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June 20, 2019

The Honorable Gregory Meeks  
2310 Rayburn House Office Building  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Meeks:

On behalf of the 1.3 million members of the National Association of REALTORS®, I am writing to applaud your efforts to develop and introduce the American Dream Down Payment Act, which would establish Principal Residence Savings Accounts. We believe that, if enacted, these accounts could provide a significant vehicle to assist those who would like to join the ranks of homeowners but who have been unable to save enough for the all-important down payment.

The Great Recession created huge problems for America's residential real estate market and a great deal of financial difficulty for millions of homeowners. While this situation has greatly improved over the past several years, one of the more heartbreaking remnants of the crisis is the fact that many would-be homebuyers still find it very difficult or impossible to access the cash necessary for a down payment on a home. This has been a contributing reason as to why our Nation's homeownership rate has not rebounded to pre-recession/housing crisis levels. It is also a factor in explaining why the percentage of first-time homebuyers remains low compared with long-term averages, at just 39 percent of all buyers in the fourth quarter of last year.

Modeled on the very popular education savings account concept, your proposal would allow savers to make deposits to a Principal Residence Savings Account. Balances in such accounts would be allowed to grow tax-free. Once the amount needed for the home purchase is reached, withdrawals from such accounts could be made without tax consequence so long as the proceeds are used to purchase a home that the saver intends to use as a principal residence.

The home affordability issue is a multi-faceted problem that will require many different solutions. We appreciate your initiative in putting forth a reasonable proposal that should attract support from your colleagues as well as the targeted population of those who need the kind of assistance this legislation offers.

Again, thank you for your leadership on this important issue. We look forward to working with you and your colleagues on other answers to the thorny problem of saving for a down payment on a first home.

Sincerely,

John Smaby  
2019 President, National Association of REALTORS®



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