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(Original Signature of Member)

114TH CONGRESS
2D SESSION

H. R. _____

To amend the Securities Exchange Act of 1934 to exempt certain commercial real estate loans from risk retention requirements, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. HILL introduced the following bill; which was referred to the Committee
on _____

A BILL

To amend the Securities Exchange Act of 1934 to exempt certain commercial real estate loans from risk retention requirements, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Preserving Access to
5 CRE Capital Act of 2016”.

1 **SEC. 2. EXEMPTION FOR CERTAIN COMMERCIAL REAL ES-**
2 **TATE LOANS FROM RISK RETENTION RE-**
3 **QUIREMENTS.**

4 Section 15G of the Securities Exchange Act of 1934
5 (15 U.S.C. 78o–11) is amended—

6 (1) in subsection (c)(1)(E)(ii), by striking “re-
7 tention of the first-loss position by a third-party pur-
8 chaser that” and inserting “retention of the first-
9 loss position by a one or two party third-party pur-
10 chaser, who may hold the retention obligation in ei-
11 ther a senior-subordinate structure or *pari passu*,
12 provided that each”; and

13 (2) in subsection (e)—

14 (A) by redesignating paragraph (6) as
15 paragraph (7); and

16 (B) by inserting after paragraph (5) the
17 following new paragraph:

18 “(6) EXEMPTION FOR CERTAIN COMMERCIAL
19 REAL ESTATE LOANS.—

20 “(A) EXEMPTION FOR SINGLE LOAN COM-
21 Mercial REAL ESTATE SECURITIZATION.—A
22 securitization of a single commercial real estate
23 loan or a group of cross-collateralized or cross-
24 defaulted commercial real estate loans that rep-
25 resent the obligation of one or more related bor-
26 rowers secured by one or more commercial

1 properties under direct or indirect common
2 ownership or control is exempt from the risk re-
3 tention requirements of this section.

4 “(B) EXEMPTION FOR QUALIFIED COM-
5 Mercial REAL ESTATE LOANS.—

6 “(i) REGULATIONS REQUIRED.—The
7 Federal banking agencies and the Commis-
8 sion shall jointly maintain regulations to
9 exempt qualified commercial real estate
10 loans from the risk retention requirements
11 of this section.

12 “(ii) STANDARDS FOR REGULA-
13 TIONS.—The regulations issued under
14 clause (i) shall—

15 “(I) include the requirements
16 under which interest-only loans may
17 be exempt from the risk retention re-
18 quirements of this section;

19 “(II) not impose any term re-
20 quirements on the length of a quali-
21 fied commercial real estate loan;

22 “(III) if an amortization require-
23 ment is included, not impose an amor-
24 tization schedule of less than 30
25 years; and

1 “(IV) not impose separate loan-
2 to-value ratio caps on qualified com-
3 mercial real estate loans that are doc-
4 umented with appraisals that utilize
5 lower capitalization rates than other
6 loans.”.