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## **NH CIBOR participates in 2012 Capital Hill visits through NAR**

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"Sometimes it is no wonder why Congress' approval rating is so low." I once heard a politician joke. That person was right of course, since last year Congress' approval is somewhere between 9% and 15%, depending on whose poll you read. This is curious, because this is the same percentage of people who approved of Charlie Sheen's "comedy tour" last year. Joking aside, our nation is facing some critical issues in the coming years and Congress is well aware. This is why NH CIBOR is proud to have taken part in our 2012 Capital Hill visits through the National Association of Realtors (NAR).

Members of our association had an opportunity to meet with all four members of New Hampshire's delegation: congressman Guinta, congressman Bass, senator Shaheen and senator Ayott. Each member took time to listen to the issues. Many of the talking points revolved around home ownership such as mortgage interest deductions, Fannie and Freddie etc. However two main talking points surrounded commercial property owners and tenants.

A complicated issue for the lending institutions is where new capital will flow from. In the Granite State in particular small to mid size loans dominate the market, and this money flows from the SBA, banks, credit unions and some cases life or other monies. Currently because of a past industry agreement credit unions are capped at 12.25% of their total assets in the business lending environment. While few credit unions are at this cap, increasing the amount they can lend into the business arena could help liquidity in the commercial market. The complexity of this issue is that credit unions are treated differently as a taxable entity, so it would be unfair if they were given the same lending rules as a bank. There are bills, HR 1418 and S 2231 that address this issue to increase the lending cap, if you feel strongly about the issue I suggest you do what students do to write you're their term papers: Google it. In reality, get involved and phone up your delegation.

Not all talking points appear on the floor. Sometimes rule making can hit our industry hardest. On a federal and a local level we have seen this time and time again. One rule that has been trying to come to fruition for a couple of years is a new rule with the Federal Accounting Standards Board (FASB), trying to adopt rules surrounding leases that are more in line with the International Accounting Standards Board (IASB). In short tenants would have to capitalize their leases as a liability with an offsetting asset of the use of the space in the future. In addition (I can't even make this one up) tenants would have to include a percentage of their lease options as a liability, even if it is their choice to enact the option. NAR and several members of Congress have asked FASB to slow down and review what these new rules will do to the industry in the grand wake of "laws of unintended consequences."

Sure approval ratings may be low. However there is something truly exciting about taking part in the process. Speaking in regards to our congressional delegation, our members do listen. Let's face it, New Hampshire is first in the nation for a reason, we have a small enough state where people can

meet their elected officials and talk through concerns. If you have any questions on the issues discussed here, please give me a call.

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