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The Honorable Patrick Leahy
Chairman, Senate Judiciary Committee
437 Russell Senate Office Building
Washington, DC 20510

The Honorable Chuck Grassley
Ranking Member, Senate Judiciary Committee
135 Hart Senate Office Building
Washington, DC 20510

Dear Chairman Leahy and Ranking Member Grassley:

On behalf of the one million members of the National Association of REALTORS® (NAR), I want to express my appreciation for the hard work of the cosponsors of S. 744, the “Border Security, Economic Opportunity and Immigration Modernization Act” and applaud the Senate Judiciary Committee’s consideration of this comprehensive immigration reform measure. NAR believes that any reform of the immigration system in the United States must support stable, prosperous, thriving and secure communities and enhance the nation as a destination of choice for those seeking to own, transact, lease and use real property.

As such, NAR supports a timely federal resolution of illegal immigration that includes securing U.S. borders to prevent illegal entry, allowing for the flow of legal immigration to accommodate the labor needs of the U.S. economy, and settling the status of undocumented immigrants in a way that acknowledges the reality of their presence, their role in the economy and immigrants’ historic contributions to U.S. society.

NAR is pleased with S. 744’s provisions that encourage and support tourism to the United States, expand job opportunities for seasonal foreign workers without taking jobs away from American workers, permanently authorize the EB-5 immigrant investor visa regional center pilot program, expand visa opportunities for highly skilled workers and entrepreneurs, and create two non-immigrant visa programs that encourage foreign retirees to purchase a retirement home in the U.S. Each of these provisions will have a decided and positive impact on the nation’s real estate sector and overall economy.

Visa Application Reforms:

NAR opposes unduly burdensome visa rules that create unnecessary barriers to tourism to the U.S. Therefore, NAR supports the provisions included in Title IV, Subtitle E of S. 744, i.e. the Jobs Originating Through Launching Travel (“JOLT”) Act, that will work to increase global travel to, and investment in, the U.S. We are supportive of the provisions that modernize the Visa Waiver Program by opening participation in the visa waiver program to an expanded roster of allied countries that are able to meet security and counter-terrorism criteria. Likewise, we are pleased with the proposed premium processing pilot program that will lessen the burdens involved in and speed up the visa application process for tourists, many of whom have demonstrated a high level of interest in vacationing in the United States.



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Seasonal Worker Reforms

NAR is thankful that S. 744 reinstates the returning worker exemption to the H-2B seasonal worker visa program. This change is critical to the economic health of resort and second home communities since the availability of adequate numbers of seasonal workers made possible by the H-2B visa program has a direct impact on property values in America's vacation communities. Tourism facilities in these communities must be well-maintained and operate efficiently and effectively. If they do not, these communities become less attractive to visitors and second home buyers. Without the additional seasonal H-2B workers that resort communities have come to depend on, the economic well-being of these communities and their year-round residents are in jeopardy.

We are concerned, however, with the provisions of the bill that impose new, costly, time-consuming paperwork and redundant administrative requirements and eliminate the flexibility employers need to effectively manage their workforce. We are also concerned that the enforcement of these new rules will be costly for taxpayers.

Creating American Jobs

EB-5 Visa and Investor Visas: NAR supports permanent authorization of the Regional Center pilot program under the EB-5 Immigrant Investor Visa Program. The EB-5 Visa's Regional Center program allows investors to acquire resident visas by investing in regional development centers approved by the U.S. Citizenship and Immigration Service. These regional centers, in turn, bring investment and new jobs directly into communities. The Regional Center program has brought much-needed investment, development, and job creation to the United States – all at no cost to American taxpayers. We believe that making the regional center investment alternative permanent will be a boon to the program, but more importantly, it will ensure more foreign investment and more jobs in American communities.

Just as the EB-5 program has helped to create new businesses and new jobs, the new Investor visa program contained in S. 744 will provide foreign-born entrepreneurs with the ability to create new businesses by raising money from venture capitalists and other investors for U.S.-based activities.

NAR members believe that, just as it is critical that the cap on H2-B visas be set appropriately, it is also critical that the numbers of available visas allocated to both the EB-5 and investor visa programs are sufficient to allow these new visa programs the ability to flourish and give our nation the edge needed to grow our economy.

H-1B Visa: NAR is also supportive of other employment-related visa reforms designed to attract and retain both skilled workers and entrepreneurs. The H-1B Visa Program is critical to ensuring that U.S. companies are able to stay competitive with foreign rivals and benefits the overall success of our economy. NAR believes that increasing the H-1B visa cap for high-skilled foreign workers and allowing foreign graduates with advanced technical degrees to gain permanent residency in the United States will serve as an economic benefit to all Americans. Importantly, we do believe Congress must also ensure that American workers are protected from companies that aim to bypass the fully-able and well-trained domestic workforce.

Retiree Visa Proposals:

Long the champion of private property ownership, NAR opposes unduly burdensome visa rules that create unnecessary barriers to ownership of U.S. real estate by foreign nationals, as well as the use of those properties. The current tourist visa system does not allow foreign citizens who own a vacation or second home in the United States, even those like retirees who present no competition for U.S. jobs or public services, to easily enter the U.S. or remain for a period long enough to justify the purchase of a vacation or retirement home. While other countries have instituted visa programs to attract American retirees to their shores, the same is not true of the U.S.

As a result, NAR strongly supports the creation of two new non-immigrant visa programs that will encourage Canadian retirees to lease and all foreign retirees to purchase personal U.S. homes. Both visa programs will encourage home rentals and purchases by providing foreign retirees with the certainty as to their ability to freely enter and stay sufficient time in the U.S. before committing to an expensive lease or home purchase. Given the still recovering nature of the U.S. real estate markets and the hit that local communities' tax bases have taken during the Great Recession, the resulting additional rental transactions and home sales will help to buttress local real estate markets and local tax revenues. Home sales, in particular, with the ancillary spending on goods, services, sales taxes and property taxes that go with a home purchase, will also do much to strengthen the property tax bases and economies of our nation's communities.

We do have some suggestions for minor changes to the proposed home purchase retiree visa provisions which we believe will help to bring the purchase visa program more in line with current real estate industry practices and experience. We look forward to working with you on these clarifications.

- We would encourage the Committee to replace the reference to “an appraisal conducted by the property assessor in the city or county in which the residence is located” with “an appraisal conducted by a state licensed or state certified residential appraiser as defined by the applicable state laws.” An appraisal provided by a licensed or certified residential appraiser is a measure of value relied upon throughout the housing industry to provide reliable valuations that accurately show the market value of a property being purchased. An assessor’s office measures value for taxation purposes. The rules governing assessment practices vary widely from county to county and state to state. In many locations, an assessment may only represent a fraction of a property’s true market value. In order to more consistently measure value, we respectfully request that the language be amended to refer to an appraisal done by a state licensed or state certified residential appraiser.
- A requirement of the visa holder, as drafted, would be to “maintain ownership of residential property in the United States worth at least \$500,000 during the entire period...” of the visa. As recent market conditions have demonstrated, this requirement would be tough to enforce and may have unforeseen consequences if the real estate market suffers future downturns. We would suggest amending the language to remove the reference to \$500,000 and simply require that the visa holder maintain ownership of the property(ies) throughout the life of the visa.
- We would appreciate your consideration of increasing the renewal period of the retiree visa to 5 years from the current 3 year term included in the bill. A visa of this nature must have a life long enough to create the certainty needed for foreign nationals to be confident that they will be able to enjoy property purchased for a time period that justifies the sizeable expenditure required. From a practical perspective, our professional experience leads us to believe that a 5 year timeframe should be the minimum amount of time for which a real-estate related visa should be issued.
- The bill’s language calls for the properties to be sold for more than 100% of their value. While there is merit in requiring the purchase price to be in line with market value, it isn’t clear to us what value there would be in requiring a property be purchased for more than 100% of its value. We would suggest that the purchase amount be equal to or greater than the appraised amount.

Again, we thank the sponsors of S. 744 for their thoughtful drafting and the Judiciary Committee for its work in advancing reforms that will benefit our nation. We look forward to working with you in the coming months.

Sincerely,



Gary Thomas
2013 President, National Association of REALTORS®

cc: Members of the Senate Judiciary Committee