



August 15, 2025

Submitted Electronically

Ms. Ann E. Misback
Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street, SW
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Washington, DC 20219

Ms. Jennifer M. Jones
Deputy Executive Secretary
Attention: Comments/Legal OES (RIN 3064-AG11)
Federal Deposit Insurance Corporation
550 17th Street, NW
Washington, DC 20429

Re: Regulatory Capital Rule: Modifications to the Enhanced Supplementary Leverage Ratio Standards for U.S. Global Systemically Important Bank Holding Companies and Their Subsidiary Depository Institutions; Total Loss-Absorbing Capacity and Long-Term Debt Requirements for U.S. Global Systemically Important Bank Holding Companies (Docket ID OCC-2025-0006)

Ladies and Gentlemen:

The Real Estate Roundtable¹ and Nareit² are pleased to provide comments on the proposed regulatory capital rule changes concerning the Enhanced Supplementary Leverage Ratio (eSLR) and the Total Loss-Absorbing Capacity (TLAC) and Long-Term Debt (LTD) requirements for U.S. Global Systemically Important Bank Holding Companies (GSIBs) (the Proposal), jointly proposed by the Office of the Comptroller of the Currency, Department of Treasury; the Board of Governors of the Federal Reserve System; and the Federal Deposit Insurance Corporation (the Agencies).

¹ The Real Estate Roundtable brings together leaders of the nation's top publicly-held and privately-owned real estate ownership, development, lending, and management firms with the leaders of major national real estate trade associations to jointly address key national policy issues relating to real estate and the overall economy.

² Nareit serves as the worldwide representative voice for real estate investment trusts (REITs) and real estate companies with an interest in U.S. income-producing real estate. Nareit's members are REITs and other real estate companies throughout the world that own, operate, and finance income-producing real estate, as well as those firms and individuals who advise, study, and service those businesses.

The U.S. commercial and multifamily real estate (CRE) industry is a roughly \$22.4 trillion dollar market³ comprising a variety of income-producing property types – apartment, office, retail, industrial, hotel, senior, student, life science campuses, data centers, cell towers, and self-storage properties. Our organizations represent Real Estate Investment Trusts (REITs) and other CRE owners, operators, and investors, together with lenders, and third-party service providers that finance and support this sector. Commercial banks hold roughly 50% of the commercial debt that supports the US CRE sector.⁴

Because the continued stability and vitality of the banking system is critical to our industry, our organizations have long supported a safe, sound, and resilient approach to banking regulation, including capital rules that ensure banks can withstand periods of financial stress. We appreciate the Agencies' continued efforts to ensure the resiliency of the financial system and to bolster the resiliency of the U.S. Treasury market at a time when the U.S. federal government is issuing record amounts of new Treasuries to finance unprecedented budget deficits. We recognize the Agencies' objective in seeking to recalibrate the eSLR framework to better reflect the risk profile of certain low-risk exposures—particularly U.S. Treasury securities and central bank reserves—and to ensure that the eSLR does not act as a compulsory constraint that discourages market-making and intermediation in these vital markets.

The current SLR can disincentivize banks from participating in low-risk activities, particularly Treasury market intermediation, which can be critical for financial market functioning during times of stress. Our organizations believe that the proposed reforms will strengthen the financial system, reduce funding costs, and enable banks to better support the economy.

By restoring the leverage ratio's intended role as a backstop, rather than a front-line constraint, the Proposal would have a positive and stabilizing impact on the availability of credit for the CRE sector by freeing up additional capital at the largest firms. The Proposal could also enhance the broader functioning of the U.S. economy, particularly at a time when access to long-term capital is vital for development, job creation, and infrastructure modernization. For these reasons, our organizations support the Proposal.

Potential Impacts on Commercial Real Estate Lending

Commercial real estate credit capacity relies heavily on balance sheet lending by large banking institutions, including GSIBs and their affiliates.

Modifying the calibration of the eSLR should help GSIBs to better align their capital resources with actual risk exposures, freeing up capacity to provide secured, income-producing real estate credit. The current leverage ratio can discourage investment in low-risk assets and constrain balance sheet usage, even when the bank is well-capitalized on a risk-adjusted basis. This has the unintended effect of tightening credit availability, especially for capital-intensive sectors like commercial real estate.

By restoring the leverage ratio's intended role as a backstop, rather than a front-line constraint, the proposed rule creates room for greater lending flexibility. This will allow GSIBs to more confidently extend financing for office redevelopment, housing construction, mixed-use development, logistics facilities, and other vital infrastructure needed in communities across the country.

³ [Board of Governors of the Federal Reserve Board, Financial Stability Report](#) (April 2024).

⁴ Id.

During times of stress and when capital markets are under pressure, GSIBs' ability to support CRE financing becomes more essential. These sectors not only provide housing and workspace but also underpin millions of jobs and drive local tax bases.

Reinforcing Financial Stability Through TLAC and LTD

The adjustments to TLAC and LTD requirements in the Proposal should further support the financial system by ensuring that GSIBs hold capital reflective of their leverage and that they can be resolved without taxpayer support, even as they expand support for real economy lending. These safeguards are especially important, as the system grows more interconnected.

By combining resilience with flexibility, the Proposal should provide GSIBs the tools they need to support long-term credit markets—including CRE—through all stages of the business cycle.

Broader Market Implications

As CRE markets adjust to post-pandemic trends in occupancy, valuation, and risk, robust and diversified bank participation is essential to maintaining financial stability and supporting economic development. GSIBs are a vital source of credit for large-scale projects, infrastructure-linked investments, and regional economic hubs. By not discouraging their engagement in CRE lending, the proposed rule could have positive implications for urban revitalization, housing, and job creation.

Conclusion

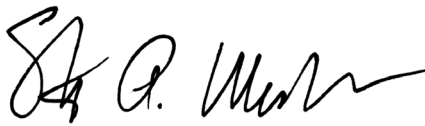
Our organizations support the Proposal's goals of ensuring adequate participation in U.S. Treasury markets and calibrating the post-crisis capital framework. The proposed adjustments to the eSLR, alongside amended TLAC and LTD standards, represent sound and forward-looking policymaking. These reforms should help restore balance to capital rules, improve the efficiency of credit intermediation, and provide a framework to support responsible growth in commercial and multifamily real estate lending—ultimately benefitting the U.S. economy at large.

We appreciate the opportunity to comment on the Proposal, and we welcome further dialogue with the Agencies about preserving strong, diversified, and resilient real estate credit markets as part of a safe and sound banking system.

Sincerely,



Jeffrey D. DeBoer
President and Chief Executive Officer
The Real Estate Roundtable



Steven A. Wechsler
President and Chief Executive Office
Nareit