



April 10, 2009

Robert E. Feldman,
Executive Secretary
Attention: Comments
Federal Deposit Insurance Corporation
Washington, DC 20429

Dear Mr. Feldman:

We are writing in regard to FDIC's request for comments on the proposed plan for Public-Private Investment Funds (PPIFs) and the Legacy Loan Program.

Over the past several years many multifamily rental properties have been purchased by investors with the anticipation of significant increases in future rent levels. The high prices paid for these properties create immense pressures to displace—often illegally—current tenants who cannot afford to pay higher rents. The Partnership to Preserve Affordable Housing estimates that as many as 70,000 units of rental housing in New York City alone are at risk of disinvestment and foreclosure due to over-leveraging. The majority of these rental units are occupied by low- and middle-income families who are extremely vulnerable and who do not possess the resources to find adequate housing if this crisis leads to displacement and loss of services. Their research indicates that many of the Legacy Assets targeted for acquisition through the PPIF are connected to rental housing occupied by low- and middle-income tenants of these properties who are at risk of displacement.

The National Housing Trust urges the creation of a multifamily preservation program to de-leverage these assets and bring relief to hundreds of thousands of low and moderate income renters across the country. We believe this program should result in a write-down of the debt associated with over-leveraged rental properties such that the new debt is consistent with the current rent structure and reasonable projections of future income and expenses. In cases where owners are not meeting their mortgage payments or where current rental income is insufficient to provide for adequate operation and maintenance of the property and properties fail to meet physical inspection standards, properties should be found in default of their mortgages and foreclosed upon. ***In all cases, final disposition of this targeted housing stock must include protections for renters and financial restructuring to ensure the long-term financial and physical health of the properties.***

If you wish to discuss these comments you may contact Toby Halliday at the National Housing Trust, 202-333-8931, ext. 130. Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Toby Halliday".

Toby Halliday
Vice President for Federal Policy
The National Housing Trust