



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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November 21, 2008

The Honorable Ben S. Bernanke
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington D.C. 20551

Dear Chairman Bernanke:

On behalf of 1.2 million members of the National Association of REALTORS® (NAR), I am writing to urge that the Federal Reserve apply special scrutiny when it considers the application of GMAC to become a bank holding company.

The National Association of REALTORS® (NAR) is America's largest trade association, including NAR's five commercial real estate institutes and its societies and councils. REALTORS® are involved in all aspects of the residential and commercial real estate industries and belong to one or more of some 1,500 local associations or boards, and 54 state and territory associations of REALTORS®.

The separation of banking and commerce is one of our nation's most fundamental economic and social policies. REALTORS® are particularly troubled about any regulatory action that would lead to the mixing of banking and commerce. While we are mindful of the current crisis in the credit and financial markets, NAR is deeply concerned about the pending application before the Federal Reserve from GMAC to become a bank holding company. As you know, GMAC is 49% owned by General Motors Corporation. When commercial firms are allowed to engage in banking, even indirectly, a bank functions under an inherent and irreconcilable conflict of interest. The relationship between GMAC and GM has already demonstrated the dangers of mixing banking and commerce.

NAR strongly believes that GMAC's effort to obtain bank holding company status will establish a dangerous precedent that will inevitably lead to an erosion of the separation of banking and commerce. We see serious consequences for the future stability and growth of the nation's financial system if the Federal Reserve approves the application without imposing significant conditions to ensure the continued viability of our country's longstanding policy against mixing

banking and commerce. Accordingly, we ask that you require GM to completely divest itself of GMAC before granting bank holding company status or disapprove the application.

Thank you for your consideration in this critically important matter. If you have any questions, or if I may be of any assistance to you, please do not hesitate to contact me or Joe Ventrone, Vice President for Regulatory and Industry Relations at jventrone@realtors.org or (202) 383-1095.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles McMillan".

Charles McMillan
2009 President
National Association of Realtors®

cc:
The Honorable Henry M. Paulson
Secretary, Department of the Treasury