



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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June 1, 2009

United States House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of America's homeowners and the 1.2 million member of the National Association of REALTORS®, we urge you to cosponsor HR. 2483, the "Increasing Homeownership Opportunities Act", introduced by Representatives Sherman (D-CA) and Miller (R-CA).

Mortgage liquidity remains a problem for credit-worthy homebuyers as our economy recovers. Thankfully, Freddie Mac and Fannie Mae (the GSEs) and FHA are providing affordable, safe mortgages for homebuyers wishing to purchase in communities nationwide as lending continues to be restricted in the banking sector. However, this availability is threatened by the expiration of the current loan limits on December 31, 2009 and could have dire consequences for the future homebuying needs of American families if not addressed appropriately.

Today's loan limits are set at 125% of local area median home price, capped at \$729,750. The floor for the GSEs is \$417,000 and for FHA is \$271,050. These limits were first increased under the Economic Stimulus Act, enacted in February of 2008. Those limits expired on December 31, 2008, sending loan limits nationwide crashing down for 612 counties in 40 states and the District of Columbia. The average decline in loan limits was \$51,000. This February, the Congress reinstated the 2008 limits. However the limits are temporary and are contributing to uncertainty among homebuyers as to whether now is an appropriate time to purchase a home. Further exacerbating the housing recovery has been the time needed to implement and reprogram the GSE mortgage systems to process the changing loan limits. The temporary nature of the loan limits has created havoc, causing delays that have restricted financing options for working families who were ready to purchase a home, further delaying our housing recovery.

In today's markets of tight underwriting and limited financing, the FHA and GSE loan limits are critical to providing American families safe, affordable access to credit. We must not let these limits expire. Lowering the loan limits will further restrict liquidity and make mortgages more expensive for households nationwide. Without the additional liquidity created by increases in these loan limits, families will have to pay more to purchase homes or refinance problematic loans into safer, more affordable mortgages.

H.R. 2483 will make the loan limits permanent for FHA and the GSEs. We urge you to cosponsor this important legislation which will aid in our housing recovery, and provide safe, affordable options for American families.

Sincerely,

Charles McMillan, CIPS, GRI
2009 President, National Association of REALTORS®