



**NATIONAL  
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June 15, 2011

The Honorable Tim Johnson  
Chairman, Committee on Banking,  
Housing and Urban Affairs  
United States Senate  
1234 Senate Office Building  
Washington, DC 20510

The Honorable Richard Shelby  
Ranking Member, Committee on  
Banking, Housing and Urban Affairs  
United States Senate  
5678 Senate Office Building  
Washington, DC 20510

Dear Chairman Johnson and Ranking Member Shelby:

On behalf of the 1.1 million members of the National Association of REALTORS® (NAR), and its commercial affiliates\*, I am writing to you regarding tomorrow's hearing on "Credit Unions: Member Business Lending." I respectfully request your support of S. 509, the "Small Business Lending Enhancement Act of 2011," introduced by Senator Udall (D-CO). This legislation will increase the cap on member business lending (MBL) from 12.25% to 27.5% of total assets for well-capitalized credit unions, and allow these community-focused institutions to play a more significant role in rejuvenating our nation's economy.

Nearly \$1.2 trillion of commercial real estate loans with balloon mortgages will mature over the next few years, with a very limited option to refinance. If not addressed, the swelling wave of maturities could place further stress on our nation's already fragile financial markets and overall economy. S. 509 will create a new source of capital to refinance these commercial loans, and help to prevent the commercial real estate sector from holding back the nation's economic recovery.

The bill will also have benefits beyond the commercial real estate sector, increasing access to desperately needed capital for the small businesses that employ nearly half of all Americans and account for 60% of U.S. job creation. Lending to small businesses declined \$43 billion last year, and community banks, which hold 52% of all small business loans, were accountable for nearly half of that drop.

NAR believes credit unions have the ability to help fill the commercial real estate and small business lending gap. If S. 509 is signed into law, the Credit Union National Association estimates that credit unions could lend an additional \$13 billion to businesses in the first year after implementation, helping to create 140,000 new jobs. Moreover, this bill will not cost the U.S. taxpayer a single dime or increase the size of government.

In order to help improve lending conditions and spur job growth, NAR urges passage of this important legislation.

Sincerely,

Ron Phipps, ABR, CRS, GRI, GREEN, e-PRO, SFR  
2011 President, National Association of REALTORS®

cc: Members, Senate Committee on Banking, Housing, and Urban Affairs



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\* CCIM Institute, Institute of Real Estate Management, REALTORS® Land Institute, and Society of Industrial and Office REALTORS®