



**NATIONAL ASSOCIATION
OF REALTORS®**

The Voice for Real Estate®

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Richard F. Gaylor, CIPS, CRB, CRS, GRI
President

October 21, 2008

The Honorable Henry M. Paulson
Secretary of the Treasury
Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220

Dear Secretary Paulson:

I am writing on behalf of more than 1.1 million REALTORS® to ask that in implementing the Troubled Asset Relief Program (TARP), the Treasury Department and your contract managers take advantage of the extensive experience of local commercial and residential real estate professionals in the management and disposition of real property. Residential and commercial REALTORS®, including commercial affiliate members, and associated technology and data management providers have the necessary tools to value and market properties and their underlying mortgages. Where the assets being valued, managed, disposed, and recast are secured by real property, it is essential that experienced local firms play a central role.

The National Association of REALTORS® (NAR), "The Voice for Real Estate," is America's largest trade association, including NAR's commercial real estate institutes, societies, and councils. REALTORS® who specialize in residential sales are experts in the marketing and selling of homes, including determining market value. NAR's membership also includes 30,000 licensed or certified appraisers. On the commercial side, the Society of Industrial and Office Realtors® (SIOR)¹, the Institute for Real Estate Management (IREM)², the Counselors of Real Estate (CRE)³, the REALTORS® Land Institute (RLI)⁴, and the CCIM Institute⁵ represent REALTORS® with a variety of specialized commercial real estate expertise.

As you know, REALTORS® have long and extensive experience in the valuation and disposition of real property. This experience differs markedly from the experience of large scale Wall Street asset managers. Using REALTORS® will ensure that taxpayers receive the greatest returns possible on assets acquired and/or disposed through TARP. In the S&L crisis and aftermath two decades ago, REALTORS®, including SIOR, IREM, and CRE, played a central role in helping the Resolution Trust Corporation (RTC) manage and dispose of real property assets. SIOR members provided essential real estate consulting and brokerage services to the RTC. IREM members also met on a regular basis with the RTC to provide counsel on rules, regulations, and operations of the RTC related to property management of RTC assets. CRE members advised the RTC on property disposition, asset management, and major issues where seasoned skill and broad real estate knowledge were integral to major problem solving.

As you know, while that crisis was difficult, through proper management and execution, the outcome was much more favorable than the dire scenario predicted. There are many reasons for this favorable result:

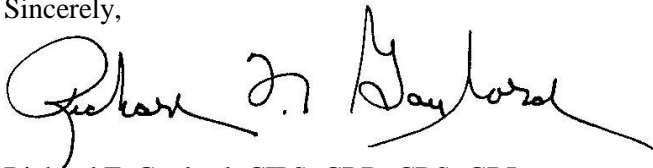
- National market coverage with local expertise assured a broad solution to disposition problems. NAR's members are located in every market in the country.
- Local market knowledge and relationships allowed for access to buyers and a faster disposition at the best possible price.
- NAR, SIOR, IREM, CRE, RLI, and CCIM Institute members adhere to a strict written Code of Ethics that was highly valued by both buyers and sellers.
- Buyers recognized the certified expertise of our members, including those who specialize in residential, industrial, and office real estate.

Once again, we urge you to utilize REALTORS®, including residential practitioners and the commercial and investment real estate expertise of our SIOR, IREM, CRE, RLI, and CCIM Institute members, in implementing TARP. Residential and commercial appraisers who know the local market will also be crucial to determine appropriate valuation of properties that will be disposed of under the TARP.

While much of the current crisis was caused by problems with residential lending, there are also potential problems that are arising from commercial investments and mortgages. As you can see, residential and commercial REALTORS® have a lot to offer as we work through all aspects of this housing crisis. We stand ready to work with you and your team to ensure the success of TARP and the restoration of expanding markets and a growing economy.

Thank you for your time and consideration of this matter. If you have any questions or concerns, or if I may be of service to you, please do not hesitate to contact me or our Managing Director for Regulatory Policy, Jeff Lischer at 202.383.1117 or jlischer@realtors.org.

Sincerely,



Richard F. Gaylord, CIPS, CRB, CRS, GRI
2008 President, National Association of REALTORS®

1 With more than 3,200 members in more than 590 cities in 23 countries, SIOR represents experienced brokerage practitioners who can hold the following specialty designations: industrial, office, sales manager, executive manager, or advisory service.

2 The 18,000 individual and 500 corporate members of IREM (including 8,600 Certified Property Managers) manage over \$1.5 trillion in real estate assets and comprise the only professional real estate management association serving both the multifamily and commercial real estate sectors.

3 The 1,100 CRE members represent an exclusive group of real estate advisors who have a wide array of professional backgrounds—from appraisal to syndication. They serve different client groups, from government agencies to individual property owners. CRE members include work out strategists, urban planners, developers, asset managers, and experts in taxation and law. They bring access to a talented professional network, whatever the property, whatever the problem.

4 The 1,600 members of RLI (of which 450 hold the Accredited Land Consultant designation) represent the only branch of the REALTOR® family focused on specialized land brokerage transactions.

5 The 19,000 members of the CCIM Institute (including 9,000 who have received the CCIM designation) are recognized experts in the disciplines of commercial and investment real estate, specializing in listing, selling, and leasing investment real estate.