



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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May 1, 2006

The Honorable Gary Miller
U.S. House of Representatives
1037 Longworth House Office Building
Washington, DC 20515

Dear Representative Miller:

On behalf of the more than one million members of the NATIONAL ASSOCIATION OF REALTORS®, I am writing to thank you for introducing H.R. 5121, the "Expanding Homeownership Act of 2006". This legislation will help facilitate the dream of homeownership for many deserving families.

FHA's (Federal Housing Administration) single-family mortgage insurance program is a valuable government program that has proved highly beneficial in helping low-, moderate-, and middle-income people achieve the dream of homeownership. H.R. 5121 will empower the FHA program with tools that help close the minority homeownership gap. H.R.5121 also provides homebuyers alternatives to risky loan products that are currently being promoted in the mortgage marketplace to satisfy the homeownership needs of underserved borrowers.

The National Association of REALTORS® applauds your leadership in fashioning this legislation. While FHA is a financially sound, national mortgage insurance program that plays a major role in making available homeownership opportunities in all markets at all times, it currently is not a useful product in high cost areas of the country because its maximum mortgage limits are restrictive. We support the provisions under H.R. 5121 that increase FHA's high-cost loan limits from \$362,790 to the 2006 conforming loan limit of \$417,000 and the FHA base limit from \$200,160 to \$271,050. Increasing the FHA loan limits will stimulate homebuying opportunities in all segments of the country and provide an important benefit to thousands of average income families seeking to purchase modest homes.

We also support provisions under the bill that eliminate the statutory 3-percent minimum downpayment provide FHA flexibility to offer varying downpayment terms to different borrowers, and increase the term of the loan up to 40 years.

We believe this is good, sound legislation that helps revitalize the FHA single-family mortgage insurance program and provides homeownership opportunities to thousands of underserved families nationwide. The NATIONAL ASSOCIATION OF REALTORS® thanks you for your support on this important issue, and stands ready to work with you on passage of the "Expanding Homeownership Act of 2006."

Sincerely,

Thomas M. Stevens, CRB, CRS, GRI
2006 President, National Association of REALTORS®