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November 8, 1991

Governor John H. Sununu
Chief of Staff
The White House
1600 Pennsylvania Avenue
Washington, DC 20500

Dear Governor Sununu:

I have enclosed a copy of the press kit which this week was mailed to major newspapers, news wire services, magazines, and industry periodicals across the country. The information relates to the credit crunch now being experienced across the country and two alternatives to provide relief, identified in a focus paper by the Real Estate Finance Association.

As you know, problem real estate loans held by our nation's banks and financial institutions have become a major factor in the continuing recession. Let me stress that the REFA is not advocating increasing lending to the real estate industry. We are advocating methods of freeing up capital at the nation's banks so that:

- 1) American taxpayers will not have to "bail out" banks that are being unnecessarily dragged down by their real estate loans; and,
- 2) the economy can be revitalized by increased lending to job-creating enterprises, especially small businesses.

The nine real estate associations noted in this material believe that the real estate industry will recover only when the nation's economy recovers. We believe that the real estate finance industry is in the best position to analyze the problem and identify possible solutions, and the results are outlined here.

This information is being sent to the entire New England congressional delegation as well as many financial policymakers in New England and Washington, D.C. Should you have any questions or would like a complete copy of the paper, please contact me anytime. Thank you for your time and attention in this matter.

Sincerely,

Richard W. Reynolds
President

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