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June 24, 2016

U.S. Senate
Washington, DC 20510

Dear Senator:

The more than one million members of the National Association of REALTORS® urge you to cosponsor S. 3083, the “Housing Opportunity Through Modernization Act” (HOTMA), sponsored by Senators Menendez (D-NJ), Scott (R-SC), Blunt (R-MO) and Coons (D-DE). Companion legislation (H.R. 3700) passed the House in February by a vote of 427-0. This bi-partisan bill makes a number of reforms to federal housing programs that will streamline processes and create efficiencies for government and consumers.

HOTMA reforms the Federal Housing Administration’s (FHA) single family mortgage insurance program and eliminates the current unequal treatment of buyers and sellers of condominiums vis-à-vis those purchasing single family homes. Condos are often the most affordable choice for first-time homebuyers, urban dwellers, and older Americans. Yet FHA places significant burdens on these borrowers, even though FHA’s condominium portfolio has performed stronger than traditional single family homes. The bill’s provisions will ease unnecessary restrictions, opening affordable home ownership opportunities for many American families.

This legislation also makes commonsense reforms to the U.S. Department of Housing and Urban Development’s (HUD) rental assistance programs. S. 3083/H.R.3700 would ease administrative burdens for housing agencies and owners, while delivering fairer and more efficient assistance to low-income families. The reforms also provide incentives for self-sufficiency.

HOTMA also permanently authorizes the Rural Housing Service (RHS) use of direct endorsement lenders to approve RHS loans. FHA and VA home loan programs already utilize this approach, which uses approved private lenders to underwrite and approve loans, reduces the burden on the agencies, and speeds up the mortgage approval process for applicants.

NAR urges you to cosponsor S. 3083/H.R. 3700 and bring this legislation to the floor expeditiously. This widely-supported, bipartisan legislation will expand housing opportunities while protecting taxpayers.

Sincerely,



Tom Salomone
2016 President, National Association of REALTORS®

