



NATIONAL ASSOCIATION OF REALTORS®

*The Voice For Real Estate®*

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January 16, 2009

The Honorable John Lewis  
343 Cannon House Office Building  
Washington, DC 20515

Dear Representative Lewis:

On behalf of more than one million members of the National Association of REALTORS® (NAR), we express our deep appreciation for your bill H.R. 525, eliminating the repayment feature of the \$7500 first-time homebuyer tax credit enacted in July 2008 and extending the credit through December 31, 2009. These changes will make the credit far more attractive to potential purchasers.

We are of course very pleased that the Committee proposal that Chairman Rangel released January 15 includes the provision that would eliminate the repayment feature. NAR had surveyed its member earlier this month about their perceptions of the credit and had found that 70% of the respondents to the survey believed that the repayment feature created the biggest obstacle in consumer's perceptions of the tax credit.

It is impossible to know how many first-time buyers will actually receive a benefit from the tax credit until 2008 individual tax returns are filed this spring. A recent survey of our members' sales experiences over the past several months suggest that, to date, consumers have had reservations about the credit because they have perceived it as a debt and not as an incentive. Removing the repayment feature cancels out those concerns.

Many opportunities have been lost because of consumers' resistance to the repayment feature. Now, however, they have an opportunity to learn about the credit and take advantage of this powerful incentive. Unless the effective date is extended, however, many will not have enough time to act. If the economic stimulus is enacted in February, only three or four months will remain for the credit to have a broader impact. Thus, your efforts to extend the effective date are particularly valuable.

We appreciate the quick responses of Jesse Uman of your staff. We look forward to working with you to extend the tax credit's effective date and again thank you for introducing H.R. 525.

Sincerely,

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