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October 11, 2011

The Honorable Shelley Moore Capito
Chairman, Subcommittee on Financial
Institutions and Consumer Credit
United States House of Representatives
2443 Rayburn House Office Building
Washington, DC 20515

The Honorable Carolyn Maloney
Ranking Member, Subcommittee on
Financial Institutions and Consumer Credit
United States House of Representatives
2332 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Capito and Ranking Member Maloney:

On behalf of the 1.1 million members of the National Association of REALTORS® (NAR), and its commercial affiliates*, and in anticipation of tomorrow's hearing on "H.R. 1418: The Small Business Lending Enhancement Act of 2011," I respectfully request your support of H.R. 1418, the "Small Business Lending Enhancement Act of 2011," introduced by Representative Royce (R-CA). This legislation will increase the cap on member business lending (MBL) from 12.25% to 27.5% of total assets for well-capitalized credit unions, and allow these community-focused institutions to play a more significant role in rejuvenating our nation's economy.

Nearly \$1.2 trillion of commercial real estate loans with balloon mortgages will mature over the next few years, with very limited options to refinance. If not addressed, the swelling wave of maturities could place further stress on our nation's already fragile financial markets and overall economy. H.R. 1418 will create a new source of capital to refinance these commercial loans, and help to prevent the commercial real estate sector from holding back the nation's economic recovery.

The bill will also have benefits beyond the commercial real estate sector, increasing access to desperately needed capital for the small businesses that employ nearly half of all Americans and account for 60% of U.S. job creation. Lending to small businesses declined by \$43 billion last year and 64% of small businesses with less than \$1 million in revenue that applied for loans in the past 12 months were rejected by banks.

NAR believes credit unions have the ability to help fill the commercial real estate and small business lending gap. If H.R. 1418 is signed into law, the Credit Union National Association estimates that credit unions could lend an additional \$13 billion to businesses in the first year after implementation, helping to create 140,000 new jobs. Moreover, this bill will not cost the U.S. taxpayer a single dime or increase the size of government.

In order to help improve lending conditions and spur job growth, NAR urges passage of this important legislation.

Sincerely,

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

cc: Members, House Subcommittee on Financial Institutions and Consumer Credit



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* CCIM Institute, Institute of Real Estate Management, REALTORS® Land Institute, and Society of Industrial and Office REALTORS®