



**NATIONAL
ASSOCIATION of
REALTORS®**

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November 9, 2011

The Honorable Kay Hagan
U.S. Senate Committee on Banking,
Housing & Urban Affairs
521 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Bob Corker
U.S. Senate Committee on Banking,
Housing & Urban Affairs
185 Dirksen Senate Office Building
Washington, DC 20510

Dear Senators Hagan and Corker:

On behalf of the 1.1 million members of the National Association of REALTORS® (NAR), and its commercial affiliates: CCIM Institute, Institute of Real Estate Management, REALTORS® Land Institute, and Society of Industrial and Office REALTORS®, we would like to thank you for introducing the “United States Covered Bond Act of 2011.” NAR believes this legislation 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 1 million additional home sales 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.

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



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cc: Members of the Senate Committee on Banking, Housing & Urban Affairs