



NATIONAL ASSOCIATION OF REALTORS®

*The Voice For Real Estate®*

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February 10, 2009

The Honorable Max Baucus  
511 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Baucus:

More than 1.2 million members of the NATIONAL ASSOCIATION OF REALTORS are pleased that both the House and Senate versions of the economic stimulus legislation include important housing tax incentives, especially revisions to the current \$7500 first-time homebuyer tax credit. The House and Senate approach the credit revisions from very different perspectives. Accordingly, we urge that the final product include a robust homebuyer tax credit as follows:

- *NAR supports the \$15,000 credit amount in the Senate bill.* To make the credit as useful as possible to the largest number of purchasers, the amount should be increased from its current level of \$7500.
- *The repayment feature of current law must be eliminated for all transactions.* This provision is included in the House version, but applicable only to 2009 purchases. Eliminating the repayment for all eligible 2008 and 2009 purchases is fairer than eliminating it for only 2009 purchases. In addition, eliminating the repayment for all eligible purchases will simplify tax administration and enhance taxpayer compliance.
- *The credit must be available to all purchasers, not just first-time buyers.* Making the credit available to all will generate significant additional economic activity as homeowners make purchases that inevitably follow the acquisition of a home. These would include appliances, renovations and landscaping. This added economic activity would sustain and create jobs.
- *Recapture:* NAR prefers the two-year recapture provision in the Senate bill over the three-year provision in the House bill.
- *The credit must be available at least through year-end.* The credit is currently scheduled to expire on June 30, 2009. Even assuming the stimulus is signed by mid-February, only a little more than 4 months of eligibility would remain. This simply is not an adequate amount of time for a broad audience of potential purchasers to learn about the credit and then acquire a home. To be a true incentive, the credit must remain in place for the entire year.

The Nation's economy cannot recover until housing markets recover. We therefore urge you to adopt these changes so that a mechanism will be in place that can generate sufficient market activity to stabilize housing prices across the Nation.

Sincerely,

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