



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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January 30, 2009

United States Senate
Washington, DC 20510

Dear Senator:

On behalf of the 1.2 million members of the National Association of REALTORS®, we urge you to include a number of much-needed, important housing provisions in the Economic Stimulus legislation you will consider next week. Stabilizing our housing markets is a necessary first step for economy recovery. We believe these provisions will strengthen housing markets and get our economy on the right track.

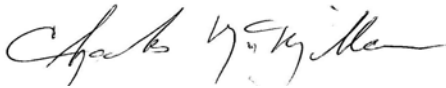
Our members were very disappointed that, unlike the House, the Senate stimulus drafts do not include provisions to restore the FHA and GSE loan limits to their 2008 levels. NAR strongly urges you to restore the limits to their 2008 levels and make these changes permanent. On January 1st, 2009 the loan limits for FHA, Freddie Mac and Fannie Mae fell dramatically in many communities – not just in high cost areas. Included in this letter is a list of impacted communities in your state. In today's economy, lowering the loan limits further restricts liquidity and makes mortgages more expensive for households nationwide. Without affordable financing, families are unable to purchase or refinance homes, which will continue to prolong our housing crisis. We would also note that consumers in higher cost areas face mortgage rates as much as one point above the current conforming rates, an even larger hurdle. We encourage you to make the 2008 FHA and GSE loan limits permanent to secure affordable, safe financing for American families and help correct the underlying cause of today's economic turmoil.

NAR is very pleased that both the House and Senate bills eliminate the repayment feature of the first-time homebuyer tax credit. For the credit to have maximum benefit, however, it needs to remain in effect beyond June 30, 2009. Allowing the credit to expire just a few months after the law is signed undermines its potential as an incentive. We urge you to extend the credit through December 31. As currently structured, the tax credit is only available for first-time homebuyers. Extending the tax credit to all purchasers will have significant stimulative impact throughout the economy and will help generate market activity that can boost consumer confidence in the housing market itself. Restoring the foundations of the housing market can shore up communities and generate economic activity.

We have been pleased to hear support on the Hill for an interest rate buy-down program. The severity of the 2008 – 2009 economic crisis has caused financial services firms to further restrict capital. A direct result of this downward spiral has been excessively high mortgage interest rates that have moved beyond the normal 160 to 180 basis point spread over the 10-year Treasury note rate. In an effort to stimulate consumer spending, particularly in the housing sector, NAR supports a mortgage interest rate buy-down initiative to significantly lower mortgage interest rates and stimulate home purchase activity.

The nation's recovery depends on stabilizing the real estate market. The National Association of REALTORS® believes these provisions are critical to that recovery. Please include these provisions in the Economic Stimulus legislation you will soon consider and support the bill's enactment.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles McMillan".

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