

## Comments to Interim Final Rule

12 CFR Part 1808

RIN 0559-AA01

Guarantees for Bonds Issued for Community or Economic Development Purposes

Submitted by: Midland Loan Services

Comments:

§1808.606 (a) and (e) Reference a Master Servicer/Trustee. Is it the CDFI's intention that the Master Servicer and the Trustee be the same entity, as the reference seems to imply? Some bond issuances, to accommodate investor requirements, require that the Trustee and Master Servicer be separate entities to avoid conflicts of interest. Presumably with the FFB as the sole investor, such conflict restrictions may not apply.

§1808.606(d)(2) – Does the CDFI have a preference as to whether the proposed Special Servicer is affiliated with the Master Servicer/Trustee or not? If the Special Servicer is an entity designated by the Master Servicer/Trustee, is this intended to be a subcontracting arrangement?

§1808.606(d)(3) and (e)(3) reference the Bond Trust Indenture. Has a form of indenture been developed and is it available for review? Is the indenture anticipated to be consistent for each bond issued? In as much as the Bond Trust Indenture will purportedly contain all the documentation stipulating the Master Servicing and Special Servicing duties, has the CDFI contemplated employing a supplemental Master Servicing Agreement and/or Special Servicing Agreement? Does the CDFI anticipate having various fee categories related to the fiduciary duties of the Trustee as compared to the administrative duties of the Master Servicer and the default administration duties of the Special Servicer? Does the CDFI expect that the Special Servicer fees will include a small standby fee in addition to a larger fee to be applicable in the event of a default? Both referenced sections indicate that the fees of the Special Servicer and of the Master Servicer/Trustee will be paid by the Eligible CDFI. Will this compensation mechanism provide for each entity to be paid throughout a period of default? It is important that the compensation mechanism be structured so as to provide unquestioned compensation to the parties administering the default.

§1808.606(e)(1)(i) – (xii) – For the various duties of the Master Servicer/Trustee and the related reporting, will the CDFI develop a standard data set for reports so as to provide for consistent reports for each bond issued and improve the pricing for the CDFIs?