



**NATIONAL
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June 7, 2011

The Honorable John Campbell
United States House of Representatives
1507 Longworth House Office Building
Washington, DC 20515

The Honorable Gary Peters
United States House of Representatives
1609 Longworth House Office Building
Washington, DC 20515

Dear Representatives Campbell and Peters:

On behalf of the 1.1 million members of the National Association of REALTORS® (NAR), thank you for introducing, H.R. 1859, the “Housing Finance Reform Act of 2011”, a comprehensive approach to address the reformation of the secondary mortgage market. While we have concerns with some aspects of the legislation, we greatly appreciate your efforts to protect the affordable 30-year fixed rate mortgage, shield taxpayers from unnecessary additional bail-outs, and ensure the availability of mortgage capital to all markets under all economic conditions.

The efforts that you have undertaken reflect a methodical, measured, and comprehensive approach that is based on practical application and not just academic theory. REALTORS® are confident that by using such an approach, there will remain a level of certainty in the marketplace that will allow our housing finance markets to continue operating until reform is fully implemented.

As I have mentioned in numerous letters to the House Financial Services Committee, REALTORS® believe that reform of our housing finance system is required in the aftermath of the 2008 housing finance system collapse. Nevertheless, we oppose the piece-meal approach that is currently underway in the House Financial Services Capital Markets and Government Sponsored Enterprises Subcommittee. In particular, we object to legislation whose sole purpose is to shut-down Fannie Mae and Freddie Mac without identifying a viable replacement that will allow securitization to function under all market conditions. We believe that a fully private system is not a viable or sustainable alternative to the existing housing finance system and will place the taxpayer at greater risk than if there is some continued level of government participation in the housing finance market.

As you so eloquently indicated in your “Dear Colleague” letter, housing is a pillar of our economy. It creates jobs and provides revenue for our state and local governments in support of our communities. More importantly, homeownership fosters participation in communities and affords all households the opportunity to establish permanent roots in this great nation.

The time has come for serious discussion regarding comprehensive reform to our nation’s housing finance system. NAR looks forward to working with you, and all who believe that homeownership remains a significant part of the American Dream, to ensure the enactment of comprehensive and effective housing finance reform legislation.

Sincerely,

Ron Phipps, ABR, CRS, GRI, GREEN, e-PRO, SFR
2011 President, National Association of REALTORS®



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