

John Smaby  
2019 President

Bob Goldberg  
Chief Executive Officer

**ADVOCACY GROUP**  
William E. Malkasian  
Chief Advocacy Officer/Senior Vice President

Shannon McGahn  
Senior Vice President Government Affairs

500 New Jersey Avenue, NW  
Washington, DC 20001-2020  
Phone 202-383-1194  
WWW.NAR.REALTOR

October 29, 2019

The Honorable Richard Shelby  
Chairman  
Senate Committee on Appropriations  
304 Russell Senate Office Building  
Washington, DC 20510

The Honorable Nita M. Lowey  
Chairwoman  
House Committee on Appropriations  
2365 Rayburn House Office Building  
Washington, DC 20515

The Honorable Patrick Leahy  
Ranking Member  
Senate Committee on Appropriations  
437 Russell Senate Office Building  
Washington, DC 20510

The Honorable Kay Granger  
Ranking Member  
House Committee on Appropriations  
1026 Longworth House Office Building  
Washington, DC 20515

Dear Chairs Shelby and Leahy and Ranking Members Lowey and Granger:

As you contemplate the ongoing appropriations bills for funding our government, we urge you to include language to improve risk management and efficiency in the Federal Housing Administration. The National Association of REALTORS® urges your support for a provision to fund technology updates for FHA systems.

FHA plays a critical role in homeownership for first-time homebuyers, minorities, and others underserved by the conventional and private markets. FHA is a vital part of rental housing, providing mortgage insurance for millions of multifamily units nationwide. Today, FHA provides over \$1.3 trillion in mortgage insurance on mortgages for single-family homes, multi-family properties, and healthcare facilities. And it does so using antiquated technology.

FHA's aging IT systems add costs to consumers by increasing business operating costs of originators and loan servicers, and add risk to the taxpayer by impeding timely and effective risk management. Brian Montgomery, HUD's Assistant Secretary for Housing/ Federal Housing Commissioner has said that updating FHA's technology, "will help reduce the financial risk to taxpayers and ensure that FHA can operate on a stable platform for years to come."<sup>1</sup>

The legislation currently includes \$20 million for funding. We urge you to include at least that amount for these valuable upgrades in the FY20 Transportation, Housing and Urban Development, and Related Agencies Appropriations Act; or any legislation that includes this bill. Thank you for your consideration.

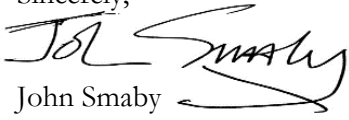


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<sup>1</sup> Testimony of Brian D. Montgomery, Nominee, HUD Assistant Secretary for Housing-Federal Housing Commissioner, Senate Committee on Banking, Housing, and Urban Affairs, Thursday, October 26, 2017, [https://www.banking.senate.gov/public/?a=Files.Serve&File\\_id=F3169219-FF5B-45D0-9FD2-9D6A80C74502](https://www.banking.senate.gov/public/?a=Files.Serve&File_id=F3169219-FF5B-45D0-9FD2-9D6A80C74502).

Sincerely,

A handwritten signature in black ink that reads "John Smaby". The signature is fluid and cursive, with the first name "John" and last name "Smaby" clearly legible.

John Smaby

2019 President, National Association of REALTORS®

cc: The Honorable Susan Collins, Chair  
The Honorable Jack Reed, Ranking Member  
Senate Transportation, Housing and Urban Development, and Related Agencies Subcommittee

The Honorable David E. Price, Chairman  
The Honorable Mario Diaz-Balart, Ranking Member  
House Transportation, and Housing and Urban Development, and Related Agencies Subcommittee