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May 20, 2015

The Honorable Richard Shelby
Chairman
U.S. Senate Committee on Banking, Housing, & Urban Affairs
304 Russell Senate Office Building
Washington, DC 20510

Dear Chairman Shelby:

On behalf of the over one million members of the National Association of REALTORS® (NAR), thank you for introducing the “Financial Regulatory Improvement Act of 2015,” a thoughtful approach aimed at removing some of the barriers that are currently restricting credit availability for many Americans. NAR believes this legislation is an important step in providing regulatory relief for rural and small community banks and we urge bipartisan cooperation to achieve meaningful reform.

While NAR continues to analyze how the details of this proposal will impact the availability of affordable mortgage credit and consumer protections, we greatly appreciate your efforts to include several provisions that will help alleviate the tight credit market. Specifically, we commend you for including language that will:

- Provide for a reasonable rural designation application process;
- Ban the use of guarantee fees charged by Fannie Mae and Freddie Mac to be used for purposes other than guarding against mortgage losses;
- Prohibit the sale or disposition of preferred stock in Fannie Mae and Freddie Mac by the U.S. Treasury, unless directed by Congress; and
- Encourage the continued creation of a Common Securitization Platform (CSP) that will bring standardization and transparency to the secondary mortgage market.

Again, we thank you for beginning the discussion of removing regulatory burdens that have been affecting small community-based lending institutions’ ability to provide sufficient mortgage credit for consumers. NAR looks forward to working with you and the Committee to ensure the enactment of comprehensive and bipartisan legislation that will enhance credit access for many Americans by moderating financial regulatory burdens faced by small community lenders, while maintaining responsible underwriting principles.

Sincerely,



Chris Polychron
2015 President, National Association of REALTORS®

cc: Members of the U.S. Senate Committee on Banking, Housing, & Urban Affairs

