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## **IREM & CCIM Inst. voice concerns over RE liquidity issues**

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During previous economic crises consumers and businesses have relied on credit unions to fill in the lending gaps where banks could not serve them. Today, however, credit unions are hampered by a business lending cap of 12.25% of total assets. Many commercial real estate professionals have reported having strong, long-lasting relationships with credit unions, which could help them refinance and sustain their properties but find the lending cap presents an obstacle.

During the 2010 Capitol Hill Visit Day, IREM and CCIM Institute members joined together to voice concerns over the issue of real estate liquidity to their members of Congress. Offering solutions to help thaw the frozen credit markets at no cost to taxpayers, members asked lawmakers to initiate and/or support legislation that would raise the cap on credit union business lending from 12.25% to 25% (H.R. 3380 and S. 2919).

The Obama Administration has proposed raising the lending cap from 12% to 27.5% for well capitalized credit unions, the proposal being recently noted at a U.S. House Financial Services Committee. Financial Services Committee chairman Barney Frank notified lawmakers that he intends to schedule a committee vote on the credit union business lending legislation. Under the plan, credit unions must have at least five years of member business lending experience, demonstrate sound underwriting standards, and have strong management in place in order to qualify for the higher lending limit.

IREM legislative staff will continue to monitor legislative activities aimed at restoring the flow of credit to the commercial real estate industry.

New England Real Estate Journal - 17 Accord Park Drive #207, Norwell MA 02061 - (781) 878-4540