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REALTORS®

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United States House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the 1.1 million members of the National Association of REALTORS® (NAR) and our affiliates, the Institute of Real Estate Management (IREM) and CCIM Institute, I respectfully request that you support H.R. 940, the “United States Covered Bond Act of 2011”, introduced by Representatives Scott Garrett (R-NJ) and Carolyn Maloney (D-NY).

Real estate is a pillar of our economy. NAR research suggests that one million additional home sales in 2011 over 2010 will create 500, 000 private sector jobs. These jobs are within numerous businesses that are tied to the housing industry (e.g. home renovation, furnishing, etc.) and that will help provide needed revenue to both our state and local governments. Commercial real estate supports more than 9 million jobs and generates billions of dollars in federal, state and local tax revenue. Therefore, as we endeavor to reform and rebuild our real estate finance system, REALTORS® believe that it is imperative that all real estate finance instruments in our arsenal be utilized.

The “covered bond” is one tool which REALTORS® want to see integrated into our real estate finance system. Our members recognize that this tool will not take the place of mortgage-backed securities (MBS) or commercial mortgage-backed securities (CMBS) as the primary generator of liquidity for the U.S. real estate market. However, we do believe that this tool, in tandem with MBS and CMBS, can offer increased liquidity and safety in our secondary market for commercial and all components of residential real estate lending, including jumbo mortgages.

REALTORS® thank you for your diligent work to bring confidence and strength back to our finance system. As you continue this endeavor, we strongly encourage you to support Representatives Garrett’s and Maloney’s legislation, H.R. 940, ensuring that no real estate finance tool is left unused as we step toward the future.

As always, NAR stands ready to collaborate with you and our industry partners to enact comprehensive and effective mortgage reform legislation.

Sincerely,

Ron Phipps, ABR, CRS, GRI, GREEN, e-PRO, SFR
2011 President, National Association of REALTORS®



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