



## CITY OF ATLANTA

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KASIM REED  
MAYOR

October 23, 2017

Egbert L.J. Perry  
Chairman of the Board  
Federal National Mortgage Association  
3900 Wisconsin Avenue, NW  
Washington, DC 20016

Egbert L.J. Perry  
The Integral Group, LLC  
191 Peachtree Street, NE  
Suite 4100  
Atlanta, Georgia 30303

Dear Mr. Perry,

As Mayor of the City of Atlanta, I write to urge you to step down from your position as Non-Executive Chairman of the Board of the Federal National Mortgage Association ("Fannie Mae"). The public mission of Fannie Mae has always been to provide access to reliable, affordable mortgage financing in all markets and at all times. This is contradictory to the way in which you have manipulated and benefitted from your position as a developer.

On September 1, 2017, the Atlanta Housing Authority ("AHA") was forced to file a lawsuit against five entities you control seeking declaratory judgment regarding several issues following a dispute with Integral Development LLC ("Integral").<sup>1</sup> The factual basis of the lawsuit is a secret deal you received from AHA's former President and CEO, Renee Glover, who now serves on the Fannie Mae Board of Directors and is Vice Chair of the Nomination and Corporate Governance Committee of Fannie Mae.

As explained in the lawsuit, in 2011 you and your entities worked with Ms. Glover to amend HOPE VI Revitalization Agreements, thus forcing AHA to relinquish control of approximately 100 parcels of land to Integral and your other entities at below market rates. This deal that your entities are trying to enforce was not authorized by the AHA Board of Commissioners nor by the U.S. Department of Housing and Urban Development, and, as alleged in the lawsuit, violates Georgia law and the Georgia Constitution. Under the concocted schemes, your entities would purchase the land for approximately \$17.5 million, reaping a \$121 million windfall that you allegedly believe AHA "owes" you because of the value you helped create.<sup>2</sup> This land is currently valued at over \$138 million and constitutes nearly 25% of all vacant AHA real estate.

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<sup>1</sup> Case No. 2017CV294880 (pending in the Superior Court of Fulton County, Georgia before The Honorable Gail Tusan).

<sup>2</sup> Willoughby Mariano, *How Atlanta's housing agency for the poor might help the well-off instead*, Atlanta J. Const, March 10, 2017, available at <http://www.myajc.com/news/local/how-atlanta-housing-agency-for-the-poor-might-help-the-well-off-instead/X83FzlKPaZrShAPVz2FP6O/>

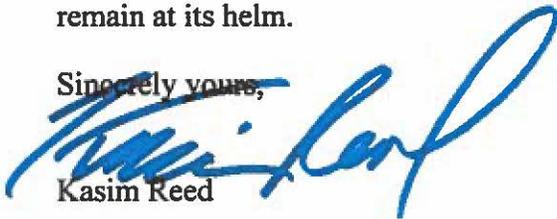
Affordable housing is one of the City's and AHA's top priorities. Low-income residents of Atlanta need the land that you have tied up in your scheme, particularly because of the importance of and need for affordable housing in the city. Forcing AHA to give up land slated to serve Atlanta's low-income population, in a sale benefitting only your entities while burdening generations of Atlanta residents, is unlawful, unethical and untenable for anyone, much less the Chairman of the Fannie Mae Board.

Fannie Mae's Nominating and Corporate Governance Committee, which Ms. Glover vice chairs, is tasked with seeking out "Board members who possess the highest personal values, judgment, and integrity."<sup>3</sup> I question whether your fellow board members believe that someone who resorts to calling urban and low-income housing professionals "clowns", or claiming that low-income housing residents were "some of the most pathologically deficient people in society" when confronted with the details of this "sweetheart" deal espouses the values that Fannie Mae board members must possess.<sup>4</sup> Does denigrating AHA Board members, who seek to protect public assets, as being in "diapers" when you were "doing affordable housing" reflect someone who possesses the highest personal values, judgment, or integrity? I think not.

Fannie Mae, and all those who rely on its important work, would benefit from your immediate resignation. Allowing a private developer to purchase public land to build condominiums for the wealthy exacerbates the housing crisis and pushes low-income residents even further to the margins of our city. Significantly, the fact that these allegations exist, juxtaposed with Fannie Mae's important support of the affordable housing markets across this country, and Fannie Mae's stated mission to "serve the people who house America"<sup>5</sup> poses an undeniable and substantial conflict of interest for you as Chairman of the Fannie Mae Board.

Americans deserve national leadership it can trust. Fannie Mae's integrity suffers every day you remain at its helm.

Sincerely yours,



Kasim Reed

Cc: Director Melvin Watt, Federal Housing Finance Authority  
Fannie Mae Board of Directors: Amy E. Alving; Hugh R. Frater; Renee L. Glover;  
Frederick B. "Bart" Harvey III; George W. Haywood; Michael J. Heid; Robert H. Herz  
(Chair, Fannie Mae Audit Committee); Timothy J. Mayopoulos; Diane C. Nordin;  
Jonathan Plutzik; Ryan Zanin

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<sup>3</sup> Corporate Governance Guidelines at 4, available at <http://www.fanniemae.com/resources/file/aboutus/pdf/corpgovguidelines.pdf>.

<sup>4</sup> See Mariano article cited in footnote 2.

<sup>5</sup> Fannie Mae website, "What We Do", available at <http://www.fanniemae.com/portal/about-fm/what-we-do.html>.