



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

500 New Jersey Avenue, N.W.
Washington, DC 20001-2020
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www.realtors.org/governmentaffairs

Richard F. Gaylord
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EVP/CEO

GOVERNMENT AFFAIRS
Jerry Giovaniello, Senior Vice President
Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

February 12, 2008

The Honorable Tim Johnson
Committee on Banking, Housing & Urban Affairs
136 Hart Senate Office Building
Washington DC, 20510

Dear Senator Johnson:

On behalf of over 1.3 million members of the National Association of REALTORS® (NAR), I want to convey NAR's support for closing the existing industrial loan company (ILC) loophole that allows commercial companies to own state-chartered, federally regulated banks. NAR actively supported H.R. 698 "Industrial Bank Holding Company Act of 2007," (Barney Frank [D-MA] and Paul Gillmor [R-OH]) when that measure was considered by the House. I urge you to consider similar legislation.

NAR's support for legislation to close the ILC loophole is based on our organization's long history of supporting the national policy against mixing banking and commerce and advocating against public policy decisions that would weaken this policy and bring harm to the health and vitality of our financial system. For a number of years now, our advocacy efforts have focused on preventing federal banking regulators from allowing big banking conglomerates into the local business of buying and selling homes. Since the 107th Congress, Senators Hillary Rodham Clinton (D-NY) and Wayne Allard (R-CO) have led the effort to clarify that real estate brokerage and management are not banking activities by introducing the "Community Choice in Real Estate Act," S. 413. This bill has strong bi-partisan support with 22 cosponsors. Its companion, H.R. 111 (Representatives Paul Kanjorski [D-PA] and Ken Calvert [R-CA]) is supported by a majority of the House with 268 cosponsors to date.

Despite Wal-Mart's and Home Depot's decision to withdraw applications to charter an industrial loan company (ILC), there are still a number of commercial companies pursuing ILC ownership. NAR strongly believes that mixing banking and commerce erodes the stability and growth of the nation's financial system.

NAR believes that banks should provide financial services on an arms-length basis and not be swayed into making credit and other business decisions based on their affiliation with commercial firms. When commercial firms are allowed to engage in banking, the bank functions under an inherent and irreconcilable conflict of interest. The bank's commercial parent will be tempted to use the bank in a manner that furthers its own corporate objectives, which may be at odds with what is in the best interests of the bank subsidiary, customers, competitors, and our financial system.

I hope I can count on you to help reinforce our national policy against mixing banking and commerce by passing comprehensive ILC legislation. 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,

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February 12, 2008

The Honorable Jon Tester
Committee on Banking, Housing & Urban Affairs
204 Russell Senate Office Building
Washington DC, 20510

Dear Senator Tester:

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The Honorable Jim Bunning
Committee on Banking, Housing & Urban Affairs
316 Hart Senate Office Building
Washington DC, 20510

Dear Senator Bunning:

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The Honorable Mel Martinez
Committee on Banking, Housing & Urban Affairs
356 Russell Senate Office Building
Washington DC, 20510

Dear Senator Martinez:

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The Honorable Richard Shelby
Committee on Banking, Housing & Urban Affairs
110 Hart Senate Office Building
Washington DC, 20510

Dear Senator Shelby:

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February 12, 2008

The Honorable Wayne Allard
Committee on Banking, Housing & Urban Affairs
521 Dirksen Senate Office Building
Washington DC, 20510

Dear Senator Allard:

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The Honorable Robert Bennett
Committee on Banking, Housing & Urban Affairs
431 Dirksen Senate Office Building
Washington DC, 20510

Dear Senator Bennett:

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The Honorable Thomas Carper
Committee on Banking, Housing & Urban Affairs
513 Hart Senate Office Building
Washington DC, 20510

Dear Senator Carper:

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The Honorable Robert Casey
Committee on Banking, Housing & Urban Affairs
383 Russell Senate Office Building
Washington DC, 20510

Dear Senator Casey:

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The Honorable Daniel Akaka
Committee on Banking, Housing & Urban Affairs
141 Hart Senate Office Building
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Dear Senator Akaka:

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Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

February 12, 2008

The Honorable Christopher Dodd
Committee on Banking, Housing & Urban Affairs
448 Russell Senate Office Building
Washington DC, 20510

Dear Senator Dodd:

On behalf of over 1.3 million members of the National Association of REALTORS® (NAR), I want to convey NAR's support for closing the existing industrial loan company (ILC) loophole that allows commercial companies to own state-chartered, federally regulated banks. NAR actively supported H.R. 698 "Industrial Bank Holding Company Act of 2007," (Barney Frank [D-MA] and Paul Gillmor [R-OH]) when that measure was considered by the House. I urge you to consider similar legislation.

NAR's support for legislation to close the ILC loophole is based on our organization's long history of supporting the national policy against mixing banking and commerce and advocating against public policy decisions that would weaken this policy and bring harm to the health and vitality of our financial system. For a number of years now, our advocacy efforts have focused on preventing federal banking regulators from allowing big banking conglomerates into the local business of buying and selling homes. Since the 107th Congress, Senators Hillary Rodham Clinton (D-NY) and Wayne Allard (R-CO) have led the effort to clarify that real estate brokerage and management are not banking activities by introducing the "Community Choice in Real Estate Act," S. 413. This bill has strong bi-partisan support with 22 cosponsors. Its companion, H.R. 111 (Representatives Paul Kanjorski [D-PA] and Ken Calvert [R-CA]) is supported by a majority of the House with 268 cosponsors to date.

Despite Wal-Mart's and Home Depot's decision to withdraw applications to charter an industrial loan company (ILC), there are still a number of commercial companies pursuing ILC ownership. NAR strongly believes that mixing banking and commerce erodes the stability and growth of the nation's financial system.

NAR believes that banks should provide financial services on an arms-length basis and not be swayed into making credit and other business decisions based on their affiliation with commercial firms. When commercial firms are allowed to engage in banking, the bank functions under an inherent and irreconcilable conflict of interest. The bank's commercial parent will be tempted to use the bank in a manner that furthers its own corporate objectives, which may be at odds with what is in the best interests of the bank subsidiary, customers, competitors, and our financial system.

I hope I can count on you to help reinforce our national policy against mixing banking and commerce by passing comprehensive ILC legislation. 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,

Richard F. Gaylord, CIPS, CRB, CRS, GRI
2008 President, National Association of REALTORS®



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Dale A. Stinton
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Gary Weaver, Vice President

February 12, 2008

The Honorable Robert Menendez
Committee on Banking, Housing & Urban Affairs
317 Hart Senate Office Building
Washington DC, 20510

Dear Senator Menendez:

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February 12, 2008

The Honorable Jack Reed
Committee on Banking, Housing & Urban Affairs
728 Hart Senate Office Building
Washington DC, 20510

Dear Senator Reed:

On behalf of over 1.3 million members of the National Association of REALTORS® (NAR), I want to convey NAR's support for closing the existing industrial loan company (ILC) loophole that allows commercial companies to own state-chartered, federally regulated banks. NAR actively supported H.R. 698 "Industrial Bank Holding Company Act of 2007," (Barney Frank [D-MA] and Paul Gillmor [R-OH]) when that measure was considered by the House. I urge you to consider similar legislation.

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February 12, 2008

The Honorable Charles Schumer
Committee on Banking, Housing & Urban Affairs
313 Hart Senate Office Building
Washington DC, 20510

Dear Senator Schumer:

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February 12, 2008

The Honorable John Sununu
Committee on Banking, Housing & Urban Affairs
111 Russell Senate Office Building
Washington DC, 20510

Dear Senator Sununu:

On behalf of over 1.3 million members of the National Association of REALTORS® (NAR), I want to convey NAR's support for closing the existing industrial loan company (ILC) loophole that allows commercial companies to own state-chartered, federally regulated banks. NAR actively supported H.R. 698 "Industrial Bank Holding Company Act of 2007," (Barney Frank [D-MA] and Paul Gillmor [R-OH]) when that measure was considered by the House. I urge you to consider similar legislation.

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February 12, 2008

The Honorable Evan Bayh
Committee on Banking, Housing & Urban Affairs
131 Russell Senate Office Building
Washington DC, 20510

Dear Senator Bayh:

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February 12, 2008

The Honorable Sherrod Brown
Committee on Banking, Housing & Urban Affairs
455 Russell Senate Office Building
Washington DC, 20510

Dear Senator Brown:

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February 12, 2008

The Honorable Elizabeth Dole
Committee on Banking, Housing & Urban Affairs
555 Dirksen Senate Office Building
Washington DC, 20510

Dear Senator Dole:

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February 12, 2008

The Honorable Mike Crapo
Committee on Banking, Housing & Urban Affairs
239 Dirksen Senate Office Building
Washington DC, 20510

Dear Senator Crapo:

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Gary Weaver, Vice President

February 12, 2008

The Honorable Michael Enzi
Committee on Banking, Housing & Urban Affairs
379-A Russell Senate Office Building
Washington DC, 20510

Dear Senator Enzi:

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The Honorable Chuck Hagel
Committee on Banking, Housing & Urban Affairs
248 Russell Senate Office Building
Washington DC, 20510

Dear Senator Hagel:

On behalf of over 1.3 million members of the National Association of REALTORS® (NAR), I want to convey NAR's support for closing the existing industrial loan company (ILC) loophole that allows commercial companies to own state-chartered, federally regulated banks. NAR actively supported H.R. 698 "Industrial Bank Holding Company Act of 2007," (Barney Frank [D-MA] and Paul Gillmor [R-OH]) when that measure was considered by the House. I urge you to consider similar legislation.

NAR's support for legislation to close the ILC loophole is based on our organization's long history of supporting the national policy against mixing banking and commerce and advocating against public policy decisions that would weaken this policy and bring harm to the health and vitality of our financial system. For a number of years now, our advocacy efforts have focused on preventing federal banking regulators from allowing big banking conglomerates into the local business of buying and selling homes. Since the 107th Congress, Senators Hillary Rodham Clinton (D-NY) and Wayne Allard (R-CO) have led the effort to clarify that real estate brokerage and management are not banking activities by introducing the "Community Choice in Real Estate Act," S. 413. This bill has strong bi-partisan support with 22 cosponsors. Its companion, H.R. 111 (Representatives Paul Kanjorski [D-PA] and Ken Calvert [R-CA]) is supported by a majority of the House with 268 cosponsors to date.

Despite Wal-Mart's and Home Depot's decision to withdraw applications to charter an industrial loan company (ILC), there are still a number of commercial companies pursuing ILC ownership. NAR strongly believes that mixing banking and commerce erodes the stability and growth of the nation's financial system.

NAR believes that banks should provide financial services on an arms-length basis and not be swayed into making credit and other business decisions based on their affiliation with commercial firms. When commercial firms are allowed to engage in banking, the bank functions under an inherent and irreconcilable conflict of interest. The bank's commercial parent will be tempted to use the bank in a manner that furthers its own corporate objectives, which may be at odds with what is in the best interests of the bank subsidiary, customers, competitors, and our financial system.

I hope I can count on you to help reinforce our national policy against mixing banking and commerce by passing comprehensive ILC legislation. 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,

Richard F. Gaylord, CIPS, CRB, CRS, GRI
2008 President, National Association of REALTORS®