



NATIONAL
ASSOCIATION of
REALTORS®

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The Honorable Mary L. Landrieu
United States Senate
703 Hart Senate Office Building
Washington, DC 20510

The Honorable James E. Risch
United States Senate
483 Russell Senate Office Building
Washington, DC 20510

Dear Chairwoman Landrieu and Ranking Member Risch:

On behalf of the 1.1 million members of the National Association of REALTORS® (NAR) and its commercial affiliates¹, we would like to thank the Chairwoman and Senator Shaheen (D-NH) for introducing S. 289, the "Commercial Real Estate and Economic Development Act of 2013." Importantly, we thank you both for scheduling tomorrow's markup of this critical legislation. NAR supports passage of this legislation as currently written, which would temporarily allow commercial real estate projects to be eligible for the Small Business Administration's (SBA) 504/CDC refinance program.

Nearly \$1.3 trillion of commercial real estate loans with balloon mortgages will mature between 2013 and 2016, with very limited options for small businesses and other commercial property owners to refinance. If not addressed, the swelling wave of maturities could result in higher loan defaults, delinquencies, and business failure – further endangering economic recovery.

An expansion of project types eligible for the SBA 504/CDC refinance program will alleviate some of that pressure by allowing small businesses to refinance certain owner-occupied commercial buildings. This helps ensure that small businesses successfully persevering through tough times will not suddenly fail for the lack of capital. Also, extending the 504/CDC refinance program's eligibility to include commercial real estate properties for five years will provide more time for private capital to return to the market and help prevent commercial financing from becoming yet another drag on economic recovery.

NAR strongly encourages the timely passage of S. 289, a critical component to our nation's economic recovery. REALTORS® thank you for your diligent work to bring confidence and strength back to our finance system.

Sincerely,

Gary Thomas
2013 President, National Association of REALTORS®

cc: Members of the U.S. Senate Committee on Small business & Entrepreneurship



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¹ CCIM Institute, Institute of Real Estate Management, REALTORS® Land Institute, and Society of Industrial and Office REALTORS®