans would have been originated. Not only did their demand help fuel originations, but it helped legitimize the investment merit of the securities. Because the private sector originated subprime loans without any official government backing, many like to blame capitalism, or more specially Wall Street greed, for the problem. However, take the Fed and Fannie and Freddie out of the picture, and subprime would have been a trivial part of the mortgage market.

Fannie Mae and Freddie Mac were the most important players in driving the Fed's excess capital into housing, but other policies helped, too. The Community Reinvestment Act was one.

The CRA has changed plenty over its 30 years, but the general thrust was always the same: it empowered federal regulators to pressure banks to make more loans to low-income people.

George W. Bush pushed his "ownership society," too. Bush spoke at a church in Atlanta in 2002 about "the American Dream," meaning homeownership. The President named some of the new homeowners he had just met and said, "what we've got to do is to figure out how to make sure these stories are repeated over and over and over again in America."

To this end, he proposed the "American Dream Downpayment Act" to help folks buy homes even if they couldn't afford downpayments. The law, passed in 2003, provided grants of up to $10,000 to cover downpayment, closing costs, and some home repair for first time homebuyers of below-average means.

Of course, the tax preferences above drove the housing market, too. Housing prices soared. At the same time, the American dream was hijacked. Instead of referring to the upward mobility made possible by American capitalism, it was redefined to mean getting rich just by buying a house and extracting equity as it magically appreciated.

Come 2006 and 2007, the housing bubble popped. At first, pundits said it was just a little crisis in subprime mortgages. It wasn't. I won't go through the entire story of what happened in the housing and credit markets in 2006 through 2009, but it was a replay (on a much larger scale) of the popping of the dot-com bubble.

When bubbles are built upon foundations of massive leverage, the bust brings real destruction. On the smallest level, consider the guy who took out an adjustable rate mortgage in 2005 to buy a big house with a very small down payment. When his home value drops 30%, it's not only his on-paper net worth that suffers. His rate adjusts in 2010, and he can't refinance because his house is underwater. If he sells his house, he won't be able to get enough money to cover his outstanding mortgage and the bank will take all his savings.

Banks took a huge hit when everyone realized that the trillions investors and banks had spent on mortgage-backed securities were worth a fraction of what they were supposedly worth. All the financial institutions that had been providing credit to the economy were suddenly in trouble, and couldn't lend like they used to. Those businesses that depended on credit for their day-to-day operations were in trouble.

Never was this on display as clearly as 2008. In March, the Fed bailed out failed bank Bear Stearns. In July, Congress passed housing bailouts. In early September, the federal government took outright ownership of Fannie and Freddie (since then, according to Congressional Budget Office numbers, taxpayers have poured $310 billion into the two GSEs).

In mid-September, the Federal Reserve, with no authorization from Congress, created brand new Enron-like special-purpose entities to buy an 80 percent stake in insurance giant AIG. This was an attempt to bail out a collapsing financial sector. It wasn't enough.

Most important, though, was the way the string of bailouts fit the government pattern: prevent the economy from correcting itself. Once again, rather than let an inefficient allocation of resources shake itself out, politicians and central bankers decided that the right cure for a drinking binge was "the hair of the dog that bit you."

That is, when confronted with a crisis caused by government-created moral hazard, cheap money, and central planning, Washington responded with more moral hazard, even cheaper money, and heightened central planning.

Corporate welfare and business subsidies have always been around, but the Bush and Obama administration gave government a role more central in the economy than it have ever played. The government owned insurance companies, mortgage companies, automakers, and more. Washington was giving handouts to power companies, banks, small businesses, big businesses, manufacturers, and every type of business imaginable.

Government had become a venture capitalist, an insurer, and even an owner of the private sector. If the private sector – even with prodding from Washington – wasn't going to step up and prevent a downturn, the government would.

It was just one more step down the same path. When the dot-com bubble popped, they replaced it with a housing bubble. When the housing bubble popped, they replaced it with a government bubble. The greater problem is that while we at least have something to show for the first two bubbles, a few good Internet companies and some pretty nice McMansions, no such benefits will remain when the government bubble pops.

Written Testimony to the
House Insurance, Housing and Community Opportunity Financial Services Subcommittee

Regarding the Oversight of Federal Housing Administration's Multifamily Insurance Programs

Submitted by
John O. Moore Jr., President of Highland Commercial Mortgage, Birmingham, AL

June 7, 2012

Introduction

Chairwoman Biggert, Ranking Member Gutierrez and members of the subcommittee, thank you for the opportunity to offer testimony regarding the Federal Housing Administration (FHA) multifamily and healthcare loan insurance programs. Approximately 20 years ago, I entered the FHA multifamily loan business behind my father who began his career in the business in 1969. Since my entry into this industry, I have originated over $1B in FHA insured multifamily and healthcare loans. Today, I am a partner and President of Highland Commercial Mortgage that is on track to loan approximately $300M this year to apartment owners seeking to finance their projects using FHA Multifamily Loan Insurance. Additionally, through other entities, I have developed over 2000 apartment units that are still under my ownership and management. Many of these developments are financed with FHA insured loans.

Current Lending Conditions and Role of FHA Multifamily

The 2008 financial crisis demonstrates clearly the importance of FHA and its ability to generate liquidity to finance and create multifamily housing when other capital sources went dry. Currently, a limited number of banks and life insurance companies have initiated some selective lending to the multifamily sector, but their focus is typically larger loans in "prime markets" (large high growth metropolitan areas). General uncertainty in the secondary market is hampering the ability of securitization to engender consistent and reasonable demand for multifamily mortgage loans. Yet although financing capacity has dramatically declined, the demand for rental housing units has increased massively, and demographic forces will continue this trend. This situation poses an obvious problem. What sources of debt capital will or can become available to the keep pace with the anticipated growth in rental property demand and maturity of existing apartment mortgage loans? Insufficient capital is constraining the ability of developers to produce new rental units and does not avail existing owners the opportunity to reposition or preserve existing units. The ultimate consequence will be higher rents, older and less efficient apartment stock and fewer affordable and flexible options for America's family.

Beyond its role as a counter cyclical capital backstop, as I described, FHA Multifamily Loans have always served the following areas where private debt is hesitant to or will not lend.

- Secondary, tertiary and smaller communities
- Fully amortizing fixed rate loans
- Construction/Permanent Loans that eliminate interest rate risk during construction
- Skilled nursing home permanent financing
- Lower interest rates and term structures that creates affordable rents to moderate and low income families

Fundamentally and structurally, FHA's role is limited to only participating as a niche player in the multifamily finance business -not crowd out the private sector. Only under extraordinary economic circumstances will FHA capture more than a minimal market share of the overall multifamily loan volume.

FHA's Performance

Net revenue generated from FHA multifamily programs produce excess cash for the benefit of the US Treasury, without forsaking its mission of drawing multifamily capital to areas not served well by the private sector. It also creates liquidity when the private sector cannot. The implementation of Multifamily Accelerated Processing (MAP) in 2001 has in general been the basis for the development of a solid professional private/public partnership between lenders and the FHA Multifamily staff. Overall, through this partnership, loan underwriting is solid and consequently default rates are low. The net result is a program that is, through the collection of fees and Mortgage Insurance Premiums (MIP), profitable.

As a 20-year veteran of this business, I can personally attest to the quality I see in servicing portfolios. This subjective view is supported by objective delinquency data from Ginnie Mae, industry studies and the Office of Management & Budget who determined that the programs generate a negative credit subsidy, in other words positive revenue. A recent Mortgage Bankers Association study, that segregated the insured loans for properties that do not receive any HUD rental subsidies, also determined that the programs create positive cash flow.

This profits generated by FHA's multifamily pass through FHA's GI/SRI fund. It is important to note that this fund also handles the inflow and outflow of dollars related to some FHA single family programs and so does not give a clean segregation and accounting of the multifamily activity.

Issues and Concerns

FHA and its staff have performed yeoman's work the past couple of years as they handled the recent swell in downturn-related volume and managed to produce about double its historic production levels. However, this increased production did come with a substantial lengthening of the processing times. The delays are very costly and frustrating for many developers who simply abandon the effort to develop an otherwise needed project. Ultimately, it is the local community and its families, which is in need of affordable rental housing, who suffers.

Recent efforts by HUD leadership to enhance processes have improved the loan approval time and productivity. However, thus far all enhancement efforts have been marginal and meaningful and substantive change is constrained by push back from the Federal Employee Union, an unwieldy clearance process and in general an institutional culture that is simply "set in their ways". Recent risk mitigation efforts that, for instance, introduced a national and Hub loan committee approval as part of the process have slowed production and negated some the benefit garnered by the processing enhancements.

FHA lacks formal, task specific and consistent training of its production and asset management personnel. Budget constraints limit the capacity of field staff to travel for training purposes, as well as provide inadequate resources in both cash and personnel needed to setup and properly maintain any ongoing training program that teaches basic skills as well as continuing education.

The current budget process does not avail FHA Multifamily the opportunity to capture any of its profits for reinvestment back into the program to enhance technology, hire new staff, properly train the staff and provide necessary travel money. As an example, when making a new construction loan, the borrower pays at closing a ½% inspection fee to FHA that in most cases is substantially more than the contract amount FHA pays its inspecting fee architect. Timely inspection and approval of construction draws is a fundamental risk management tool. However, FHA in the recent past was unable to inspect properties under construction because the funds budgeted for inspection, independent of the inspection fee revenue, ran out.

HUD has proposed an MIP rate increase effective at the beginning of the next fiscal year. The justification sited for the increase is to mitigate the risk associated with the swell in loan volume and to nudge the private sector to invest capital. Both reasons are without merit. FHA does not retain its profit for reinvestment or reserve for future loses. So how does the fee increase and the resulting revenue gains reduce risk? The MIP bump is simply an effort to increase revenue and support unrelated initiatives or programs. The use these funds for unrelated purposes and not for its intended purpose of insuring against future losses, is simply not prudent.

The factors just described in conjunction with continued loss of staff, without a meaningful change in how FHA approves and manages loan insurance, will soon create an untenable situation and substantially inhibit the production new loans and the ability to properly managing the existing portfolio.

Conclusions and Recommendations

In the worst moments of the financial crisis FHA loan insurance allowed lenders to expand and deploy capital when most forms of mortgage investment had disappeared. At the peak of the crises, only FHA was making the necessary new construction loans that created rental housing and jobs.

FHA multifamily maintains a healthy portfolio of loan insurance and has for many years returned a profits to the US Treasury, it manages to do this while fulfilling its mission and role of capital creation for underserved markets and providing a counter cyclical liquidity backstop when private sector's ability to do so is disrupted.

However, the inability to reinvest or retain profits in reserve is overtime moving FHA towards a very precarious place. The recent growth will only serve to exacerbate an already risky situation if archaic processes are not overhauled and a plan is developed that will properly replace and train personnel as experienced staff retires.

Congressional recommendations are as follows:

- Overhaul the budget process and allow the program profits to be retained for reserves and reinvested for the purposes of managing future risk.
- Do not allow the increase of the MIP fee as vehicle to raise revenue for other programs, but mandate that HUD properly assess and quantify program risk prior to concluding the necessity of and increase, then use the additional revenue directly for risk mitigation.
- Segregate from the GI/SRI fund all past and future financial accounting of single family loans and require that the fund be used exclusively for FHA multifamily programs.
- Support FHA multifamily in their efforts to overhaul and modernize loan processing systems and asset management. The current system of staged processing is antiquated and staff intensive. Properly trained individuals to underwrite and review lender loan packages is a much more efficient system and requires less staff. Congress should appropriate any transitional money needed for training, travel and system updates that would be required to modernize. FHA will benefit from the efficiencies these changes will produce, and consequently generate greater profits.
- Ask HUD to examine the necessity of recent program changes and their value as a tool for risk mitigation. Then roll back those changes that no longer bring the intended value, and are constraining vitally needed loan activity.

FHA multifamily loan insurance has proven to be a vital component to the mix of available apartment financing options. With proper change we can insure that for the foreseeable future FHA will continue to fulfill its role as an agency and do so profitable.

As a final note, I would like to direct the Committees attention towards Deputy Assistant Secretary Marie Head, who several months ago assumed the DAS position. Almost 20 years ago I first met Ms. Head, who at that time was working for the Atlanta HUD Field Office. I would have to say that she was the on functioning individual in an otherwise dysfunctional (at the time) HUD field office. She is deep in knowledge and accepted the DAS position for all the right reasons. I commend the Secretary for his selection and I know she is working hard to better the programs.

N A A H L

NATIONAL ASSOCIATION OF AFFORDABLE HOUSING LENDERS

June 5, 2012

The Honorable Judy Biggert
Chairman, Insurance, Housing and Community Opportunity Subcommittee
House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 20515

The Honorable Luis Gutierrez, Ranking Member
Insurance, Housing and Community Opportunity Subcommittee
House Financial Services Committee
B301 C Rayburn House Office Building
Washington, DC 20515

Dear Chairman Biggert and Ranking Member Gutierrez,

The National Association of Affordable Housing Lenders (NAAHL) represents America's leaders in bringing private capital loans and investments to underserved areas. Our "who's who" of private sector lenders includes banks, blue-chip non-profit affordable housing lenders, CDFIs and others in the vanguard of affordable rental housing. We much appreciate the subcommittee's thorough oversight of FHA's multifamily housing programs. We have long advocated for HUD to expand its FHA multifamily risk-sharing program to encompass highly qualified mortgage lenders that provide private capital to small multifamily properties with 50 or fewer units or mortgages under $3 million dollars. We urge you to encourage FHA to negotiate flexible risk-sharing agreements with such lenders as soon as possible to help increase the flow of private capital to mortgages on apartments that people are proud to call home.

NAAHL also supports statutory changes that would allow these lenders to apply to issue Ginnie Mae securities. Ginnie Mae's involvement would provide additional incentives to private investors to finance affordable rental properties.

These initiatives address a critical but long overlooked part of the multifamily market: liquidity for mortgages on small multifamily properties to help meet the growing demand for affordable rental housing. They will help increase capital flows to smaller projects – especially in underserved markets. As the Hudson Institute's John Weicher has reported, 89% of affordable rental housing is in properties of 1-49 units, yet the typical FHA multifamily property has 120 units. FHA and Ginnie Mae can help fill in the gaps so as to expand the role of private capital, not retard it.

Sincerely,

Judy Kennedy
President and CEO

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