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Tuesday, April 29, 2014

The Honorable Tim Johnson
Chairman
Committee on Banking, Housing, & Urban
Affairs
United States Senate
Washington, DC 20510

The Honorable Mike Crapo
Ranking Member
Committee on Banking, Housing, & Urban
Affairs
United States Senate
Washington, DC 20510

Dear Chairman Johnson and Ranking Member Crapo:

On behalf of the one million members of the National Association of REALTORS®, thank you for scheduling today's markup of the Housing Finance Reform and Taxpayer Protection Act of 2014.

We firmly believe that the status of the secondary mortgage market needs to be resolved in order to ensure that affordable mortgages are available to consumers and provide certainty in the functioning of our nation's mortgage finance system. We commend the Chairman and Ranking Member for their efforts to further the process of resolving the conservatorship of Fannie Mae and Freddie Mac.

NAR believes the Johnson-Crapo legislation contains many positive aspects such as an explicit government guarantee, which should ensure the availability of long term, fixed-rate mortgage products like the 30 year fixed-rate mortgage. The legislation also continues HERA conforming loan limits, and provides a lower down payment for first-time homebuyers. We understand the Committee is also working to address issues such as vertical integration, affordable housing and FMIC's regulatory authority.

This is a significant step forward in the housing finance reform discussion. However, NAR is concerned with the potential impact of this legislation on overall mortgage costs for consumers. Thus far, there is inconclusive evidence demonstrating the impact on mortgage prices for creditworthy borrowers at all levels. Therefore, we believe this issue needs further examination to accurately understand the effect this legislation may have on the U.S. housing market. We will continue to evaluate and work with you on this issue.

We commend the Senate Banking Committee for taking on the important and complex task of revamping the secondary mortgage finance system. The debate on housing finance reform must continue to advance. We look forward to participating in this important discussion.

Sincerely,



Steve Brown
2014 President, National Association of REALTORS®

cc: Members of the Committee on Banking, Housing, & Urban Affairs