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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.”.