



**NATIONAL  
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Dear Representative:

The one million members of the National Association of REALTORS® strongly urge you to oppose H.R. 2767, the “Protecting American Taxpayers and Homeowners Act” (PATH Act). The housing sector has a dramatic impact on our nation’s economy. Public policy reforms should promote responsible, sustainable home ownership and should not endanger the future of this critical economic sector. Unfortunately, NAR strongly believes the PATH Act will jeopardize the ability of American families to purchase a home, as well as the future of the housing industry itself.

Our opposition falls primarily into two areas: 1) the PATH Act eliminates the federal guarantee for the secondary mortgage market, which ensures the availability of the 30-year fixed rate mortgage; and 2) the PATH act dramatically restructures FHA and reduces the number of qualified borrowers who can access this safe affordable mortgage product.

NAR supports winding down Freddie Mac and Fannie Mae, and the creation of a new entity to support the secondary mortgage market. Although the PATH Act includes language supporting a 30-year fixed rate mortgage, without a government guarantee it will not be offered except to borrowers with a high downpayment and a very high credit score. Furthermore, for the past several years lending has been constrained because of private lenders pulling back from mortgage markets. Without the federal government clearly, and explicitly, offering a guarantee of some mortgage instruments, affordable mortgage financing will not be consistently available in all market conditions.

We believe FHA has been making significant changes to address the problems that it has experienced and does not need to be restructured in the manner proposed by the Act. Instead, FHA needs the authority to undertake reforms it knows are needed to strengthen its financial footing. FHA’s single-family mortgage insurance programs help preserve private financing options for all credit-worthy homebuyers regardless of local, regional or national economic conditions. The PATH Act would limit FHA to first-time buyers and those with incomes less than 115% of median income. Targeting FHA completely changes the long-standing mission of FHA and will make many borrowers ineligible for FHA financing, regardless of their creditworthiness or the availability of alternative financing.

Housing finance reform should be a priority for this Congress, but it must be done in a responsible manner that can garner widespread support. The National Association of REALTORS® urges you to oppose the PATH Act and not cosponsor this destabilizing legislation.

Sincerely,

Gary Thomas  
2013 President, National Association of REALTORS®



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cc: United States House of Representatives