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September 9, 2015

United States Senate
Washington, D.C. 20510

Dear Senator:

As lawmakers resume their negotiations for a long-term transportation bill, the more than one million members of the National Association of REALTORS® (NAR) respectfully request that you oppose any legislation that utilizes Fannie Mae and Freddie Mac's credit risk guarantee fees (g-fees) to offset costs associated with the extension of highway programs.

G-fees are a critical risk management tool used by Fannie Mae and Freddie Mac to protect against losses from faulty loans, and should be used only to manage the companies' credit risks. Increasing g-fees for other purposes – even just extending the current fee increase for four years – effectively taxes potential homebuyers and consumers looking to refinance their mortgages.

Our nation's housing sector is still recovering, with some market segments remaining in a delicate state. An increase in g-fees would disturb the housing recovery as it would raise the cost to purchase or refinance a home for many Americans. NAR believes this action will disproportionately impact low and moderate income borrowers, as well as first-time homebuyers who are currently the majority users of FHA loans. Finally, implementing a g-fee increase that is unrelated to housing needs could also act to hinder the necessary reforms required of the housing finance system for the foreseeable future.

NAR understands the need for a long-term reauthorization of highway programs in order to help strengthen our country's infrastructure. However, NAR strongly believes that taxing homeowners as a transportation funding mechanism places an unnecessary long lasting burden on consumers and prevents Fannie Mae and Freddie Mac from effectively managing their risk.

Thank you for your consideration of this very important matter.

Sincerely,



Chris Polychron
2015 President, National Association of REALTORS®

