

February 3, 2004

Dear Senator:

I am writing today to let you know our deep concern about the Office of the Comptroller of the Currency regulation that would preempt state real estate lending and other consumer protection laws for national banks and their operating subsidiaries.

We implore Congress to reign in these regulators run amok. This is only the latest example of regulators' disregard for public comments and congressional protests. We appreciate the Banking Committee holding hearings about this rule, and we ask that the OCC explain its lack of consideration for public and congressional comment.

The OCC rule would allow national banks and their subsidiaries to avoid the costs and regulatory burdens that state laws have on real estate related professionals, while exempting them from the consumer protections that states enforce. This is bad for consumers, homeowners, small businesses, and REALTORS<sup>®</sup> across our country.

The almost 1 million members of the National Association of REALTORS<sup>®</sup> are involved in all aspects of the real estate industry, including brokerage, leasing, property management, appraisal, home inspection, mortgage and title services. This OCC rule will put all of these real estate professionals at a disadvantage to national banks.

The Comptroller has consistently misinterpreted existing law and mischaracterized legal precedent to increase the profitability and strength of national banks. Regulators should not be in the position of creating winners and losers in the market. And federal regulators should not be allowing national banks to flout consumer protections devised by the states.

Any effort to concentrate banking regulation in the federal government should only be considered by *Congress* after a complete and careful examination determines that our nation's dual banking system has failed in some way. State laws and banking regulators are closer to these Americans and can best provide remedies to those who are injured by the acts of financial institutions.

We remain committed to ensuring these actions are debated by our elected officials and not decided by unelected and seemingly untouchable regulators. We appreciate you holding hearings on these issues, and hope we can count on you to provide some balance to the actions of the OCC. In the meantime, please don't hesitate to contact us if there is anything we can do for you.

Sincerely,

A handwritten signature in black ink that reads "Walter T. McDonald". The signature is written in a cursive, slightly slanted style.

Walter T. McDonald  
President