



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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March 24, 2010

The Honorable Barney Frank
Chairman
U.S. House Committee on Financial Services
2252 Rayburn House Office Building
Washington, D.C. 20515

The Honorable Spencer Bachus
Ranking Member
U.S. House Committee on Financial Services
2246 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Frank and Ranking Member Bachus:

The National Association of REALTORS® and its 1.2 million members, along with our affiliates the Institute of Real Estate Management and CCIM Institute, appreciate the continued leadership you and your colleagues have provided in diligently responding to the nation's economic crisis. As the Federal Reserve Board plans to unwind its emergency liquidity programs, we believe it is imperative that policymakers continue to address the tremendous challenges facing the commercial mortgage market. Specifically, we encourage the extension of the Term Asset-Backed Securities Lending Facility (TALF) for legacy and newly issued commercial mortgage-backed securities (CMBS) through the end of 2010.

Nearly \$1.4 trillion of commercial real estate loans will mature over the next few years, with most of these loans concentrated in banks and in mortgage-backed bonds held by institutional investors. If not addressed, this swelling wave of maturities could place further stress on already fragile financial markets and slow our nation's economic recovery. TALF's remaining term does not permit adequate time to develop sufficient volume to address the massive credit shortfall in this sector.

Additionally, we believe that the manner in which the Federal Reserve Board unwinds its residential mortgage-backed securities (MBS) purchase program is critical to the housing and mortgage industries and to the economy as a whole. It will take considerable planning and effort to ensure that phasing out the program does not lead to a significant spike in interest rates, disruptions to the flow of mortgage capital, or a halt to the fledgling recovery in the housing industry. If private investment does not return to the market in sufficient amounts to replace the current rate of the Federal Reserve Board's MBS investment, the Board should resume funding the program and extend its term beyond the end of the first quarter of 2010.

Having sound and well-functioning commercial and residential real estate sectors is critical to millions of American families and businesses, and consequently to our nation's overall economic growth and stability. For this reason, we believe that extending TALF through the end of 2010 as well as vigilant oversight of the MBS purchase program phase out is necessary.

Sincerely,

Vicki Cox Golder, CRB
2010 President, National Association of REALTORS®

cc: Members, House Committee on Financial Services

