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March 5, 2010

Michael J. Williams  
President and Chief Executive Officer  
Fannie Mae  
3900 Wisconsin Avenue, NW  
Washington, DC 20016

Charles E. Haldeman, Jr.  
Chief Executive Officer  
Freddie Mac  
8200 Jones Branch Drive  
McLean, VA 22102

Dear Messrs. Williams and Haldeman, Jr.:

On October 26, 2009, the Coalition of East Side Leaders wrote you about Stuyvesant Town/Peter Cooper Village ("ST/PCV"). Given Tishman Speyer's January 8, 2010 default on the ST/PVC mortgage payment, and continued uncertainty about future investments into the property, I have remaining questions as to the role of Fannie Mae and Freddie Mac and your awareness of the specifics of the deal and the underlying mortgage.

To start, was there a letter of intent or memorandum of understanding or other document committing Fannie Mae and Freddie Mac to participate in an acquisition of ST/PCV debt in existence at the time of the purchase from Met Life? If so, please provide a copy.

I am concerned about the knowledge Fannie Mae and Freddie Mac had regarding the owners aggressive measures to decontrol low-revenue units in order to lease out at market rate prices. I have several questions associated with this concern:

1. I would like to know whether Fannie Mae, Freddie Mac or your regulator, Federal Housing Finance Agency (FHFA), asked what the owners would do to enable ST/PCV to generate enough cash to pay the holders of equity or mezzanine debt.
2. Were Fannie Mae and Freddie Mac aware when you acquired the debt that the owner's model required them to turn over as many rent stabilized apartments as possible as quickly as possible?
3. Did the sellers project a date on which revenues would be sufficient to cover the mezzanine debt and the equity holders' interests?

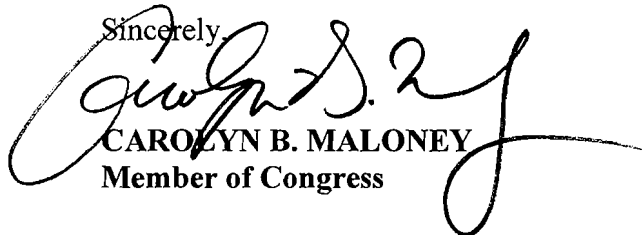
4. At the time of the closing of the purchase from Met Life, did the parties believe that Fannie Mae and Freddie Mac would subsequently acquire an interest in ST/PCV debt?

In October 2009, the New York Court of Appeals ruled against the owners for improperly raising rents. Subsequently, 4,400 units in ST/PCV were restored to the rent-stabilization system. Before that ruling, however, it is clear that the owners were moving forward to try to destabilize as many units as possible. After Fannie Mae and Freddie Mac became holders of an interest in the debt of ST/PCV, were you or FHFA aware of the number of rent stabilized tenants who were taken to court on eviction proceedings? And, were you or FHFA aware of the owner's poor success rate in these legal actions? Did you or FHFA ever ask the owner to stop trying to evict legitimate tenants?

In a January 2010 report, Deutsche Bank said that the size of any possible sale of ST/PCV would necessitate financing from Fannie Mae and Freddie Mac to enable a purchase to take place. Is that accurate or are there other entities that can finance a transaction? If Fannie Mae and Freddie Mac help finance the sale of ST/PCV again, would the government-sponsored enterprises still maintain their interest in the senior debt? How could the revenue stream be sufficient to cover senior debt and the financing of a new purchase of ST/PCV with a price in excess of \$1 billion?

I urge Fannie Mae and Freddie Mac to protect the interests of the 25,000 residents of Stuyvesant Town/Peter Cooper Village. With the mission of Fannie Mae and Freddie Mac to provide affordability and availability to the housing market, it does not seem fitting that the GSEs were involved in any deal which might undermine that mission. I appreciate your attention to this matter and look forward to your response.

Sincerely,



CAROLYN B. MALONEY  
Member of Congress