

National Association of REALTORS®

Commercial Real Estate Advocacy Timeline

Updated January 24, 2011

January 20, 2011 NAR Submitted Comment Letter to Department of Labor

In a comment letter to the U.S. Department of Labor (DOL), NAR raised its concern about the Department's proposed rule, which would expand of the definition of the term "fiduciary" under the Employee Retirement Income Security Act (ERISA) to include real estate appraisers. In the proposed rule, DOL broadly defines the circumstances under which a person is considered a fiduciary by reason of giving investment advice to an employee benefit program or a plan's participants. NAR stated its belief that fiduciary status should not extend to appraisers because appraisers provide objective opinions of value and not investment advice.

January 13, 2011 NAR Attended FDIC's Overcoming Obstacles to Small Business Lending Forum

NAR staff, along with Randy Scheidt, Vice Chair of the Commercial Committee and Iona Harrison, Vice Chair of the Business Issue Committee, attended the Federal Deposit Insurance Corporation's (FDIC) Overcoming Obstacles to Small Business Lending Forum. The Forum included a panel discussion featuring FDIC Chairman Sheila Bair, Federal Reserve Chairman Ben Bernanke, Senator Mark Warner (D-VA), and Thomas Bell, Jr., Chairman of the US Chamber of Commerce. These individuals discussed the problems within the small business lending sector (community banks) and ways to improve lending to small businesses. A second panel featured additional government and private sector leaders to identify issues that are constraining the availability of credit to small businesses and articulate ideas for overcoming these obstacles.

Both panels spent a considerable amount of time discussing the effects that declining housing prices have had on the ability of small business owners to obtain financing for their companies. Traditionally, many small business owners have accessed lines of credit for their businesses by using their homes as collateral, but a decline in housing prices have led to ever tightening credit restrictions on borrowers. Fed Chairman Bernanke noted the recent purchase of Treasury bonds will help ease credit; however, both panels were unable to provide any significant solutions.

Both panels also addressed how plummeting commercial real estate prices could slow our nation's economic recovery. Fed Chairman Bernanke mentioned the success of his agency's TALF program (now terminated), but did not provide any further solutions. FDIC Chairman Bair talked about directing federal regulators to provide more loan workouts or term extensions if the borrower is current on monthly payments, but other factors associated with the property such as cash flow or value have declined.

December 28, 2010 Monthly Commercial Update

2011 NAR Treasurer Bill Armstrong stated NAR's promise to use all of its resources to improve the struggling commercial real estate industry. Specifically, Mr. Armstrong discussed NAR's commitment to bring in more liquidity to create more business opportunities for its commercial membership.

December 9, 2010 NAR Urged U.S. Congressional Leadership To Pass Tax Extenders Package

In a letter to Republican and Democratic leadership of the U.S. Senate and House of Representatives, NAR urged Congress to pass a tax extenders package in order to provide stability and certainty to the commercial and residential real estate industries. This legislation includes the retention of 15% capital gains rate, reinstatement of the stepped-up basis rules under the estate tax, expansion of the estate tax exclusion, lower estate tax rates, shorter depreciation recovery periods for leasehold improvements, enhanced expensing for some assets, energy tax credits, Alternative Minimum Tax relief, and adds temporary relief from payroll taxes.

- December 8, 2010** **NAR Signed Onto Second Lease Coalition Letter**
NAR signed onto a coalition letter to the Financial Accounting Standards Board (FASB) and International Accounting Standards Boards (IASB) asking them to reconsider their joint proposal to capitalize all leases onto companies' balance sheets. Among other things, the letter asked the accounting boards to study potential economic consequences of their proposal.
- December 1, 2010** **NAR Submitted Comments to FASB on Proposed Lease Accounting Rule Change**
NAR submitted comments to the Financial Accounting Standards Board (FASB) on a recently proposed accounting rule change that, if implemented, could severely impact liquidity for the commercial real estate industry. Under this proposal, companies would be required to capitalize all leased real estate assets back onto their balance sheets. Therefore, business of all sizes would be negatively impacted, especially lessees and lessors of commercial real estate. In its letter, NAR raised the concern that this new accounting proposal would bloat the balance sheets of many companies, among other issues. As a result, many businesses would see their debt-to-equity ratios increase and find it more difficult to obtain credit. Consequently, more frugal lessees will want less space and shorter-term leases without renewal options or contingent rents, which will decrease cash flow for property owners. Shorter-term rents will likely reduce the borrowing capacity of many commercial real estate lessors, who rely on leases and the value of the property as collateral in order to obtain financing. Due to these and other negative economic consequences, NAR asked FASB to reconsider this proposal.
- November 30, 2010** **Monthly Commercial Update**
2011 NAR Treasurer Bill Armstrong discussed the importance of job creation and the restoration of bank lending as keys to a commercial real estate recovery. Mr. Armstrong also noted the recent passage of the Small Business Jobs and Credit Act of 2010, which may help improve credit access for small businesses. Finally, Mr. Armstrong spoke on the importance of preventing the finalization of new lease and fair value accounting rule changes.
- November 29, 2010** **NAR Submitted Comment Letter on 1099 Information Reporting Requirements**
In a letter to the U.S. Senate, NAR urged members of Congress to vote in favor of pending amendments that would repeal the onerous 1099 information reporting requirements enacted earlier this year. These requirements create traps for the unwary and huge administrative burdens on small businesses.
- November 17, 2010** **NAR Testified Before Congress on Small Business and Commercial Real Estate Lending Crisis**
Dan Sight, Vice President of Reece Commercial in Kansas City, Missouri, testified on behalf of NAR at the U.S. Senate Committee on Small Business and Entrepreneurship hearing on "Small Business Access to Capital: Challenges Presented by Commercial Real Estate." In his testimony, Mr. Sight stressed the importance of having a healthy commercial real estate sector in addition to a sound small business sector as the cornerstone of our nation's economic growth and recovery. Mr. Sight explained how high vacancy rates, plummeting prices, and sluggish sales activity in the commercial real estate industry, along with high commercial real estate loan exposure at small community banks, have caused a significant decrease in small business lending, curtailing our nation's economic recovery. This reduction in credit available to small businesses has resulted in layoffs and business failures, placing even more pressure on commercial real estate and accelerating a negative economic cycle. Furthermore, Mr. Sight identified lack of available real estate financing as the number one reason for such dismal commercial real estate activity. More notably, he told members of the Committee that commercial real estate financing problems must first be addressed in order to fix lending within the small business sector.
- October 26, 2010** **Monthly Commercial Update**
2010 NAR Treasurer Jim Helsel reported that 3rd quarter commercial real estate sales activity increased 35 percent from the 2nd quarter of 2010. Additionally, commercial real estate is likely to close out the 4th quarter with at least \$100 billion in sales activity.

- October 21, 2010** **NAR Signed Onto Lease Accounting Coalition Letter**
NAR joined 25 organizations in a letter to the G-20 nations, asking the Financial Accounting Standards Board (FASB) and International Accounting Standards Board (IASB) to delay their June 2011 deadline for completion of a new lease accounting standard. Through the directive of the G-20, these boards are currently engaged in a series of projects to converge U.S. Generally Accepted Accounting Principles (USGAAP) and International Financial Reporting Standards (IFRS) by 2011 - including the controversial lease accounting proposal. The proposal would require firms to recognize all lease liabilities and assets on their corporate financial statements. The coalition letter stated that more time is needed to study the latest draft of the standard and its impact on credit markets.
- October 4, 2010** **NAR Submitted Comments Regarding Exchange-Related Provisions in Health Care Reform Bill**
NAR submitted a letter to the U.S. Department of Health and Human Services (HHS) in response to a request for public comment to aid in the development of standards for establishment and operation of the Exchanges and to address other Exchange-related provisions in Title I of the Patient Protection and Affordable Care Act (PPACA). Specifically, NAR's comments addressed six points of interest for real estate agents, realty firm owners and other self-employed individuals or small business owners: (1) providing a robust range of policy and provider options in the Exchanges, (2) ensuring the availability of affordable insurance options in the Exchanges, (3) creating standards and practices governing state Exchanges, (4) allowing flexibility in early stage enrollment and eligibility, (5) providing ample opportunity for feedback and personalized customer service for consumers, and (6) working with Navigators and other third parties to deliver consumer information. Furthermore, NAR stated its support for the creation of Exchanges that will allow Realtors® to access more affordable and quality health care for themselves and their families.
- October 1, 2010** **National Flood Insurance Extended through 2011**
The President signed into law a one-year extension of the National Flood Insurance Program (NFIP). Congress unanimously approved a one-year extension of National Flood Insurance Program authority to September 30, 2011. The legislation, S. 3814, was first approved on September 21, 2010, by the unanimous consent of the U.S. Senate and two days later, by the voice vote of the U.S. House of Representatives. NFIP is now extended through September 30, 2011.
- September 29, 2010** **NAR Submitted Letter to Senate Committee Regarding the Data Security & Breach Notification Act of 2010**
In a letter to Senators Pryor (AK-D) and Rockefeller (WV-D), NAR shared its thoughts on their legislation, S. 3742, the Data Security and Breach Notification Act of 2010. This bill would require security policies and procedures to protect data containing personal information, and provide for nationwide notice in the event of a security breach. In the letter, NAR indicated that it has been long supportive of efforts to protect consumers' sensitive personal information, but strongly believes that any new federal data security law must be narrowly tailored to minimize the regulatory burden such a law could place on vulnerable independent contractors and small businesses.
- September 28, 2010** **Monthly Commercial Update**
2010 NAR Treasurer Jim Helsel reported on our three-part strategy to revitalize the commercial sector this fall: liquidity, taxes, and accounting rules.

- September 27, 2010** **Small Business Jobs and Credit Act (H.R. 5297) Signed into Law**
 President Obama signed into law the Small Business Jobs and Credit Act of 2010 (H.R. 5297). The U.S. Senate voted, 61-38, to pass the bill on September 16, 2010, while the U.S. House approved the measure, 237-187. Under this bill, which NAR supported, the U.S. Treasury would be authorized to lend up to \$30 billion to interested community banks to further expand lending to small businesses. As an incentive for participating community banks to increase small business lending, their interest rate would be adjusted relative to the amount of their small business lending activity. It is estimated that community banks could use the \$30 billion lending fund to leverage up to \$300 billion in new loans to small businesses. Additionally, the small business lending bill enhances Small Business Administration (SBA) programs and provides \$12 billion in tax breaks for small businesses.
- September 24, 2010** **NAR Submitted Comments to FASB on Proposed Fair Value Accounting Rule Change**
 NAR submitted comments to the Financial Accounting Standards Board (FASB) on a recently proposed accounting rule change that, if implemented, could severely impact liquidity for businesses and consumers. Under this proposal, financial institutions would be required to book their loans at current market value, a method known as “fair value” or “mark-to-market” accounting. As a result, some banks would be forced to take huge write downs or losses, particularly during periods of economic distress. In the letter, NAR stated its concern that the accounting proposal will dramatically affect the availability of capital for real estate, especially in light of the commercial real estate liquidity crisis. NAR urged FASB for more flexible mark-to-market accounting rules and encouraged the use of other valuation tools to assist with valuing assets in illiquid markets.
- September 23, 2010** **NAR Letter Urged U.S. House to Pass NFIP Extension**
 In a letter to the U.S. House of Representatives, NAR asked lawmakers to pass S. 3814, the National Flood Insurance Program Re-extension Act. The bill would expand authority for the National Flood Insurance Program (NFIP) by one year, until September 30, 2011.
- September 22, 2010** **NAR Testified Before Congress on Comprehensive Flood Insurance Reform**
 The U.S. Senate Committee on Banking, Housing, and Urban Affairs held a hearing on “National Flood Insurance Reauthorization.” Nick D’Ambrosia, Vice President of Training and Recruiting for Long & Foster Companies, testified on behalf of NAR. In his testimony, Mr. D’Ambrosia urged the committee to act quickly to reauthorize the National Flood Insurance Program (NFIP) for the long-term to avoid further compounding the uncertainty for taxpayers who rely on the program, particularly in a recovering real estate market. The NFIP authority is set to expire on September 30 for the ninth time in two years; Congress has approved eight short-term extensions during this time. “We are pleased that last night the Senate passed S. 3814 to extend the NFIP for one year until September 30, 2011. We urge the House to immediately do the same,” said Realtor® Nick D’Ambrosia. However, Mr. D’Ambrosia noted: “This month-to-month approach has hindered recovering real estate markets and exacerbated the uncertainty for the more than 5.5 million taxpayers who depend on the NFIP to protect them against floods.” The House has already passed H.R. 5114, the Flood Insurance Reform Priorities Act, which would reauthorize the NFIP for a full five years. The Senate is holding this hearing to begin the process of developing the Senate response to the House reform bill.
- September 21, 2010** **NAR Advised the U.S. House Committee on Appropriations Chairman to Pass Long-term Extension to NFIP**
 In a letter to Chairman Obey (WI-D) of the U.S. House Committee on Appropriations, NAR urged the passage of a long-term extension for the National Flood Insurance Program (NFIP), once the Committee begins work on the continuing resolution for FY2011.

- September 21, 2010** **NAR Advised the U.S. Senate Committee on Appropriations Chairman to Pass Long-term Extension to NFIP**
In a letter to Chairman Inouye (HI-D) of the U.S. Senate Committee on Appropriations, NAR urged the passage of a long-term extension for the National Flood Insurance Program (NFIP), once the Committee begins work on the continuing resolution for FY2011.
- August 31, 2010** **Monthly Commercial Update**
In this latest addition of the commercial podcast, 2010 NAR Treasurer Jim Helsel sits down with Bill Armstrong, 2010 NAR Treasurer-elect, to discuss our latest efforts to jumpstart business in the commercial sector. Specifically, Mr. Helsel and Mr. Armstrong reviewed the recent passage of the \$30 billion Small Business Lending Fund bill, which would provide another vehicle for commercial practitioners and small business owners to access credit. Additionally, they discussed the possibility of Congress passing legislation that could raise the current 15% tax treatment of carried interest to 35% or more.
- August 13, 2010** **NAR Submitted Comments on Proposed Regulations for Grandfathered Health Plans**
NAR submitted formal comments to the U.S. Department of Health and Human Services (HHS) in response to an interim final rule implementing the provisions of the health care reform bill that allows policies in effect on the date of enactment to be "grandfathered" and not subject to many of the bill's reforms. It is the grandfather provisions that are the basis for the claim that "if you like your policy, you can keep it" heard throughout the health reform debate. NAR took a strong position in favor of allowing the maximum flexibility for individual and small group plans already in place to remain in place once health care reform is fully implemented.
- July 29, 2010** **NAR Testified Before Congress on Commercial Real Estate Liquidity Crisis**
The U.S. House Financial Services Committee held a hearing on "Alternatives for Promoting Liquidity in Commercial Real Estate Markets, Supporting Small Businesses and Increasing Job Growth." Jim Helsel, 2010 NAR Treasurer and President of Helsel Incorporated REALTORS®, testified on behalf of NAR. In his testimony, Mr. Helsel stressed that liquidity remains a significant challenge for the commercial real estate industry. Mr. Helsel also commended the panel for passage of H.R. 5297, the Small Business Lending Act of 2010, which ensures community banks have both the incentive and capacity to increase total loans to small businesses. Moreover, he stressed the importance of raising Small Business Administration (SBA) loan limits and allowing SBA 504 loans to be used to refinance performing property. Finally, as another credit avenue, Mr. Helsel asked members of the committee to consider raising the credit union member business lending cap from 12.25% to 27.5% of total assets.
- July 27, 2010** **Monthly Commercial Update**
NAR Treasurer Jim Helsel discussed NAR's victory with the recent extension of the National Flood Insurance Program (NFIP) through September 30, 2010. Also, Mr. Helsel discussed the possibility of the U.S. Senate voting on legislation this December that could raise the current 15% tax treatment of carried interest to 35% or more. Finally, Mr. Helsel reviewed information and resources available on NAR's commercial website. These resources include a number of webinars, which can help commercial real estate practitioners make better business decisions.

- July 26, 2010** **NAR Commented on Housing Preservation & Tenant Protection Legislation**
In a letter to U.S. House Financial Services Committee Chairman Barney Frank (D-MA), NAR and a variety of commercial real estate-related organizations stated their opposition to several provisions in H.R. 4868, the Housing Preservation and Tenant Protection Act of 2010, that would adversely impact private sector involvement in preservation. Specifically, the coalition letter stated it could not support the legislation due to provisions in the following sections of the bill: (1) Federal First Right of Refusal (Section 107), (2) Amendment to Low-Income Housing Preservation and Resident Homeownership Act (Preemption Provision, Section 108), (3) Maintenance of Housing (Section 302), (4) Resident Enforcement of Public Housing Agency or Project Owner Agreements with HUD (Third-party beneficiary, Section 303), and (5) Resident Access to Building Information (Section 304).
- July 23, 2010** **NAR Supported Accelerated Depreciation Legislation in Coalition Letter**
NAR signed onto a coalition letter in support of H.R. 5943 (Berkley, NV-D), the “Community Recovery and Enhancement Act of 2010,” which would help mitigate the commercial equity gap through incentivizing investment in distressed commercial real estate assets. Under this proposal, investors would receive a one-time 50 percent bonus depreciation on the amount invested into a qualifying distressed commercial asset.
- July 20, 2010** **NAR Submitted Letter of Support for H.R. 1264, the Multiple Peril Insurance Act**
NAR submitted a letter of support for H.R. 1264, the Multiple Peril Insurance Act, introduced by Representatives Taylor (D-MS) and Scalise (R-LA). Under this bill, property owners would be able to purchase multi-peril (flood/wind) or windstorm policies without the lengthy wind-water disputes or worrying about a potential for “bait and switch.” The National Flood Insurance Program (NFIP) would be required to charge actuarial rates, so there would be no increase in federal spending according to the non-partisan Congressional Budget Office. By increasing the number of properties that are insured and required to be built to International Building Code standards, the Taylor/Scalise bill would reduce the amount of disaster relief taxpayers would have to provide after the next major natural disaster strikes.
- July 15, 2010** **NAR Urged U.S. Senate to Renew Debate on Small Business Lending Fund Legislation**
In a letter submitted to the U.S. Senate, NAR urged the U.S. Senate to approve the House-passed legislation (H.R. 5297) to establish a \$30 billion Small Business Lending Fund. Additionally, NAR asked the Senate to include the following provisions in their version of the Small Business Lending Fund bill: (1) allow small businesses to expense leasehold improvements, (2) permit the self-employed to deduct health insurance premiums when calculating self-employment taxes, and (3) increase the cap on credit union member business lending (MBL) to 27.5% of total assets. However, NAR stated its opposition to the Administration’s proposal to require credit unions to have at least 5 years of MBL experience in order to qualify for the higher limit. NAR also noted its opposition to the provision requiring all landlords to provide Form 1099 information returns to contractors to whom they make payments of more than \$600.
- July 13, 2010** **NAR Commented on Flood Insurance Legislation**
In a letter to the U.S. House of Representatives, NAR strongly supported a provision to reauthorize the NFIP through fiscal year 2015 in H.R. 5114, the Flood Insurance Reform Priorities Act. However, NAR expressed its concern with provisions of H.R. 5114 that would phase-in actuarial rates for most pre-Flood Insurance Rate Map (pre-FIRM) properties. Section 5 would increase rates on these properties by up to 20% a year, beginning on the date of enactment for those non-residential properties. Soon thereafter, the U.S. House of Representatives approved H.R. 5114, sending the legislation to the Senate for its consideration. The bill would reauthorize the National Flood Insurance Program (NFIP) through September 30, 2015. Unless a longer term reauthorization is enacted, Congress will again have to consider another short-term extension before September 30 2010, when NFIP authority is set to expire.

- July 6, 2010** **NAR Commented on Commercial Lead Paint Proposal**
NAR, in a coalition with several other impacted organizations, submitted comments to express a variety of concerns regarding an EPA issued Advanced Notice of Proposed Rulemaking (ANPR) concerning the Renovation, Repair and Painting (RPR) Program for Commercial and Public Buildings, which aims to reduce children's exposure to lead dust during renovating activities of commercial buildings. The coalition emphasized that the EPA must consider the scope of authority before proceeding with any regulations. The Toxic Substances Control Act limits the Agency's authority to promulgate regulations that govern RPR activities in commercial buildings. The coalition also stressed that the EPA must complete a congressionally-mandated study of RPR activities in commercial buildings and the extent to which they create lead-based paint hazards before it can proceed with any regulations.
- June 29, 2010** **Monthly Commercial Update**
NAR Treasurer Jim Helsel discussed NAR's victory with the recent passage of H.R. 5297, the Small Business Lending Fund Act of 2010, in the U.S. House of Representatives. The bill would grease the pipeline and make credit more available in the commercial real estate and small business sectors. Also, Mr. Helsel discussed NAR's Call-for-Action asking Congress not to change how carried interest is taxed, which was issued last month. Finally, Mr. Helsel highlighted a recent commercial roundtable meeting between Rep. Tiberi (R-OH) and several Ohio commercial REALTORS®. The meeting proved to be a very productive discussion about regulators, lending, and appraisals.
- June 28, 2010** **NAR Urged U.S. Senate to Pass Bill Establishing Small Business Lending Fund**
In a letter a letter submitted to the U.S. Senate, NAR urged lawmakers to approve the House-passed legislation (H.R. 5297) to establish a \$30 billion Small business Lending Fund. Additionally, NAR asked Senators to include language to increase the cap on credit union member business lending to 27.5% of total assets. Moreover, NAR stated its opposition to the Administration's proposal to require credit unions to have at least 5 years of MBL experience in order to qualify for the higher limit.
- June 25, 2010** **NAR Signed onto Coalition Letter to U.S. Senate Urging for Extension of NFIP**
NAR signed onto a coalition letter to the U.S. Senate, requesting that lawmakers take immediate action to pass H.R. 5569, which would extend the National Flood Insurance Program (NFIP) through September 30, 2010. Specifically, the letter reminded lawmakers of recent natural disasters from Tennessee to the Gulf Coast, which are prime examples for the need to extend NFIP. A total of 20 organizations, including NAR, signed onto the letter.
- June 23, 2010** **NAR Urged U.S. Senate to Pass H.R. 5569, the National Flood Insurance Program Extension Act of 2010**
In a letter to the U.S. Senate, NAR asked lawmakers to immediately pass H.R. 5569, which was approved by the U.S. House of Representatives. This bill would extend authority for the National Flood Insurance Program (NFIP) until September 30, 2010. NAR stressed to lawmakers that the delay in passage of the NFIP extension has resulted in the delay, if not cancelation, of thousands of real estate transactions during the worst down-turns in the commercial and residential real estate markets since the Great Depression.
- June 23, 2010** **NAR Advocated for NFIP Extension in Letter to the U.S. House**
NAR urged members of the U.S. House of Representatives to immediately approve H.R. 5569, which would extend the National Flood Insurance Program (NFIP) authority and avoid exacerbating the uncertainty for commercial and residential property owners who rely on the program. This legislation would extend NFIP until September 30, 2010. Soon after NAR submitted its letter, the U.S. House approved H.R. 5569 by voice vote.

- June 16, 2010** **NAR Urged Congress to Immediately Reauthorize NFIP in a Coalition Letter**
 NAR signed onto a coalition letter with 21 other real estate-related groups, urging Congress to immediately reauthorize the National Flood Insurance Program (NFIP). The letter also emphasized that frequent lapses in the NFIP program are undermining homeowner and commercial property owner confidence.
- June 15, 2010** **NAR Asked the U.S. House Asking Members to Support the "Small Business Lending Fund Act of 2010"**
 In a letter to the U.S. House of Representatives, NAR urged members to support H.R. 5297, the Small Business Lending Fund Act of 2010. Under H.R. 5297, the U.S. Treasury would be authorized to lend up to \$30 billion to interested community banks, in order to expand access to credit for small businesses. These loans would be required to be repaid, with interest, over a 10-year period. The bill also provides incentives for small banks to increase small business lending by adjusting their initial 5 percent loan interest rate relative to the amount of their small business lending activity. Additionally, NAR asked lawmakers to support Amendment #4 (Minnick, D-ID), which would broaden eligibility for the program by including non-owner occupied commercial real estate in addition to owner-occupied commercial real estate loans. Soon after NAR submitted its letter, H.R. 5297 passed the House by a vote of 241-182. Also, Rep. Minnick's amendment was passed by the House.
- June 4, 2010** **NAR Raised Concerns Regarding Privacy Discussion Draft Legislation**
 NAR submitted written comments to Representatives Boucher (D-VA) and Stearns (R-FL), raising concerns with certain provisions in their draft legislation to protect the privacy of consumers' personal data on the internet, as well as offline. Under the proposal, any entity that collects covered information about individuals would be required to provide a clear, understandable privacy policy that explains how that information is collected, used, and disclosed. Specifically, NAR expressed concerns with the draft's broad application, the burden of supplying privacy policy notifications for offline data collection and the conflicts that arise with existing Federal privacy laws.
- June 1, 2010** **NAR Sent Letter to the U.S. House and Senate Urging Members to Immediately Extend NFIP**
 In a letter to the U.S. House of Representatives and Senate, NAR expressed its anger and frustration with the fact that Congress has again allowed the National Flood Insurance Program (NFIP) to expire on May 31, 2010 – the third time this year.
- June 1, 2010** **Commercial Roundtable Meeting with U.S. Ohio Congressman Patrick Tiberi**
 Ohio commercial REALTORS® joined NAHB, BOMA, NFIB, NAIOP, and area banks to meet with Rep. Tiberi to discuss commercial real estate issues related to regulators, lending, and appraisals.
Realtor Attendees: Gavin Blair – CBR, Stan Collins – CBR, Bob Fletcher – OAR, Rob Click, Greg Hrabcak, Doug McCloud, Don Roberts, and John Royer
NAHB Attendees: Jim Hilz, Vince Romanelli, Dave Blackmore, Michael Zenios, Paul Cugini, and Darrel Miller
BOMA Attendees: John Rolwing and Gary Calliari
NFIB Attendees: Allen Perk
NAIOP Attendees: Jeffery Morris
Bank Attendees: Jeff Quayle; Steve Rhodes, Shawn Bunt, Jeff Rosen, Barbara Benham, Bob Lane, Dan DeLawder, Scott McComb, and David Folwein
- June 1, 2010** **NAR Issued Call-for-Action on the Need for Congress to Extend NFIP**
 NAR issued a Call-for-Action urging Congress to pass a comprehensive National Flood Insurance Program (NFIP) reform bill. Specifically, NAR pressed Congress to approve an NFIP extension as stand-alone legislation and end the cycle of uncertainty for those taxpayers who rely on the NFIP.

- June 1, 2010** **NAR Urged for Extension of NFIP in Letter to U.S. House and Senate**
In order to avoid delays and cancellations of thousands of real estate transactions, NAR urged Congress to approve an extension of the National Flood Insurance Program (NFIP). NFIP expired for the third time this year on May 31, 2010.
- May 27, 2010** **NAR Thanked Sen. Collins for Filing Senate Amendment to H.R. 4899, the Supplemental Appropriations Act**
Senate amendment 4218 to H.R. 4899 would prohibit the U.S. Environmental Protection Agency (EPA) from imposing fines on contractors for renovation and repair work if by September 30, 2010, they enroll in training to comply with the new Lead Paint Renovations and Repair Regulation which took effect on April 22, 2010.
- May 25, 2010** **Monthly Commercial Update**
NAR Treasurer Jim Helsel discussed the good deal of progress that NAR has made in combating the liquidity crisis facing the commercial real estate industry. Mr. Helsel highlighted NAR's recent testimony at a Congressional field hearing on commercial real estate and provided information regarding NAR's recent Call-for-Action on carried interest.
- May 17, 2010** **NAR Testified Before Congress on Commercial Real Estate Liquidity Crisis**
G. Joseph Cosenza, Vice Chairman of Inland Realty Group, Inc., testified on behalf of NAR at the U.S. House Financial Services Subcommittee on Oversight and Investigations held a field hearing in Chicago, Illinois, on the liquidity crisis facing the commercial real estate industry. In his testimony, Mr. Cosenza stressed the importance of a sound commercial and multifamily real estate sector as the linchpin of our nation's economic recovery. Because the current credit crisis is so complex and every property is different, Mr. Cosenza stressed to the Subcommittee that a number of solutions are necessary to jumpstart the industry. These solutions include: (1) accelerated depreciation, (2) raising the cap on credit union business lending, (3) creation of a mortgage insurance program for performing commercial loans, (4) additional banking agency guidance, especially related to term extensions, (5) an extension of a government program called the Term Asset-Backed Securities Loan Facility (TALF), and (6) increase small business lending through SBA loans.
- May 16, 2010** **NAR Issued Call-for-Action on Carried Interest**
NAR issued a Call-for-Action to prevent extra tax burdens from being placed on commercial real estate. Specifically, a proposal in the U.S. House of Representatives would tax carried interest at ordinary income tax rates, instead of its present capital gains treatment. The new revenue generated from this tax increase would help pay for tax extensions this year, like leasehold improvements.
- May 13, 2010** **NAR Urged Sen. Vitter to Support Extension of NFIP**
NAR issued a letter to Sen. Vitter (R-LA), urging for his support on S. 3347, which extends the National Flood Insurance Program (NFIP) until December 31, 2010.
- May 12-13, 2010** **NAR Capitol Hill Visits**
NAR made commercial real estate liquidity a top priority at its Mid-Year Legislative Meetings. REALTORS® meeting with their members of Congress urged lawmakers to (1) support efforts to hold a Congressional hearing solely focused on commercial real estate, (2) encourage the Federal Reserve and U.S. Treasury to provide term extension for performing properties, and (3) support H.R. 3380 (Rep. Kanjorski, D-PA; Rep. Royce, R-CA) and S. 2919 (Sen. Udall, D-CO) which would increase the cap on credit union business lending from 12.25% to 25% of total assets.

- April 27, 2010** **Monthly Commercial Update**
NAR Treasurer Jim Helsel discussed the upcoming NAR Mid-Year Meetings. Commercial real estate will be one of the five main talking points Realtors will discuss with members of Congress on their visits to the Hill. NAR members will be asking for three specific points: (1) increase the cap on credit union business lending from 12.5 percent to 25 percent of total assets; (2) urge the Treasury and the Federal Reserve to encourage simple loan extensions for properties that can support their current debt; and (3) hold a congressional hearing very soon specifically on the problems plaguing commercial real estate.
- April 21, 2010** **NAR Testified on the National Flood Insurance Program**
Moe Veissi, NAR 2010 First Vice President, testified at hearing titled "Legislative Proposals To Reform the National Flood Insurance Program" before the U.S. House of Representatives Committee on Financial Services Subcommittee on Housing and Community Opportunity. NAR supports at minimum a five-year NFIP reauthorization to provide certainty to a recovering real estate market as well as to the millions of taxpayers and businesses that depend on the program for flood insurance.
- April 21, 2010** **NAR Provided Input on Several Pieces of Legislation**
NAR submitted a letter to Representatives Barney Frank (D-MA) and Spencer Bachus (R-AL) on several property insurance-related pieces of legislation to be marked-up. NAR stated its support for a comprehensive solution that ensures the availability and affordability of natural disaster, flood, and wind insurance for property owners. A "mark-up" refers to the meeting of a Committee held to review the text of a bill before reporting it out.
- April 15, 2010** **NAR President Vicki Cox Golder Submitted Two Letters to the Basel Committee on Banking Supervision**
NAR commented on the Basel Committee's proposals related to strengthening rules related to bank liquidity and bank capital. The Basel Committee includes representatives from approximately 30 countries, including the United States, and develops guidelines and standards related to bank supervision. Consistent with concerns of REALTORS® that it is not easy to get a mortgage unless you have pristine credit, the letters each make a general comment that the Basel Committee should consider all bank reforms as a whole, not just the Committee's, so the actions by all the various regulators do not cause an over-correction and strangle credit. The letters also include several specific suggestions for improving the Committee's proposals.
- April 12, 2010** **Commercial Roundtable Meeting with U.S. Georgia Congressman David Scott**
Members from the Atlanta Commercial Board of REALTORS® met with Rep. Scott to discuss liquidity issues facing the commercial real estate industry. Members provided anecdotal stories regarding the difficulty of obtaining new commercial loans as well as refinancing existing loans. Specifically, members discussed the challenge of refinancing commercial properties that are performing. Additionally, members presented a variety of ways that Congress can help jumpstart the commercial markets, which included: relaxing mark-to-market accounting rules, incentives for banks to make loans, and foreclosure mitigation. The Congressman was very attentive and grateful for the members' input.
- April 12, 2010** **Commercial Roundtable Meeting with U.S. Texas Congressman Kevin Brady**
Members from the Houston Association of REALTORS® attended a Roundtable meeting with Rep. Brady to discuss the ongoing problems in the commercial real estate industry. Also included in this meeting were representatives from the FDIC, Federal Reserve, Office of the Comptroller of the currency, and leaders in the banking & commercial real estate community. Rep. Brady and the federal regulatory agencies were very appreciative of the input from members.

- March 30, 2010** **NAR Advised the U.S. House of Representatives to Extend NFIP**
In order to avoid delays and cancellations of thousands of real estate transactions, NAR urged the U.S. House of Representatives to approve an extension of the National Flood Insurance Program (NFIP). NFIP expired on March 28, 2010.
- March 30, 2010** **Commercial Roundtable Meeting with U.S. Georgia Congressman Tom Price**
Members from the Atlanta Board of REALTORS® and Atlanta Commercial Board of REALTORS® met with Rep. Price to discuss liquidity issues facing the commercial real estate industry. Members shared their stories regarding their difficulties in obtaining credit for capital as well as for refinancing of performing loans. Members also discussed the proposed tax treatment of carried interest as ordinary income, renewal of the 15-year depreciation schedule on leasehold improvements, and new FASB proposals to change to mark-to-market rules. Price was very appreciative of the information provided by commercial roundtable meeting attendees. Members from ICSC, NAIOP, and ACBR were also present during the meeting.
- March 30, 2010** **Monthly Commercial Update**
NAR Treasurer Jim Helsel discussed increasing small business lending as a way to help revive the commercial market.
- March 24, 2010** **NAR Urged for an Extension of TALF in Letter to Lawmakers**
As the Federal Reserve Board unwinds its emergency liquidity programs, NAR urged members of the U.S. House Committee on Financial Services to continue to address the tremendous challenges facing the commercial mortgage market. Specifically, NAR encouraged the extension of the Term Asset-Backed Securities Loan Facility (TALF) for legacy and newly issued commercial mortgage-backed securities (CMBS) through the end of 2010.
- March 17, 2010** **NAR Opposed Medicare Hospital Insurance Premium**
In a letter to Congress, NAR expressed its opposition to the proposal in the health care measure that would, for the first time, impose the Medicare Hospital Insurance premium in unearned income, including rents.
- March 10, 2010** **NAR Testified on Natural Disaster Insurance**
Charles McMillan, NAR Immediate Past President, testified before the U.S. House of Representatives Committee on Financial Services Subcommittee on Housing and Community Opportunity and Subcommittee on Capital Markets, Insurance, and Government-Sponsored Entities at hearing titled "Approaches To Mitigating and Managing Natural Catastrophe Risk: H.R. 2555, the Homeowners' Defense Act."
- March 3, 2010** **NAR Asked Members of the U.S. House to Cosponsor Credit Union Business Lending Bill**
In a letter to the U.S. House of Representatives, NAR strongly urged lawmakers to become a cosponsor of H.R. 3380, the "Promoting Lending to America's Small Business Act of 2009," introduced by Reps. Kanjorski (D-PA) and Royce (R-CA). This bill would increase the cap on credit union business lending from 12.25% of total assets to 25% of total assets.
- March 3, 2010** **NAR Signed onto the Family Business Estate Tax Coalition (FBETC)**
NAR cosigned letter to U.S. House /Senate leaders, urging passage of estate tax reform legislation. Also, urged raising cap on Credit Unions and asked U.S. House Reps to cosponsor H.R. 3380, "Promoting Lending to America's Small Business Act of 2009."
- March 2, 2010** **NAR Submitted Statement on Small Business Lending**
Re: "Restoring Credit to Main Street: Proposals to Fix Small Business Borrowing and Lending Problems." NAR asked Congress to improve lending through the various measures.

- March, 2010** **Commercial REALTORS® Continue to Set Up Roundtable Meetings With Lawmakers**
Addressed liquidity problems with Reps. Scott (D-GA), Price (R-NC), and Meeks (D-NY).
- February 26, 2010** **NAR Submitted Statement on Small Business and Commercial Real Estate Lending**
Participated in joint hearing on “Small Business and Commercial Lending.” NAR presented a variety of policy measures to improve lending access for small businesses.
- February 25, 2010** **NAR Urged Financial Regulatory Reform in Letter to Senators Dodd & Shelby**
The letter asked policymakers to ensure that reforms aimed at the securitized credit markets are customized and applied appropriately for commercial real estate finance that create liquidity, promote sound practices and transparency.
- February 25, 2010** **Fed Responds to Lawmakers’ Concern Regarding Commercial Real Estate Loan Workouts**
The Federal Reserve (Fed) responded to a joint letter from 79 members of Congress, which urged the U.S. Treasury and Fed to take a more active role in commercial real estate credit markets. The Fed stated that the assessment of commercial real estate exposures is one of its “highest priorities.” The Fed also intends to continue to analyze commercial real estate markets as well as the effectiveness of its supervisory guidance. Furthermore, the Fed also believes its ongoing industry and examiner outreach will be critical as regulatory agencies and the industry work through challenging issues in the commercial real estate credit markets. NAR and Commercial REALTOR leaders worked with Congress on the letter to the U.S. Treasury and Federal Reserve and encouraging cosigners.
- February 24, 2010** **Commercial Real Estate Webinar**
NAR hosted a webinar for all commercial affiliates, large commercial real estate firms, and real estate-related organizations. The purpose of the webinar was to update groups on NAR’s policy priorities and to receive input on additional possible solutions to the commercial liquidity crisis.
- February 23, 2010** **Monthly Commercial Update**
Jim Helsel discusses the latest steps NAR is taking to revive the commercial market. Mr. Helsel spoke on NAR’s efforts in setting up roundtable meeting with members of the U.S. House Financial Services Committee as well as urging Congress to have a hearing on commercial real estate.
- February 18, 2010** **NAR Commercial Staff Attends NREO Meeting**
NAR commercial staff attended the National Real Estate Organizations (NREO) coalition meeting to discuss the current political climate and ways to align goals on commercial real estate issues. Coalition groups agreed to work together on similar commercial real estate issues when appropriate.
- February 12, 2010** **NAR Submitted Comments to HUD on Proposed Rule to Implement SAFE Act**
NAR submitted a letter to U.S. Housing and Urban Development (HUD) regarding its proposed rule to implement the Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act). Specifically, NAR urged HUD to broaden the exemption for seller financing as well as to provide clarification of exemption for licensed real estate brokerage activities.
- February 4, 2010** **NAR Thanked Senators Murkowski and Lincoln for Introduction of Emissions Legislation**
NAR sent a letter thanking Senators Murkowski (R-AK) and Lincoln (D-AR) for introducing legislation forestalling the U.S. Environmental Protection Agency (EPA) from regulating CO2 emissions from commercial buildings under the Clean Air Act.

- February 4, 2010** **Commercial Legislation and Regulatory Subcommittee Webinar**
 NAR commercial staff conducted a webinar for the Commercial Legislative and Regulatory Subcommittee members to get input/feedback on ideas for solving the commercial liquidity crisis. Members agreed to a variety of proposals, which included: accelerated depreciation, raising the cap on credit union lending, a mortgage insurance program for performing commercial real estate loans, additional guidance relating to term extensions, and an extension of the Term Asset-Backed Securities Loan Facility (TALF) program.
- February 1, 2010** **Congressional Letter Urging Regulators to Address Growing Commercial Real Estate Concerns**
 79 Member of Congress wrote to Treasury Secretary Tim Geithner and Federal Reserve Chairman Ben Bernanke, urging them to take a more active role in commercial real estate markets. The letter, led by Reps. Kanjorski (D-PA) and Calvert (R-CA) was bipartisan, and asked the agencies to establish clear methods for loan modifications, develop metrics to differentiate performing and non-performing properties, and take other steps to provide investor confidence in commercial real estate markets. NAR and Commercial REALTOR leaders worked with Congress on the letter and encouraging cosigners.
- February, 2010** **Commercial Roundtable Meeting with U.S. Illinois Congresswoman Melissa Bean**
 Illinois commercial REALTORS® met with Rep. Bean to discuss problems in the commercial real estate credit markets. Bean appreciated the information.
 Attendees: Terry Feddersen – RVG Commercial Realty; David Gelwicks – Coldwell Banker Primus; Doug Jones – National Realty Network; Michael Kelly – Savard & Assoc.; Jack Minero – Prudential First; Nick Nicketakis – Callahan, Blandings & Schap; Cassandra Savard – Savard & Assoc.; Pradeep Shukla – American Star Realty; Dan Wagner – Inland Real Estate; Chuck Wiercinski – McLennan Commercial
- January 29, 2010** **NAR Works with Congress on Commercial Real Estate Letter to Fed and U.S. Treasury**
 Representatives Calvert (R-CA) and Kanjorski (D-PA) sent a letter to U.S. Treasury Secretary Geithner and Federal Reserve Board Chairman Bernanke regarding banks' treatment of commercial real estate loans. The letter expressed concern that banks are being too conservative in the treatment of these loans, and in some cases, even calling performing commercial loans. The letter also urged the Federal Reserve and U.S. Treasury to review the recent guidelines on loan modifications and institute metrics banks can use to differentiate between performing and non-performing loans. 79 members of Congress signed onto this letter.
- January 26, 2010** **Monthly Commercial Update**
 Jim Helsel monthly report discussed how NAR is building relationships with leaders in Washington in order to bring the commercial industry the help it needs. Mr. Helsel stressed the importance of NAR commercial member participation in RPAC and the REALTOR® Action Center.
- January 12, 2010** **NAR Issued Letter to Senator Reid on Health Care Reform Legislation**
 NAR sent a letter to Senate Majority Leader Harry Reid (D-NV) on a number of issues regarding the final compromise health reform bill. Specifically, NAR strongly urged Sen. Reid to (1) rectify the inequitable tax treatment that requires the self-employed to pay payroll tax on income used to pay health insurance premiums, (2) provide small nonprofit employers with access to the same employer credits available to small for-profit firms that provide employee coverage, (3) settle on one national Exchange, rather than a system of 51 Exchanges, and (4) oppose the employer mandate provision.

January 2010

Commercial Roundtable Meeting with U.S. Illinois Congressman Bill Foster

Illinois commercial REALTORS® met with Rep. Foster to discuss liquidity issues facing the commercial real estate industry. Specifically, a concept of a government insured option to help restore liquidity in the commercial real estate credit markets. Foster was very appreciative of the information provided by commercial roundtable meeting attendees.