

March 14, 2012

The Honorable Harry Reid
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, DC 20510

RE: Support for S. 1835, the United States Covered Bond Act of 2011

Dear Leaders Reid and McConnell:

We are writing to respectfully request your inclusion of S. 1835, the U.S. Covered Bond Act, sponsored by Senator Kay Hagan, Senator Bob Corker, Senator Chuck Schumer and Senator Mike Crapo into the legislation currently being drafted to encourage the additional availability of capital for our nation's small businesses.

While much of the focus of this legislative effort has been centered on promoting additional equity capital formation, we also believe the increased availability of cost-effective debt capital is critical for small businesses to be able to grow and create new jobs. Under S. 1835, small business loans are an asset class (along with residential mortgages, commercial real estate, auto loans and student loans) that is eligible to be used as collateral for a covered bond under the statutory framework. This will allow for additional liquidity and investment to be directed to help small businesses.

This legislation is both bipartisan and bicameral, with near identical versions having been introduced in the House and Senate. Over the last three years, there have been three specific hearings on the legislation held by the Senate Banking Committee and House Financial Services Committee. The House Financial Services Committee recently passed the legislation by a broad bipartisan vote of 44-7-3.

We agree that promoting job creation is a top priority and that helping provide small businesses with additional equity and debt capital is vital to that effort. We thank you for your hard work for the American people and look forward to working with you on this important legislation.

Sincerely,

American Land Title Association
American Securitization Forum
CRE Finance Council
Housing Policy Council
Mortgage Bankers Association
National Association of Realtors
Real Estate Roundtable
Society of Industrial & Office Realtors
Securities Industry and Financial Markets Association

American Resort Development Association
Certified Commercial Investment Member
Financial Services Roundtable
Institute of Real Estate Management
National Apartment Association
National Multi Housing Council
Realtors Land Institute
TIAA-CREF