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Memo

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Date: July 12, 2007

To: Members of the Senate Appropriations Committee

From: Floyd Stoner, Executive Director, Congressional Relations & Public Policy

RE: Opposition to Language that Prohibits Treasury from Approving
Real Estate Brokerage Proposal for Banking Institutions

I am writing on behalf of the American Bankers Association (ABA) to express our opposition to language that would prohibit the Treasury Department from approving the pending proposal relating to the offering of real estate brokerage and management services by certain banking institutions.

Such language, which is being pushed by the National Association of Realtors (NAR), is anti-competitive and anti-consumer. In addition, such language would reverse a core provision of the Gramm-Leach-Bliley Act (GLBA) that was signed into law in 1999. After many years of debate and consideration, Congress enacted GLBA and included therein a provision delegating specific authority for the Treasury and Federal Reserve Board to keep the financial system up-to-date and competitive by adjusting, on an ongoing basis, the list of permissible activities.

The real estate proposal is the first to be considered under that authority. Congress was quite clear that it wanted the list of permissible activities to be determined through the expertise of the Treasury and the Federal Reserve, not on an individual basis by Congress. We urge the Committee to reject the protectionist attempt by the NAR to undermine the Gramm-Leach-Bliley Act through the appropriations process.