

### **Meeting With LNR Property LLC**

On May 31, 2011, Federal Housing Finance Agency (FHFA) staff met with representatives of LNR Property LLC (LNR) concerning the commercial mortgage backed securities provision in the proposed credit risk retention rule. LNR expressed that there would be a better alignment of interests if the risk retention for multifamily was at the level of the securitizer or originator, rather than at the level of the B-piece (residual interest) buyer, as allowed in the proposed rule. They also expressed that risk retention at a level higher than the proposed 5 percent would be helpful in encouraging the sound underwriting of loans. LNR intends to provide more details of its concerns in written comments.