



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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June 28, 2010

United States Senate
Washington, DC 20515

Dear Senator:

On behalf of the 1.1 million members of National Association of REALTORS®, and their affiliates, I respectfully request your support of H.R. 5297, the “Small Business Lending Fund Act of 2010.” Approved on June 17 by the House of Representatives, the bill will create the Small Business Lending Fund Program (SBLFP). I also urge the Senate to include language in the bill to increase the cap on credit union member business lending (MBL) to 27.5% of total assets. Each of these measures will increase the availability of credit to our nation’s commercial real estate and small businesses sectors.

Nearly \$1.4 trillion of commercial real estate loans will mature over the next several years, with a very limited capacity to refinance. If not addressed, the swelling wave of maturities could place further stress on already fragile financial markets and slow our nation’s economic recovery. In addition to addressing the issues facing the commercial real estate industry, improving access to capital for small businesses – widely acknowledged as a critical part of growing the American economy – is also greatly needed. In fact, the percentage of small business owners holding a business loan or credit line fell almost 20 percent last year. Unappreciated is the fact that a significant portion of commercial real estate is owned, leased, and operated by small businesses.

The SBLFP contains lending provisions that help ensure community banks have both the incentive and greater capacity to increase total loans to small businesses by decreasing the dividend cost on the capital investment as lending grows.

Additionally, the inclusion of language to increase the cap on credit union member business lending (MBL) to 27.5% of total assets will allow these community-focused financial institutions to play a more significant and much needed role in our nation’s economic recovery. We do, however, oppose the Administration’s proposal to require credit unions to have at least 5 years of MBL experience in order to qualify for the higher limit. This would unfairly prevent credit unions that have proven to be well-capitalized and ready to lend to the small business community from participation.

In order to help spur small business hiring and growth, NAR urges you to pass this important legislation along with the much needed increase in credit union commercial lending authority.

Sincerely,

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