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May 11, 2015

The Honorable Steve Chabot  
Chairman  
U.S. House of Representatives  
Committee on Small Business  
2371 Rayburn House Office Building  
Washington, D.C. 20515

The Honorable Nydia M. Velázquez  
Ranking Member  
U.S. House of Representatives  
Committee on Small Business  
2302 Rayburn House Office Building  
Washington, D.C. 20515

Dear Chairman Chabot and Ranking Member Velazquez:

On behalf of the over 1 million members of the National Association of REALTORS® (NAR), thank you for holding today's hearing titled "Bridging the Small Business Gap: Peer-to-Peer lending."

Nearly \$1 trillion in commercial real estate loans will mature in the next couple of years, and many of these loans will be difficult to refinance due to constrained lending in the commercial space. Depressed conditions in the financial and small business sectors continue to negatively affect the commercial real estate industry, which threatens our nation's economic recovery. Additionally, new regulations affecting commercial real estate financing, such as the Basel III Capital Standards for Banks and Thrifts and the proposed new FASB/IASB Lease Accounting rule may have the effect of further decreasing access to capital for many in commercial real estate.

Alternative sources of financing, such as peer-to-peer lending and crowdfunding, are increasingly becoming viable options for capital formation in the commercial real estate market. Connecting those who need capital with non-traditional lenders is one way to relieve some of the tension in the financial system today. NAR's membership is eager to embrace new methods of raising capital, but is aware of the need for and supports strong consumer protections, accountability, and transparency within any new funding mechanism.

NAR supports protecting and enhancing the flow of capital to commercial real estate, and believes that Congress and the federal government should consider legislation and regulation aimed at improving commercial real estate markets. We appreciate you holding this hearing, and look forward to working with you on this important issue.

Sincerely,



Chris Polychron  
2015 President, National Association of REALTORS®

cc: U.S. House of Representatives Committee on Small Business

