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February 6, 2018

The Honorable Charles E. Grassley
Chairman
Committee on the Judiciary
U.S. Senate
224 Dirksen Senate Office Building
Washington, DC 20515

The Honorable Dianne Feinstein
Ranking Member
Committee on the Judiciary
U.S. Senate
224 Dirksen Senate Office Building
Washington, DC 20515

Dear Chairman Grassley and Ranking Member Feinstein:

On behalf of the 1.3 million members of the National Association of REALTORS® (NAR), I thank you for holding the hearing on “Beneficial Ownership: Fighting Illicit International Financial Networks Through Transparency.” REALTORS® appreciate the attention on policy that promotes national security and helps the U.S. Treasury’s Financial Crimes Enforcement Network (FinCEN) mitigate risks posed to interstate and international commerce.

The National Association of REALTORS® supports efforts that make it harder for bad actors to infiltrate the U.S. financial system for illicit gains. NAR is eager to work with you to enact legislation that provides reasonable solutions to support Treasury’s role in fighting terrorism and combatting money laundering. It is important that such solutions do not unfairly burden legitimate business entities and their daily operations.

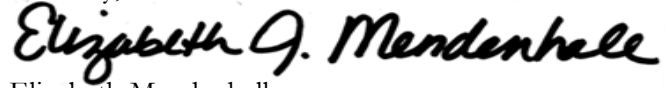
NAR applauds the Committee’s goal to increase information sharing to better protect against the misuse of corporations and limited liability companies to launder money via the U.S. economy, including in the nation’s real estate markets. NAR believes the disclosure of beneficial ownership information at the time of company formation or transfer is less burdensome than other means and reduces the likelihood that U.S. shell companies can be used to hide illegal activities and assets. Beneficial ownership provisions would also enable FinCEN and law enforcement officials to have access to crucial information to assist investigations of financial and other crimes stemming from illegal transactions.

NAR urges that careful consideration be given to address the legitimate privacy and data security concerns of these business entities. Clear definitions are necessary to minimize the unintended exposure of non-beneficial owners and guarantee that the most germane information is reported to FinCEN. Ensuring the protection of sensitive information is also critical in today’s digital economy, which is why any collected information must be stored securely with limited access to protect the safety and interests of all parties. At the same time, enabling state agency access will also strengthen law enforcement investigations. To be most effective, business entities must be confident in knowing that disclosed beneficial ownership information will not be misused or misappropriated, allowing their focus to remain on lawful business operations and investment opportunities that promote economic growth.



REALTORS® appreciate the hard work done to improve the nation's efforts to combat money laundering and terrorist financing without imposing burdensome or unnecessary requirements on business entities. NAR looks forward to working with you and the Administration on this important endeavor.

Sincerely,

A handwritten signature in black ink that reads "Elizabeth G. Mendenhall". The signature is written in a cursive, flowing style.

Elizabeth Mendenhall

2018 President, National Association of REALTORS®