



NATIONAL ASSOCIATION OF REALTORS®

*The Voice For Real Estate®*

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January 16, 2009

The Honorable Charles Rangel  
Committee on Ways & Means  
2354 Rayburn House Office Building  
Washington, DC 20515

Dear Chairman Rangel:

On behalf of more than one million members of the NATIONAL ASSOCIATION OF REALTORS, we express our great appreciation for proposing that the economic stimulus package include a provision that would eliminate the repayment feature of the \$7500 first-time homebuyer tax credit enacted in July 2008. This change will make the credit far more attractive to potential purchasers.

To date, the consumer response to the tax credit has been modest, largely because of the repayment feature. Now that the repayment issue will likely be resolved in favor of consumers, we urge you to make the credit available to them through the end of this year.

Committee Member John Lewis has shared our concern about the effective date and has introduced H.R. 525. His bill matches Chairman Rangel's proposal to eliminate the repayment feature. The bill also contains a second provision that would extend the effective date from June 30, 2009 through to December 31, 2009. ***We urge you to support Mr. Lewis's efforts to extend the date.***

The spring, summer and early fall months are historically the most active season for home purchases. The tax credit, as originally enacted last July, is in effect from April 8, 2008 through June 30, 2009 – nearly 14 months. If the stimulus bill passes and is signed sometime in February, only about 4 months will remain for the credit to have an impact. Thus, for nearly 10 months, prospective first-time homebuyers will have viewed the credit as too flawed to be of great value. Nearly 10 months of opportunity for market stabilization will have been lost.

*If the credit was perceived as flawed for 10 months, then we believe an equally long period should be available to change that perception and generate increased housing purchase activity. Extending the tax credit through December 31, 2009 would achieve that goal.*

Finally, we remain hopeful that the Committee will expand the credit's utility to a larger universe of eligible participants. An incentive available to all purchasers is likely to generate additional transactions that could help stabilize market prices in many areas.

Again, we sincerely appreciate all the Committee's efforts on behalf of homeowners over the course of the past year. We are hopeful that proposed changes will move the housing market to greater stability.

Sincerely,

Charles McMillan, CIPS, GRI  
2009 President, National Association of REALTORS®