



February 9, 2024

The Honorable Andrea Stewart-Cousins  
New York Senate Pro Tempore and  
Majority Leader  
Legislative Office Building, Room 907  
Albany, NY 12248  
scousins@nysenate.gov

The Honorable Carl E. Heastie  
New York State Assembly Speaker  
Legislative Office Building, Room 932  
Albany, NY 12248  
Speaker@nyassembly.gov

The Honorable Robert G. Ort  
New York State Senate Minority Leader  
NYS Capitol Building, Room 315  
Albany, NY 12247  
Ortt@nysenate.gov

The Honorable William A. Barclay  
New York State Assembly Minority Leader  
Legislative Office Building, Room 933  
Albany, NY 12248  
BarclayW@nyassembly.gov

Re: Support for 421a, Affordable Rental Housing Programs

Dear Legislative Leaders:

The New York Mortgage Bankers Association (NYMBA)<sup>1</sup> and the national Mortgage Bankers Association (MBA)<sup>2</sup> have reviewed Governor Hochul's proposed \$229 billion Fiscal Year 2024

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<sup>1</sup> The New York Mortgage Bankers Association, Inc. (NYMBA), is a 501(c)(6) not-for-profit statewide organization devoted exclusively to the field of real estate finance. NYMBA's rapidly growing membership is comprised of both bank and non-bank mortgage lenders and servicers, as well as a wide variety of mortgage industry-related firms. NYMBA encourages its members to engage only in sound and ethical business practices, and informs its members of changes in the laws and regulations affecting the mortgage business. The association helps those engaged in or affected by the mortgage business to be better informed and more knowledgeable. It is dedicated to the maintenance of a strong real estate finance system. This involves support for a strong economy, a public-private partnership for the production and maintenance of single and multi-family homeownership opportunities, and a strong secondary mortgage market. For additional information, visit [www.nymba.org](http://www.nymba.org)

<sup>2</sup> The Mortgage Bankers Association (MBA) is the national association representing the real estate finance industry, an industry that employs more than 330,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets, to expand homeownership, and to extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of more than 1,900 companies includes all elements of real estate finance: independent mortgage

New York State Budget proposal with great interest. We wish to express our support for several key provisions and ask that you include them in the final budget approved by the Legislature. We believe all those in need of affordable housing in the state of New York will benefit from these proposals, including:

- Extending the deadline to 2031 for developers with ongoing projects to take advantage of the expired 421a tax abatement program;
- Replacing the expired 421a program with a future tax abatement program;
- Authorizing New York City (NYC) to legalize existing basement and cellar apartments;
- Adjusting the cap on the residential floor area ratio to enable NYC to create more affordable rental housing; and,
- Providing tax incentives for office conversions.

The highly successful 421a program has subsidized over 100,000 units since its inception. The four-year extension will allow the construction of thousands of rental apartments, including thousands of sorely needed affordable apartments.

That is why we are also extremely supportive of the Governor's call for a replacement program for the expired 421a program. We agree that such a program should be discussed and decided upon by a broad range of stakeholders to ensure widespread support and the best outcome for all involved.

The NYMBA and MBA represent every major form of commercial real estate finance, including banks, non-banks, life insurance companies, Department of Housing and Urban Development (HUD) lenders, Agency lenders, and structured finance lenders. Furthermore, our industry-leading research provides invaluable insights into the commercial real estate lending environment. As such, we would like to offer our technical expertise to provide any data, research, or analysis needed to help assist in discussions of either a future tax abatement program for affordable housing, or office conversion tax credits.

Thank you for your strong support for affordable rental housing, and we look forward to working with you and your staff to enact these programs into law.

Sincerely,



Joseph Culver  
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New York Mortgage Bankers Association  
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Mike Flood  
Senior Vice President  
Commercial/Multifamily Policy and Member  
Engagement  
Mortgage Bankers Association  
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banks, mortgage brokers, commercial banks, thrifts, REITs, Wall Street conduits, life insurance companies, credit unions, and others in the mortgage lending field. For additional information, visit MBA's website: [www.mba.org](http://www.mba.org).