Summary

The Terrorism Risk Insurance Act (TRIA) provides a critical federal backstop that enables insurers to offer terrorism risk coverage necessary for commercial real estate financing, development, and operations. Since its enactment in 2002 following the Sept. 11 attacks, TRIA's public-private framework has supported insurance market stability and economic resilience at minimal cost to taxpayers.

The program expires Dec. 31, 2027. Bipartisan legislation passed by both chambers would extend TRIA for seven years, through Dec. 31, 2034. However, differences between the House and Senate bills must be resolved before a reauthorization can become law. RER supports prompt enactment of a long-term extension that preserves the program's effectiveness.

Key Takeaways

- TRIA is a proven public-private risk-sharing program that helps ensure access to terrorism insurance coverage and limits taxpayer exposure through mandatory recoupment mechanisms.
- The TRIA Program Reauthorization Act of 2026 (H.R. 7128) was advanced by the House Financial Services Committee on Jan. 22, 2026, with an overwhelming 51–2 bipartisan vote. The bill was officially reported to the full House for consideration on March 19, 2026. The measure passed the U.S. House of Representatives 373–15 on June 29.
- On April 27, 2026, a broad bipartisan group led by Sens. Dave McCormick (R-PA), Tina Smith (D-MN), Thom Tillis (R-NC), and Ruben Gallego (D-AZ) introduced the companion Senate version. The U.S. Senate passed a companion measure (S. 4395) by unanimous consent on Sept. 28, 2026.
- The Senate bill maintains the program's existing core structure. The House bill would raise the minimum loss threshold for certification of an act of terrorism from $5 million to $10 million beginning in 2029 and add certification-related Treasury requirements.
- Both bills aim to extend the Terrorism Risk Insurance Program for an additional seven years, moving the expiration date from Dec. 31, 2027, to Dec. 31, 2034. Because the two chambers passed different versions, the legislation awaits reconciliation between the House and Senate before a final bill can be sent to the president. The measure is widely expected to be attached to a larger vehicle like the National Defense Authorization Act (NDAA) or reconciled during the end-of-year legislative session.

Background

Why the Federal Backstop Matters

- Following 9/11, terrorism risk insurance became largely unavailable, jeopardizing real estate financing and construction. An RER survey identified more than $15 billion in real estate transactions stalled or canceled in the 14 months before TRIA was enacted.
- Terrorism losses can be highly concentrated and difficult for the private insurance and reinsurance markets to absorb alone. Treasury's 2024 Federal Insurance Office report found the program remains effective and that private reinsurance capacity is insufficient to replace the federal backstop.
- In the absence of affordable coverage, lenders could limit financing, businesses could defer investment, and communities could face major economic disruption following an attack.

CIAT and RER Advocacy

- In 2002, RER helped establish the Coalition to Insure Against Terrorism (CIAT), a broad coalition of commercial insurance consumers formed immediately after 9/11.
- CIAT's diverse membership represents key elements of the commercial facilities sector, including

commercial real estate, banking, energy, construction, hotel and hospitality, higher education, manufacturing, transportation, entertainment, major league sports and racing, as well as public sector buyers of insurance.

- Through CIAT, RER is actively advocating for a long-term reauthorization of TRIA, working with Congress and the Department of the Treasury. Our advocacy primarily focuses on ensuring the **long-term stability** and **affordability** of terrorism insurance for commercial policyholders.
- RER and CIAT supported House passage through a June 29 coalition letter backing H.R. 7128, building on testimony and letters to the House Financial Services Committee in September 2025 and January 2026. (Roundtable Weekly, July 17)
- RER and coalition partners urged congressional leaders on July 29 to include TRIA in must-pass legislation and pressed the Senate Banking Committee to advance S. 4395 in a Sept. 16 letter. They warned that insurance policies already extending beyond 2027 could face conditional exclusions if reauthorization is delayed. (Roundtable Weekly, July 31)
- RER and CIAT continue advocating for final House-Senate agreement and enactment before year-end to provide certainty for policyholders and insurers. (Roundtable Weekly, Oct. 2)

Recommendations

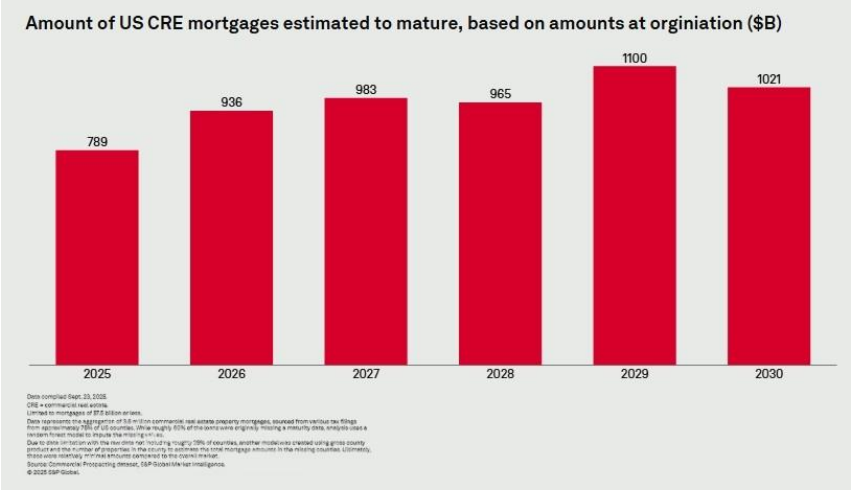
Enact a Long-Term Reauthorization of TRIA: Congress should promptly enact a seven-year extension through 2034 to ensure continued economic stability, maintain access to terrorism risk insurance, and protect taxpayers through the program's mandatory recoupment mechanism.

- **Protect economic and homeland security:** Allowing TRIA to expire would jeopardize access to affordable terrorism insurance, disrupt commercial real estate financing, and threaten investment, liquidity, and economic growth.
- **Prevent market disruption and job losses:** Following 9/11, the lack of terrorism insurance stalled real estate transactions and construction projects, contributing to an estimated 300,000 lost jobs before TRIA's enactment. Reauthorization would prevent similar disruptions and provide certainty for insurers and policyholders.
- **Preserve an effective federal backstop:** RER concurs with the 2024 Department of Treasury's Federal Insurance Office's Report on the Effectiveness of the Terrorism Risk Insurance Program, which concluded that the current terrorism risk insurance program remains effective and that private reinsurance capacity is insufficient to replace the federal backstop. Maintaining the program is essential to ensuring the continued availability of terrorism coverage at minimal taxpayer cost.

Addressing the Wave of Maturing CRE Debt and Pro-Cyclical Regulatory Policy

Capital and Credit

Summary



Source: S&P Global

Nearly $983 billion of U.S. commercial real estate mortgages are estimated to mature in 2027. To help rebalance the wave of maturing loans, it is important to advance measures that will encourage additional capital formation and loan restructuring.

As urged by RER, a policy statement—*Policy Statement on Prudent Commercial Real Estate Loan Accommodations and Workouts*—issued by regulatory agencies encouraging financial institutions to work constructively with creditworthy borrowers on CRE loan workouts is helping to see loans through the current environment. Many of these loans require additional equity, and borrowers still need time to restructure this debt. Capital formation is vital to help restructure maturing debt and fill the equity gap. It is also important to avoid pro-cyclical regulatory actions.

Key Takeaways

- Providing banks with the flexibility to work constructively with their borrowers during times of economic stress has led to **billions of dollars of loan restructurings and reduced undue stress in bank loan portfolios**.
- The largest U.S. banks' capital and liquidity levels have grown dramatically since the original *Basel III* standards were implemented in 2013 in response to the 2008 Global Financial Crisis. **Since 2009, Tier 1 capital has increased by 56 percent and Common Equity Tier 1 capital has tripled**. Today, as the Federal Reserve recently observed, the U.S. "banking system is sound and resilient, with strong capital and liquidity."[1]

Background

Basel III Endgame

- The original *Basel III Endgame* proposal would have increased capital requirements for the largest banks by as much as 20 percent—carrying significant economic cost without clear benefits to the economy.
- On March 19, 2026, the Federal Reserve, FDIC, and OCC jointly introduced three new proposals to modernize bank capital rules. While the 2023 version proposed a 16-19 percent increase in capital, the

[1] https://www.federalreserve.gov/publications/files/svb-review-20230428.pdf

2026 re-proposal is estimated to actually reduce overall system-wide capital requirements by approximately $87.7 billion:

- GSIBs (Category I & II): Estimated ~4.8 percent reduction in Common Equity Tier 1 (CET1) requirements.
- Large Regional Banks (Category III & IV): Estimated ~5.2 percent reduction.
- Small Banks: Estimated ~7.8 percent reduction

Recommendations

Take a Balanced Approach to Setting Capital Requirements: The re-proposal is viewed by many industry participants as a "pivotal step" toward a more balanced approach for both residential and commercial sectors.

- The Real Estate Roundtable (RER) submitted a coalition letter on June 18 acknowledging that the revised package is an improvement over the punitive 2023 iteration. The letter urges federal regulators to preserve risk-sensitivity improvements in the revised Basel III Endgame proposal while modifying provisions that constrain commercial real estate (CRE) lending.
- Recommendations included more risk-sensitive treatment of CRE and multifamily loans, mortgage servicing, and securitizations, along with changes to prevent disproportionate capital charges on common financing arrangements such as mezzanine loans and preferred equity.
- RER warns that any net increase in capital rules still carries a pro-cyclical impact, potentially constraining credit capacity, liquidity, and financing costs for commercial and multifamily real estate.
- RER continues to push back against legacy provisions in the framework that penalize non-recourse commercial real estate lending—such as rules that reclassify entire borrower exposures or assign harsh 150 percent risk weights to restructured or defaulted loans—stressing that prudent loan workouts benefit both lenders and the broader economy.
- The updated interagency framework lowered overall capital requirements for the largest U.S. banks by a net 2.4 percent (factoring in a 1.4 percent increase offset by a 3.8 percent reduction in the G-SIB surcharge).
- A final rule is anticipated later this year and phased implementation is expected to begin in 2027.

Support Robust Capital Formation: Additional capital is called for to help restructure and transition the ownership and refinancing of commercial real estate from a period of low rates to a time of higher rates. Enacting policies that will encourage robust capital formation is imperative.

The Real Estate Roundtable

Commercial Insurance Coverage in an Evolving Threat Environment

Capital and Credit

Summary

The proliferation of natural catastrophe threats has raised concerns about commercial insurance coverage for real estate. These concerns have highlighted the lack of—and need for—insurance capacity and various lines of commercial insurance. Risks from natural disasters like floods, hurricanes, wildfires, hail, tornadoes, and drought cost the U.S. billions of dollars each year. Even if policyholders are able to find coverage for these various lines, prices are increasing dramatically. A lack of adequate coverage will lead to economic uncertainty, harm stakeholders, and undermine the growth of communities.

U.S. commercial property insurance premiums grew by **over 15 percent annually** between 2019 and 2024, doubling as a share of rental income and operating expenses. The national average growth rate reached **7.6 percent** (with some markets seeing year-over-year surges exceeding **17 percent**), well above historical norms of 2 percent to 3 percent.

Multifamily and apartment properties experienced the highest median compound annual growth rates (CAGRs) and frequent annual increases exceeding 10 percent. Apartment insurance costs jumped an average of **45 percent year-over-year** in 2024 alone.

Spending legislation passed this year has reauthorized the National Flood Insurance Program (NFIP) through Dec. 11, 2026.

RER, along with its industry partners, continues to work constructively with policymakers and stakeholders to address market failure and enact a long-term reauthorization of an **improved NFIP**.

Key Takeaways

- Natural catastrophe losses have tripled over the past decade, with severe storms surpassing hurricanes as the costliest insured weather peril.
- Commercial property insurance premiums continue to rise, with apartment insurance costs increasing an average of **45 percent year-over-year in 2024**.
- Construction costs have risen nearly **40 percent since 2020**, leaving many properties insured below their actual replacement value.
- Commercial property owners continue to take steps to mitigate the risk of natural disasters and potentially lower their insurance costs.

Background

National Flood Insurance Program (NFIP)

- Floods are the most common and costliest natural peril in the U.S. Established in 1968 and administered by the Federal Emergency Management Agency (FEMA), the NFIP provides essential flood insurance coverage where private insurance is limited.
- Under the NFIP, commercial property flood insurance limits are low—$500,000 per building and $500,000 for its contents. NFIP has approximately 5 million total properties, and only 6.7 percent are commercial. Nearly 70 percent of NFIP is devoted to single-family homes and 20 percent to condominiums. In the total program, 80 percent pay actuarially sound rates; however, in the commercial space, only 60 percent pay actuarially sound rates.
- NFIP faces long-standing solvency and flood mapping challenges that require structural reform. The unintended negative outcomes generated by the NFIP continue to grow and are now spreading to government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac.
- Since 2017, Congress has extended the NFIP's authorization 36 times.

- As policymakers continue to debate potential changes and improvements to the program, their challenge is to find a balance between improving the financial solvency of the program, reducing taxpayer exposure, and addressing affordability concerns.

Recommendations

Enact a Long-Term Reauthorization of NFIP: The level of flood damage from recent storms makes it clear that FEMA needs a holistic plan to prepare the nation for managing the cost of catastrophic flooding under the NFIP.

- RER and its partners support a long-term reauthorization of an improved NFIP that helps property owners and renters prepare for and recover from future flood losses. NFIP is **essential** for residential markets, overall natural catastrophe insurance market capacity, and the broader economy.

Increase Private Market Participation: By permitting certain private issue insurance policies to satisfy the NFIP's "mandatory purchase requirement" for properties in flood plains financed by loans from federally guaranteed institutions, commercial property owners would have the ability to "opt out" of mandatory NFIP commercial coverage if they have adequate private coverage outside the NFIP to cover financed assets.

- Lenders typically require base NFIP coverage, and commercial owners must purchase Supplemental Excess Flood Insurance for coverage above the NFIP limits. The NFIP's low commercial limits make it problematic for most commercial owners.
- As a result, RER has been seeking **a voluntary exemption** for mandatory NFIP coverage if property owners have flood coverage from commercial insurers.

The Real Estate Roundtable

Beneficial Ownership & Corporate Transparency Act

Capital and Credit

Summary

The Corporate Transparency Act (CTA) was enacted to combat illicit finance, money laundering, and terrorism financing by requiring certain companies to disclose information about their beneficial owners to the Treasury Department's Financial Crimes Enforcement Network (FinCEN).

In February 2025, RER joined a coalition urging Treasury to delay reporting requirements shortly before the department announced enforcement relief. (Coalition Letter, Feb. 3, 2025)

On Aug. 11, 2026, FinCEN issued a final rule permanently eliminating beneficial ownership information (BOI) reporting requirements for U.S. companies and U.S. persons. Effective Aug. 14, the rule finalizes the narrower framework adopted in March 2025, providing long-term regulatory relief for millions of U.S. businesses, including commercial real estate entities. (Roundtable Weekly, Oct. 2, 2026)

The Real Estate Roundtable (RER) continues to work with policymakers in support of a balanced approach that would inhibit illicit money laundering activity without the imposition of costly reporting requirements for real estate investors.

Key Takeaways

- Treasury's suspension of CTA enforcement for domestic entities significantly reduces compliance burdens for real estate businesses that rely on LLC structures.

Background

CTA Requirements

- Enacted in 2021, the CTA required certain corporations, LLCs, and similar entities to disclose identifying information about individuals owning at least 25 percent of an entity or exercising substantial control.
- The requirements posed significant compliance challenges for commercial real estate, where individual properties are frequently held through separate LLCs and complex partnership structures.
- Following legal challenges and regulatory uncertainty, Treasury suspended enforcement against domestic entities in March 2025. FinCEN's August 2026 final rule made the domestic reporting exemptions permanent under the current regulatory framework. (Roundtable Weekly, March 28, 2025)

Recommendations

Support Measures that Encourage Capital Formation and Reduce Regulatory Burdens: RER, along with its coalition partners, repeatedly raised concerns about the regulatory burden posed by the CTA and has supported the court challenges to the law. RER supports FinCEN's final rule exempting domestic companies from CTA reporting requirements and continues to advocate for a balanced approach to combating illicit finance.

- Preserve reporting exemptions that reduce unnecessary compliance costs for real estate owners, investors, and businesses.
- Support targeted measures against illicit finance without imposing disproportionate reporting burdens on law-abiding businesses or discouraging capital formation.

The Real Estate Roundtable

"Safeguarding Rule" Withdrawal

Capital and Credit

Summary

In 2023, the U.S. Securities and Exchange Commission (SEC) proposed changes to require SEC-registered investment advisers to put all their clients' assets, including all digital assets like Bitcoin and certain physical assets like real estate, with "qualified custodians." The proposal would have required a written agreement between custodians and advisers, expanded the "surprise examination" requirements, and enhanced recordkeeping rules. These rules were originally designed for digital assets. The proposal's "reasonable" safeguarding requirements are ambiguous as applied to real estate. Furthermore, the SEC's release contained an inaccuracy regarding the way deeds evidencing ownership of real estate are recorded. RER opposed the proposed rule on real estate and pushed for an exception for real estate.

Following extensive industry pushback, particularly regarding its application to real estate, digital assets, and the high compliance costs for small firms, the SEC issued a notice on June 12, 2025, withdrawing the proposal.

Key Takeaways

The withdrawal of the SEC's proposed "Safeguarding Rule" in June 2025 is a major relief for the real estate industry. The proposal would have categorized physical real estate as a client "asset" requiring a qualified custodian, a requirement industry groups called "preposterous" and "unworkable."

- **Avoidance of Impossible Custody**: Real estate assets cannot be physically "held" in a bank vault or brokerage account. Ownership is instead maintained through deeds and mortgages recorded at local government offices. The withdrawal prevents a conflict where advisers would have been required to place these physical assets with custodians who were often unwilling or unable to accept them.
- **No Mandatory Independent Verification for Every Transaction**: The proposed rule would have required an independent public accountant to verify **every purchase, sale, or transfer** of a real estate asset within one business day. This would have introduced significant delays and high costs to real estate closings.
- **Preservation of Existing Safeguards**: Real estate remains governed by the original 2015 Custody Rule, which generally does not apply to a real estate partnership's physical assets unless the partnership itself is an advisory client. Existing state and local laws for recording deeds and mortgages continue to serve as the primary protection against misappropriation.
- **Reduced Compliance Costs for Smaller Advisers**: Smaller real estate investment firms avoided the "death by a thousand cuts" described by RER, including expensive new surprise audits and written custodial agreements that would have been required under the expanded scope.
- Capital formation is vital when credit markets tighten to restructure maturing debt.

Background

Current Regulatory Status

- The SEC has shifted toward its **"ACT" (Advance, Clarify, Transform) framework**, which prioritizes clear, workable rules over the broad "catch-all" approach of the withdrawn safeguarding proposal. For real estate advisers, this means a return to traditional fiduciary duties and standard bookkeeping without the specialized custodial mandates originally proposed in 2023.
- The **SEC Custody Rule (Rule 206(4)-2)**, as established in its 2015-compliant framework, applies to any Registered Investment Adviser (RIA) that has "custody" of client funds or securities. For **Real Estate Investment Trusts (REITs)** and their advisers, compliance primarily centers on how the entity is structured—specifically whether it is treated as a **pooled investment vehicle**.

The Real Estate Roundtable

Gold and Platinum "Trump Cards" and the EB-5 Visa

Capital and Credit

Summary

On Sept. 19, 2025, the White House released an Executive Order, fact sheet, and website announcing Gold and Platinum "Trump Cards." The program is intended to grant permanent residency in the U.S. for immigrants with high net worth. The administration's announcement directs the Secretaries of Commerce, State, and Homeland Security to coordinate and establish a program that expedites "green cards" issued under the EB-1 and EB-2 visa categories for foreign nationals who make a "significant financial gift to the Nation."

This new green card program raises important questions:

- Will Trump Cards appeal to overseas investors and American employers as viable options for permanent residency in the U.S.?
- Will Trump Cards impact the separate EB-5 "regional center" program, which confers green cards on foreign investors who make capital commitments to finance job-creating projects in the U.S.?
- Will Trump Cards speed up backlogs for visas—particularly in markets like China, India, and other countries—where investors must wait years to advance in the process to get a green card?

Key Takeaways

- The new Trump Cards and the EB-5 visa program provide separate visa pathways to **attract global capital and top-tier talent**.
- Trump Cards do not and legally cannot replace EB-5 visas.
- The EB-5 program is the established, statutorily authorized pathway to attract foreign investors to the U.S. It has delivered **$350 billion in economic impact and created over 1.5 million American jobs—at no cost to taxpayers—and should continue to be fully supported by Congress and the administration**.
- **Congress should permanently authorize the EB-5 program.** It should give the foreign investment market stability by authorizing regional centers in 2026, ahead of their scheduled expiration in 2027.

Background

The EB-5 Visa Program

- The EB-5 visa is a job creation program that attracts overseas investors to provide capital for economic development projects in the U.S.
- EB-5 requires $800,000 investments in targeted employment area (TEA) projects (i.e., infrastructure, rural, high unemployment census tracts)—or $1.05 million investments in projects not within favored TEA categories.
- In 2022, Congress modernized the investor visa through the EB-5 Reform and Integrity Act. These reforms have helped improve the program's transparency and accountability. **They should be made permanent.**

The "Trump Card" Program

- According to the Sept. 19 Executive Order:
    - **Cost:** Gold Cards will require $1 million payments from individuals, and $2 million payments from companies. Platinum Cards will require $5 million payments. The $2 million Corporate Gold Card is "per employee." That is, the company (not the employee) "owns" the Corporate Gold Card, and it is portable to other workers.

- **Taxes:** Platinum Card holders can spend up to 270 days in the U.S. without being subject to U.S. taxes on non-U.S. income. Gold Card holders are treated similarly to other permanent residents and citizens.
- **Trump Card holders will not get their money back.** They are making a gift and buying a green card. In contrast, EB-5 investors expect their money back—with a return on their investment.
- **Trump Cards do not create new visa programs or add more visas.** Payments for a Trump Card are considered "evidence" to support green card eligibility under either the EB-1 visa category, for people of "extraordinary" ability, and/or the EB-2 visa category, for professionals with advanced degrees and those with "exceptional" ability.
- **Trump Cards do not replace EB-5 visas.** And, they will not add to or subtract from the number of EB-5 visas available in a given year. However, Section 3(f) of the Executive Order states that the agencies shall "consider… expanding the Gold Card program" to EB-5 visa applicants.

Recommendations

Permanently authorize EB-5 Regional Centers: Give stability to foreign investment markets—and maximize U.S. job growth opportunities—by making permanent the 2022 reforms that have created a fair and workable balance for urban and rural projects.

- EB-5 investment helps finance **housing, grid modernization, infrastructure, and manufacturing plants** to further recent Executive Orders and national priorities.

The Real Estate Roundtable

Democratizing Access to Alternative Assets for 401(k) Investors

Capital and Credit

Summary

On Aug. 7, 2025, President Trump issued an Executive Order titled "Democratizing Access to Alternative Assets for 401(k) Investors," signaling a fundamental shift in federal policy regarding access to asset classes previously reserved for institutional investors.

The EO aims to expand access to alternative assets, including private equity and real estate, through 401(k) plans by reducing regulatory obstacles and clarifying fiduciary responsibilities. The U.S. Department of Labor (DOL) and Securities and Exchange Commission (SEC) are responsible for advancing related regulatory changes.

The DOL released a proposed rule on advisors' duties when recommending alternative investments for defined contribution plans on March 30, 2026. RER submitted comments in support of the proposed rule. On Nov. 5, 2026, the DOL submitted its final rule to the White House Office of Management and Budget (OMB) for review, a key step before the rule can be published.

Key Takeaways

- In the August order, President Trump directed the DOL to propose new regulations on alts in retirement plans subject to the Employee Retirement Income Security Act (ERISA) within six months. It also directed the DOL to work with other regulators to determine necessary rule changes to ease alternative investment access in 401(k)s, and for the SEC to help with that effort in participant-directed retirement plans.
- While such alternative investments have long been part of defined-benefit plan portfolios, such as pensions, they are not expressly barred from defined contribution plans. Nonetheless, fiduciary rules make it challenging to include them in 401(k)s.

Background

Action Post-Executive Order

- SEC Chair Paul Atkins has supported expanding retail investor access to alternative investments, including real estate, "within reason." Commissioner Mark Uyeda has also called for litigation reforms to protect plan sponsors offering alternative investments in 401(k)s. While the Executive Order and rescission of DOL guidance demonstrate a change may be on the horizon for 401(k) plans and investors, they do not bring with them any regulatory change; further guidance and rulemaking from the DOL and SEC will clarify what comes next for fund sponsors, general partners, and their institutional investors.
- The DOL's March 30 proposed rule addresses the selection of alternative investments in defined contribution plans, including:
    - Private equity and private debt/credit.
    - Digital assets, including cryptocurrency.
    - Real estate, infrastructure projects, and commodities.
- On Nov. 5, 2026, the DOL sent its final rule to OMB for review. The final rule is expected to be published once OMB completes its review.

Recommendations

Support Regulatory Implementation: RER submitted comments supporting the DOL's proposed rule to expand access to alternative investments in 401(k) plans. RER will continue monitoring the rulemaking process, including OMB's review of the final rule, and related SEC actions affecting real estate investment opportunities.