



1120 Connecticut Avenue, NW
Washington, DC 20036

1-800-BANKERS
www.aba.com

Memo

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Date: June 24, 2008

To: Members of the House Appropriations Committee

From: Floyd Stoner, Executive Vice President, Congressional Relations
& Public Policy

RE: Opposition to Language that Permanently 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 in the fiscal year 2009 Financial Services appropriations bill that would permanently prohibit the Treasury Department and the Federal Reserve System from approving the offering of real estate brokerage and management services by certain financial institutions.

This authorization language is anti-competitive and anti-consumer. The language reverses 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 National Association of Realtors' (NAR) attempts to include authorization language in an appropriations bill and to reject this protectionist attempt by NAR to undermine the Gramm-Leach-Bliley Act through the appropriations process.