



NATIONAL ASSOCIATION  
OF REALTORS®

*The Voice for Real Estate®*

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**Thomas M. Stevens, CRB, CRS, GRI**  
*President*

March 6, 2006

Dear Representative:

The National Association of REALTORS® is concerned that recent rulings of the Office of the Comptroller of the Currency (OCC) are inconsistent with the national policy against mixing of banking and commerce. These rulings authorize several national banks to (1) develop and own a luxury hotel, (2) develop a multi-use project involving retail and office space, a hotel, and 32 residential condominiums, and (3) take a 70 percent ownership stake in a windmill farm.

FDIC's 1997 report, [History of the 80s—Lessons for the Future](#), is an extremely detailed review of the savings and loan/banking crises of the 1980s and early 1990s (<http://www.fdic.gov/bank/historical/history>). The following statement from Volume I, Chapter 4, aptly captures why we think it is so important to avoid the mixing of banking of commerce:

In some states, direct investments in real estate, equity securities, service corporations, and operating subsidiaries were allowed with virtually no limitations. S&L's invested in everything from casinos to fast-food franchises, ski resorts, and windmill farms. . . . It is important to note, however, that while windmill farms and other exotic investments made for interesting reading, high-risk development loans and the resultant mortgages on the same properties were most likely the principal cause for thrift failures after 1982. . . . [T]he entry of so many S&L's into commercial real estate lending helped fuel boom-to-bust real estate cycles in several regions of the country.

Please let me know if you would like to meet to discuss this issue.

Sincerely,

A handwritten signature in cursive script that reads 'Jerry Giovaniello'.

Jerry Giovaniello  
Sr. Vice President, Government Affairs  
National Association of REALTORS®