



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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July 25, 2007

The Honorable Richard Shelby
United States Senate
110 Hart Senate Office Building
Washington, DC 20510

Dear Senator Shelby:

On behalf of over 1.3 million members of the National Association of REALTORS®, I write to urge you to co-sponsor S. 1356, the “Industrial Bank Holding Company Act of 2007,” introduced by Senators Sherrod Brown (D-OH), Wayne Allard (R-CO) and Tim Johnson (D-SD). S. 1356 strengthens our national policy against mixing banking and commerce by closing a loophole that allows commercial companies to own certain state-chartered, federally regulated banks.

Despite Wal-Mart’s decision to withdraw its application to charter an industrial loan company (ILC), there are still a number of commercial companies pursuing ILC ownership, including Home Depot. NAR strongly believes that mixing banking and commerce puts our national economy at risk. When commercial firms are allowed to engage in banking, the bank functions under an inherent conflict of interest. This conflict imposes unnecessary risks to the financial systems of the bank, the parent corporation, and the national economy.

NAR believes it is time to close the ILC loophole and provide strong oversight and additional regulation for existing ILCs. We have testified in support of this belief in House Financial Services Committee hearings and would welcome the opportunity to do so before the Senate Banking Committee when it considers S.1356.

I hope I can count on you to become a cosponsor of the S. 1356, the “Industrial Bank Holding Company Act of 2007.” When banking activities and commercial activities mix, it can be a recipe for disaster – bad for the economy, bad for businesses and bad for consumers.

Sincerely,

Pat V. Combs, ABR, CRS, GRI, PMN
2007 President, National Association of REALTORS®