

August 1, 2011

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Timothy F. Geithner  
Secretary  
United States Department of the Treasury, and  
Chairman, Financial Stability Oversight Council  
1500 Pennsylvania Avenue, NW  
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**Re: Proposed Rule, Credit Risk Retention  
OCC Docket No. 2011-0002; Federal Reserve Docket No. R-1411; FDIC RIN  
3064-AD74; SEC File No. S7-14-11; FHFA RIN 2590-AA43**

Ladies and Gentlemen:

The Buildings Owners and Managers Association (BOMA) International appreciates the opportunity to comment on the proposed rule for credit risk retention for asset-backed securities,<sup>1</sup> which was jointly published by your respective agencies (collectively, the “Agencies”) pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act.<sup>2</sup>

BOMA International is an international federation of more than 100 local associations and affiliated organizations. Founded in 1907, its 16,500-plus members own or manage more than nine billion square feet of commercial properties. BOMA International’s mission is to enhance the human, intellectual and physical assets of the commercial real estate industry through advocacy, education, research, standards and information.

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<sup>1</sup> Proposed Rule, Credit Risk Retention, 76 Fed. Reg. 24090 (Apr. 29, 2011) (hereafter, “Proposed Rule”).

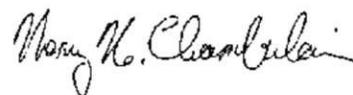
<sup>2</sup> Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Act”), Pub. L. No. 111-203, §941(b), 124 Stat. 1376, 1896 (2010) (creating Securities Exchange Act § 15G (i)(2)).

BOMA International endorses the comments submitted in this proceeding by the Commercial Real Estate Finance Council (“CRE Finance Council”).<sup>3</sup> We concur that achieving a balanced and workable set of risk retention rules is paramount considering the important role that commercial real estate plays in the economy and the critical function that securitization, in turn, serves in commercial real estate finance. While various segments of the CRE finance industry may have different views on how the Proposed Rule will affect commercial real estate finance, and on suggestions for alternative approaches, the industry is unified in its view that some modifications to the Proposed Rule to avoid unintended, adverse consequences for the market. The CRE finance industry accordingly has worked to provide input and recommendations concerning the Proposed Rule that represent a reasonable and balanced consensus among the industry’s constituents. These consensus views are reflected in the CRE Finance Council’s comments and we urge the Agencies to give them thorough consideration.

BOMA International also endorses the comments submitted by the National Association of Real Estate Investment Trusts (“NAREIT”). As an association that is primarily focused on the needs of property owners and managers, BOMA International is fully aware that lenders extend commercial mortgages based on the quality and viability of the collateral, including the stability of cash flows from leases, and on the quality and ability of the property’s management. Because the majority of these loans are non-recourse, we see no reason why a lender, or the proposed regulations for credit risk retention, should distinguish between borrowers based on whether that borrower has elected to be taxed as a REIT. Further, it has been our experience that REITs are consistently viewed as responsible long-term property owners and creditworthy borrowers. For these reasons, we support NAREIT’s request that the Agencies remove from the final rule the proposed categorical exclusion of any loan to a REIT from being eligible to meet the definition of qualifying commercial real estate loans even if the loan satisfies all of the requisite underwriting criteria.

BOMA International recognizes the tremendous effort and thought that the Agencies have devoted to developing the Proposed Rule. We join with the rest of our industry in expressing appreciation of the Agencies’ work to craft provisions that seek to address the unique characteristics of REITs and the commercial mortgage-backed securities market, and we look forward to continued dialogue with the Agencies regarding these issues.

Sincerely,



Henry H. Chamberlain  
President, BOMA International

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<sup>3</sup> The CRE Finance Council’s comments are posted at [www.regulations.gov/#!documentDetail:D=OCC-2011-0002-0145](http://www.regulations.gov/#!documentDetail:D=OCC-2011-0002-0145).