



**NATIONAL
ASSOCIATION of
REALTORS®**

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June 21, 2011

The Honorable Spencer Bachus
Chairman
Committee on Financial Services
United States House of Representatives
2246 Rayburn House Office Building
Washington, DC 20515

The Honorable Barney Frank
Ranking Member
Committee on Financial Services
United States House of Representatives
2252 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Bachus and Ranking Member Frank:

On behalf of the 1.1 million members of the National Association of REALTORS® (NAR) and its commercial affiliates*, thank you for scheduling tomorrow's markup of H.R. 940, the "United States Covered Bond Act of 2011," introduced by Representatives Scott Garrett (R-NJ) and Carolyn Maloney (D-NY). NAR supports the passage of this bill as currently written. NAR believes the measure can offer increased liquidity and safety of our commercial and residential secondary mortgage markets by creating a statutory framework for a covered bond market.

Real estate is the cornerstone of our nation's economy. NAR research suggests that the commercial real estate sector supports more than 9 million jobs and generates billions of dollars in federal, state, and local tax revenue. Moreover, our research also indicates one million additional home sales in 2011 will create an additional 500,000 private sector jobs. In nearly all past economic downturns, it has been real estate that has pulled the economy through. Therefore, as we work to reform and rebuild our real estate financing system, REALTORS® believe that it is imperative that all real estate finance instruments in our arsenal be utilized.

The formation of a covered bond market is one tool which our members want to see integrated into the real estate finance system. REALTORS® recognize that this tool will not take the place of commercial mortgage-backed securities (CMBS) or residential mortgage-backed securities (RMBS) as the primary generator of liquidity for the U.S. real estate market. However, we do believe that this tool, in conjunction with CMBS and RMBS, can help expand access to capital and enhance the soundness of our secondary credit markets.

NAR strongly encourages the timely passage of H.R. 940, a critical component to our nation's economic recovery. REALTORS® thank you for your diligent work to bring confidence and strength back to our finance system.

Sincerely,

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

cc: Members of the U.S. House Committee on Financial Services



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