



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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February 3, 2006

U.S. Senate/House of Representatives
Washington, DC 20510/20515

Dear Chairman/Ranking Member:

I am writing today on behalf of over 1.2 million members of the National Association of REALTORS® to request you to schedule hearings on recent proposals and rulings by banking regulators that further obscure the line between banking and commerce. I would appreciate the opportunity to meet with you to discuss our concerns.

Recent rulings by the OCC to expand national banks' authority to develop commercial real estate and residential condominiums and to take a 70 percent stake in a windmill farm and the pending application by Wal-Mart before the FDIC to own an Industrial Loan Company could forever erase the congressionally mandated separation of these businesses.

These OCC decisions put the American economy in jeopardy as banks become direct equity holders in commercial real estate developments and in risky ventures such as alternative energy projects. REALTORS® are concerned that this could result in a repeat of the Savings and Loan crisis. Our economy cannot afford to bail out the nation's largest banks.

The entry of Wal-Mart, one of the nation's largest retailers, into banking would represent a huge mixing of banking and commerce. Congress should conduct oversight hearings on this issue to determine if it is necessary to enact clarifying legislation.

It is interesting to note that while national banks continue to push into commercial ventures, courtesy of their regulator, they strongly oppose Wal-Mart's application for an ILC charter. They want a one way street. Unfortunately, that street leads to risky activity by banks, an unlevel playing field for commercial players and small businesses, and decreased service to American consumers.

I hope that we can count on you to conduct oversight hearings on these issues and ensure that the regulators are not jeopardizing our economy.

Sincerely,

Thomas M. Stevens CRB CRS GRI
2006 President, National Association of REALTORS®