



Trade group jumps in to help finance small landlords

The association that representing tens of thousands of the city's residential landlords is teaming up with another nonprofit to start a new mortgage brokerage in response to complaints that smaller members were have trouble getting financing.

[Joe Anuta](#)

Published: May 22, 2014 - 12:24 pm

The Rent Stabilization Association, a trade group representing tens of thousands of the city's residential landlords, is starting a mortgage brokerage with another nonprofit. The move comes in response to complaints from the group's smaller members who reported that were being ignored by traditional lenders and having trouble getting loans.

The association—which has nothing to do with the state's rent-regulation program—has formed a joint venture with The Housing Partnership, a nonprofit that arranges financing for moderate-income affordable-housing projects. The new entity is called RSA Mortgage Brokerage.

"The smaller members (of the association) were having difficulty obtaining mortgage financing," said John McCarthy, who will serve as chief executive of the new firm. He noted that despite landlords' creditworthiness, lenders and brokerages have largely ignored this market segment in favor of larger landlords, since there is less money to be made. In response, the association decided to team up with the Housing Partnership to address the problem directly.

The new firm will assume middle-man duties between banks and owners in order to arrange mortgages for capital improvements and maintenance. In some cases, the new brokerage will also help orchestrate the financing of purchases.

Mr. McCarthy noted that 26,000 of the city's more than 43,000 residential buildings contain fewer than 20 apartments—and that many of those in the outer boroughs house the city's working class. He said he could not yet estimate the financing volume that would pass through the office.