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July 29, 2011

Elizabeth M. Murphy, Secretary
Securities and Exchange Commission
100 F Street, NE
Washington, DC 20549-1090
File No. S7-14-11

Office of the Comptroller of the Currency
250 E Street, SW
Mail Stop 2-3
Washington, DC 20219
Credit Risk Retention - Docket Number OCC-2011-0002

Jennifer J. Johnson, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551
Docket No. R-1411

Robert E. Feldman, Executive Secretary, Comments
Federal Deposit Insurance Corporation
550 17th Street, N W
Washington, DC 20429
RIN 3064-AD74

Alfred M. Pollard, General Counsel
Federal Housing Finance Agency
1700 G Street, NW.
Fourth Floor
Washington, DC 20552
RIN 2590-AA43

Department of Housing and Urban Development
Office of General Counsel
451 7th Street, SW
Room 10276
Washington, DC 20410-0500
Docket No. FR-5504-P-01

RE: Credit Risk Retention

Dear Madams and Sirs:

On behalf of our membership, I respectfully submit this letter in response to the request for comments by the Securities and Exchange Commission, the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, the Federal Housing Finance Agency and the Department of Housing and Urban Development.

CCIM Institute is an affiliate of the NATIONAL ASSOCIATION OF REALTORS® (NAR). The Institute confers the Certified Commercial Investment Member (CCIM) designation through an extensive curriculum and experiential requirements. The CCIM designation was established in 1969 and is recognized as the mark of professionalism and knowledge in commercial investment real estate.

Our membership includes qualified professionals in all disciplines of commercial investment real estate, as well as allied professionals in appraisal, banking, corporate real estate, taxation, and law. Of the approximately 125,000 commercial real estate practitioners nationwide, 9,000 currently hold the CCIM designation, with an additional 8,000 candidates pursuing the designation.

CCIM Institute is concerned about the proposed Credit Risk Retention rules. We believe the risk retention requirement will slow the process of Commercial Real Estate loan transactions. This would hinder a full recovery mode of an already fragile economy in the United States.

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We are specifically concerned with the proposed debt service coverage (DSC). Historically, a DSC of 1.2 to 1.3 has worked and will continue to do so. Furthermore, the combined LTV of not more than 65 percent is too tight for most transactions. There is also a prohibition on pledging the retained risk as collateral. This forces a buyer to make a much larger down payment, creating another barrier for many viable loan recipients.

Current lending rates should not change. If the proposed rule on risk retention requirements is implemented as currently written, responsible and honest borrowers will be punished by increased paperwork and too tight of lending requirements. Credit problems have stemmed mainly from careless underwriting practices.

We are concerned about the administrative burden of the proposed rule. These excessive guidelines create a longer list of specific guidelines that could further complicate an already complex process.

As an organization, CCIM Institute supports fiscally responsible lending practices for all financial institutions. The proposed rule is not a viable solution to curb overzealous and past lending practices.

We appreciate the opportunity to provide comment on the Credit Risk Retention proposed rule. If there are any questions about our comments please contact Chuck Achilles, Chief Legislative and Research Officer at 312-329-6020 or Adriann Gerardi, Legislative Liaison at 312-329-6033.

Respectfully submitted,

Frank N. Simpson, CCIM
President
CCIM Institute