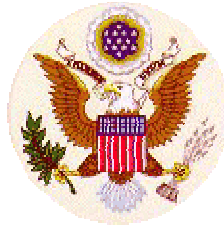


State Senator Thomas K. Duane

Assembly Member Brian Kavanagh



Congresswoman Carolyn B. Maloney



Borough President Scott M. Stringer

Council Member Daniel R. Garodnick

COALITION OF EAST SIDE LEADERS

October 26, 2009

Michael J. Williams
President and Chief Executive
Fannie Mae
3900 Wisconsin Avenue, NW
Washington, D.C. 20016-2892

Charles E. Haldeman, Jr.
Chief Executive Officer
Freddie Mac
8200 Jones Branch Drive
McLean, VA 22102-3110

Dear Messrs. Williams and Haldeman, Jr.:

Collectively, we represent the tenants of Stuyvesant Town and Peter Cooper Village (“ST/PCV”), a residential property in New York City, at the local, state and federal level. It is our understanding that both Fannie Mae and Freddie Mac bought substantial portions of the senior debt of ST/PCV. This is a surprising development, but the market has now evolved in such a way that will allow you to become part of the solution to this community’s challenges. It is in that regard that we write you today.

As investors, we are certain that you were intimately aware of the ultimate goals of the investor group. Tishman Speyer Properties, L.P. and BlackRock Realty Advisors, Inc. (“Tishman Speyer”) bought the property from Met Life in the fall of 2006 for \$5.4 billion, which was considered the largest residential real estate transaction in U.S. history. Tishman Speyer was the winning bidder over a number of parties, including a tenant group that we supported. The tenant bid was not offered any help from Fannie Mae and Freddie Mac even though that bid’s main thrust was on sustaining the community as affordable housing for the current and future generations.

When the new owners sought financing in 2006, they projected that rental income would double from \$238 million in 2006 to \$481 million by 2011. They sought to achieve this increase by aggressively targeting the existing base of rent-stabilized tenants with hopes of forcing large numbers of them out over that same period.

Tishman Speyer's goal was to "woo young, affluent renters and 'position the asset for a value-maximizing sale.'"¹ In pursuit of that goal, Tishman Speyer aggressively targeted tenants living in ST/PCV. They sent legal notices to approximately 15% of all tenants – including some people who had lived there for a generation – claiming that their apartment was not their primary residence, and that they were thus not entitled to a lease-renewal. Many of these charges were found to be unsubstantiated and have been cleared by the legal system.

Ironically, it turns out that it was the owners themselves who were acting illegally by decontrolling units. The New York Court of Appeals, the state's highest court, last week held that that this was done in contravention of the law.

This decision returns more than 4,000 of the 11,200 units in ST/PCV that have been decontrolled to the rent-stabilization system. Before this finding, reports indicated that the number of decontrolled units was well below the goals of the investor group. Based on this failure, the property's Net Operating Income is now understood to support between \$2.1 and \$2.6 billion in debt, or approximately half of the purchase price in 2006. This has led news outlets to report that Tishman Speyer will default on its obligations in the next several months. Rob Speyer, the President and Co-Chief Executive Officer, has publicly acknowledged that the asset is going to require a "restructuring" — at the very least.

Business plans set up to exploit people are bad business, a painful lesson that many investors are now learning. The only thing worse would be to compound that original mistake by participating in a restructuring that was rooted in the same broken principles that led to the first default.

As significant holders of the first mortgage, Fannie Mae and Freddie Mac are uniquely situated to protect the interests of the 25,000 people who live in ST/PCV. No debt restructuring plan should be considered separate from that which serves the public interest. The financing scheme must (1) preserve Stuyvesant Town and Peter Cooper Village for middle class residents into the future; (2) protect the historic configuration of the property, including its open space; (3) maintain the upkeep on the property and tenants' quality of life; and (4) keep Stuyvesant Town and Peter Cooper Village unified as a single community. In light of the size and considerable public interest of this property, we ask that any restructuring be done in consultation with us, adhering to our aforementioned principles.

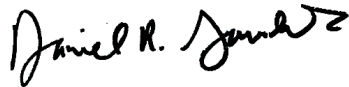
¹ See Sydney Freedberg, *State Pension Fund's \$266 Million Investment Disappeared in 2 Years*, ST. PETERSBURG TIMES, September 6, 2009.

When the federal government decided it needed to use taxpayer money to help restore solvency to Fannie and Freddie, it involved a massive restructuring. While a painful process, it was ultimately necessary to ensure that your companies would remain strong for future generations. Much in the same way, we need to ensure that ST/PCV will be in place for future generations of middle class New Yorkers. We sincerely appreciate your concern in this matter and look forward toward working together.

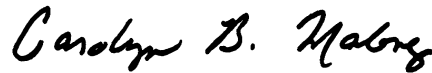
Council Member Dan Garodnick will serve as our point person for communications, and he can be reached directly at 212-818-0580.

We look forward to working with you.

Sincerely yours,



Daniel R. Garodnick
New York City Council Member



Carolyn B. Maloney
Member of Congress



Scott M. Stringer
Manhattan Borough President



Tom Duane
New York State Senator



Brian Kavanagh
New York State Assembly Member



Al Doyle
President, Stuyvesant Town/Peter Cooper
Village Tenants Association

cc: Rob Speyer, President and Co-Chief Executive Officer, Tishman Speyer Properties
Edward J. DeMarco, Acting Director, Federal Housing Finance Agency