

February 11, 2016

**[By Electronic Submission]**

Brent Fields, Secretary  
Securities and Exchange Commission  
100 F Street, NE  
Washington, DC 20549-0609

RE: Order Instituting Proceedings to Determine Whether to Approve or Disapprove Proposed Rule Change to Amend FINRA Rule 4210 (Margin Requirements) to Establish Margin Requirements for the TBA Market, as Modified by Partial Amendment No. 1 (File No. SR-FINRA-2015-036)

To whom it may concern,

Walker & Dunlop, LLC (W&D) welcomes the opportunity to provide comment on the Securities and Exchange Commission's order instituting proceedings to determine whether to approve or disapprove a proposed rule change by the Financial Industry Regulatory Authority (FINRA) to amend FINRA Rule 4210 to establish margin requirements for the TBA market, as modified by Partial Amendment No. 1. W&D is one of the leading commercial real estate finance companies in the United States, with a primary focus on multifamily lending and one of the largest issuers of Fannie Mae and Ginnie Mae MBS.

W&D has been working closely with the Mortgage Bankers Association regarding the implications of the proposed rule on multifamily lending and borrowers of multifamily loans. W&D strongly supports an exemption from FINRA Rule 4210 for multifamily housing securities or project loan program securities, and believes the proposed exemption is appropriate at this time. While we understand the need to protect FINRA members in the event of large-scale and sudden failures by one or more counterparties, we do not believe that the size of the multifamily market presents systemic risks to FINRA members, and we believe appropriate safeguards already exist within industry best practices to protect the broker/dealer community from such risk.

Given the relatively small size of the multifamily market, as a component of the broader TBA market, it would have been easy to include multifamily in the rule without considering the unique characteristics. W&D appreciates FINRA and the SEC's willingness to focus on the multifamily sector and differentiate the risk characteristics of multifamily products from the broader forward settling TBA market, which was the subject of the TMPG recommended standards, or "best practices". We believe the time tested industry best practice of collecting and exchanging Good Faith Deposits for multifamily securities sufficiently protects broker/dealers and will continue to do so through adverse market conditions. Furthermore, participants in the multifamily industry

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have historically operated under oversight by the Agencies and with risk limits in place with broker/dealers, which alleviate any new action to meet the proposed conditions required to trade without margining.

W&D supports the requirement for members to make written risk limit determinations for each counterparty. Risk limits are currently common practice for both counterparties involved in a trade between a multifamily lender and broker/dealer. Some enhancements may be necessary to meet the requirement that risk limit determinations shall be made by a designated credit risk officer or credit risk committee and to meet the conditions of Supplementary Materials .05. Therefore, W&D agrees an implementation period of not less than six months is appropriate.

In summary, we respectfully request the Commission and FINRA maintain the exclusion of multifamily Agency MBS from the proposed rule. Additionally, W&D would encourage FINRA to work with its members and communicate that margining is neither a rule, nor a recommendation. We believe the current processes and structure of the multifamily MBS market adequately protect all participants and the historical track record speaks for itself. Regulation should not be imposed in an area where there is no systemic risk and actual risk to the broker/dealer community is only hypothetical and not supported by historical experience.

Thank you for the continued opportunity to comment on the proposed rule change. We would be pleased to speak with the staff further to provide additional information or answer any questions as needed.

Sincerely,



Blake Lanford  
Managing Director