

October 29, 2015

By Electronic Submission

Robert W. Errett
Deputy Secretary
U.S. Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090

Subject: *Request for Extended Comment Period* -- SR-FINRA-2015-036, Proposed Rule to Amend FINRA Rule 4210 Margin Requirements for To Be Announced Transactions

Dear Mr. Errett:

The undersigned organizations represent numerous facets of the real estate finance industry, including lenders, for-profit and nonprofit multifamily apartment owners, rental housing developers and managers, and seniors housing owners and operators. Our member companies and organizations are key participants in the multifamily rental housing market, which provides rental housing to more than 18 million U.S. households.¹

We urge the Commission and FINRA to extend the current 21-day public comment period (ending November 10, 2015) to at least 45 days for the proposed margin rule. We are concerned that the 21-day comment period is insufficient given that the proposed rule could have significant and unintended consequences on the financing of multifamily apartments. The proposed rule appears to scope in the multifamily finance market in an abbreviated manner. The agency multifamily market² has operated efficiently, competitively and subject to appropriate safeguards (including the posting of good faith deposits) under both vibrant and stressed market conditions. The vast majority of multifamily apartments are affordable to families earning median income or less.

The focus of the proposed rule appears to be the single-family "To Be Announced" (TBA) market. The preamble, including the statement of purpose,³ extensively addresses various aspects of the single-family TBA securities market and the related considerations. The multifamily rental housing market, however, is vastly different and distinct from the single-family mortgage market,⁴ and those considerations do not appear to have been addressed in the proposed rule.

¹ Multifamily housing generally refers to rental housing properties with five or more dwelling units, including various types of apartments, affordable rental housing and residential healthcare properties.

² Agency multifamily transactions generally refer to the multifamily finance programs of Fannie Mae, Freddie Mac and the Federal Housing Administration (FHA)/Ginnie Mae.

³ 80 Fed. Reg. 63603, 63604-63605 (Oct. 20, 2015).

⁴ In the context of multifamily agency securities, the security is backed by an underwritten loan on an identified, individual multifamily property, rather than by multiple single-family home loans that may not yet have been identified, at the time of rate lock.

The proposed rule's express reference to multifamily finance is in a footnote, which appears to scope in certain multifamily finance transactions. In addition, the Economic Impact discussion in the proposal does not address the characteristics of the multifamily finance market and the potential for significant disruption that could result under the proposal. The absence of substantive data or discussion on the impacts to the multifamily housing finance market is problematic, particularly when the proposed rule could lead to significant disruptions to the numerous lenders and borrowers/developers that serve the affordable multifamily rental housing sector. We believe these and other key considerations should be fully analyzed by the Commission and FINRA.

Given the depth and complexity of these issues and the need for stakeholders to have adequate time to comment on this important rule, we urge the Commission and FINRA to revise the public comment period to at least 45 days.

Thank you for your consideration. Please contact Eileen Grey at egrey@mba.org or 202-557-2747 with a response or with any questions.

Sincerely,

MORTGAGE BANKERS ASSOCIATION
NATIONAL MULTIFAMILY HOUSING COUNCIL
AMERICAN LAND TITLE ASSOCIATION
AMERICAN SENIORS HOUSING ASSOCIATION
COMMERCIAL REAL ESTATE FINANCE COUNCIL
INSTITUTE OF REAL ESTATE MANAGEMENT
NAIOP - COMMERCIAL REAL ESTATE DEVELOPMENT ASSOCIATION
NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION
NATIONAL APARTMENT ASSOCIATION
NATIONAL ASSOCIATION OF HOME BUILDERS
NATIONAL ASSOCIATION OF REAL ESTATE INVESTMENT TRUSTS
NATIONAL LEASED HOUSING ASSOCIATION
THE REAL ESTATE ROUNDTABLE