

**Issue Area:** Commercial Finance  
**Date of Action:** 12/10/93  
**Document Title:** Industry Letter To House In Support Of H.R. 3642, The Commercial Mortgage Capital Availability Act

---

Mortgage Bankers Association of America  
National Association of Realtors  
National Realty Committee

December 10, 1993

Dear Representative:

The Mortgage Bankers Association of America, the National Association of Realtors, and the National Realty Committee strongly support H.R. 3642, the Commercial Mortgage Capital Availability Act. Together our organizations urge you to co-sponsor this legislation and to work to see its quick enactment.

With approximately \$700 billion in commercial real estate loans outstanding in the nation's financial system -- a significant portion of which must be refinanced, restructured or replaced -- it is critical that the Commercial Mortgage Capital Availability Act be passed to assure the safety and soundness of financial institutions, prevent deterioration of local governments' real estate-dependent tax bases, and assure that the institutions holding these mortgages continue to serve their communities by providing suitable methods and policies for managing and recirculating their capital commitments in a liquid market. Specifically, the adoption of this act would:

Help to stabilize commercial and multifamily real estate values, and thus the taxbases within local communities;

Bring new long-term sources of capital to the multifamily sector;

Make the commercial mortgage market more efficient;

Provide liquidity for commercial property lenders and augment their ability to obtain fresh capital for new loans;

Provide safer and more efficient guidelines for portfolio management;

Even out the flow of funds throughout all phases of the economy's cycle.

The Mortgage Bankers Association of America, the National Association of Realtors, and the National Realty Committee believe the provisions in the Commercial Mortgage Capital Availability Act would significantly modernize the nation's system of financing commercial and multifamily real estate. We, therefore, respectfully ask that you co-sponsor this initiative.

Stephen B. Ashley, President  
Mortgage Bankers Association of America

Robert H. Elrod, President  
National Association of Realtors

James J. Didion, Chairman

National Realty Committee