



NATIONAL  
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November 29, 2012

U.S. House of Representatives  
Washington, D.C. 20515

Dear Representative:

On behalf of 1 million members of the National Association of REALTORS®, I respectfully request that you oppose the “pay for” in the rule offered H.R. 6429, the “STEM Jobs Act of 2012”, that utilizes Fannie Mae's, Freddie Mac's, and Ginnie Mae's credit risk guarantee fees (g-fees) to offset costs associated with the STEM Visa Program created by the bill.

G-fees are a critical risk management tool used by the Government-Sponsored Enterprises (GSEs) to protect against losses from faulty loans. Increasing g-fees for other purposes – even just extending the current fee increase by one year – effectively taxes potential homebuyers and consumers looking to refinance their mortgages.

The Nation's housing sector is recovering but remains in a precarious state. Though we are seeing signs of improvement, we must avoid taking any steps that may retard that recovery and ultimately send our overall economy into another tailspin. The unintended impact of your proposed g-fee increase would be to keep housing consumers on the sideline, preventing the continued absorption of our nation's large real-estate owned (REO) inventory, as well as curtailing refinance activity that is needed to help keep responsible borrowers in their homes. Coupled with that, we strenuously object to using the guarantee fees charged by Ginnie Mae in this manner. REALTORS® believe this action will disproportionately impact low and moderate income borrowers, as well as first time homebuyers that are currently the majority users FHA loans. Finally, implementing yet another g-fee increase that is unrelated to housing needs will act to hinder the necessary reforms required of the GSEs and the housing finance sector for the foreseeable future.

REALTORS® understand the need to create jobs, and retain the technological skills of foreign students educated and trained within our great Nation. However, we strongly believe that using g-fees as a funding mechanism for this purpose shifts the burden of retaining these skilled workers to homeowners and the housing sector in a manner that prevents the GSEs from effectively managing their risk..

Therefore, we respectfully request that you oppose the “pay for” in the rule for the “STEM Jobs Act of 2012”.

Thank you for your consideration of this very important matter.

Sincerely,

Gary Thomas  
2013 President, National Association of REALTORS®



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