



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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January 26, 2009

United States Senate
Committee on Finance
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator:

More than 1.2 million members of the NATIONAL ASSOCIATION OF REALTORS®, salute Chairman Baucus for including a provision in the Chairman's mark for the economic stimulus package that would eliminate the repayment feature of the \$7500 first-time homebuyer tax credit.

Eliminating the repayment requirement will make the credit far more attractive to potential purchasers. Two additional changes would make the credit even more effective as a catalyst for prospective purchasers and as an economic stimulus. 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 and to expand the eligibility to all homebuyers.

We understand that Senator Conrad and others will propose amendments to the homebuyer tax credit that would extend the period during which the credit will be available and that would make it available for all purchasers. *We urge you to support those amendments.*

The spring, summer and early fall months are historically the most active season for home purchases. Allowing the credit to expire June 30 undermines the credit's potential, as modified in the Chairman's mark, to help stabilize housing. Strengthening the housing market is by far the most effective tool for restoring consumer confidence, shoring up communities and moving the economy forward. If the stimulus package is signed into law in February, as anticipated, then only 4 months will remain for the incentive to reinvigorate the market. Extending the credit beyond June thus seems essential.

Finally, we remain hopeful that the Committee will expand the credit's utility to a larger universe of participants. An incentive available to *all* purchasers is likely to generate additional transactions that could help stabilize market prices in many areas. In addition, any home purchase generates economic growth and a multiplier effect as purchasers update and personalize their newly-acquired homes.

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

Sincerely,

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