



NATIONAL ASSOCIATION OF REALTORS®

*The Voice For Real Estate®*

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September 14, 2007

U.S. House of Representatives  
Washington, DC 20515

Dear Representative:

On behalf of the 1.3 million members of the National Association of REALTORS, I urge you to support H.R.1852, the "Expanding American Homeownership Act of 2007", when the bill is considered by the full House. This is an important measure that will allow FHA to function in the 21st century. Equally important and worthy of your strongest support is an amendment to be offered by Representatives Barney Frank (D-MA), Gary Miller (R-CA) and Dennis Cardoza (D-CA) that is vital to improving the stability of mortgage markets, a critical component of our national economy.

The Frank/Miller/Cardoza amendment would increase the Federal Housing Administration (FHA) loan limits beyond the language originally included in H.R. 1852. Such an increase is now needed in light of the significant housing and mortgage market turmoil that has severely limited the ability of families to refinance a problematic existing loan or, alternatively, purchase a home in a high cost market with a safe and affordable mortgage.

As you well know, many American homeowners now have mortgages with payments that will soon increase dramatically, putting them at risk of foreclosure. Raising the FHA loan limits will provide many of these homeowners living in the nation's high housing cost markets with a safe FHA loan alternative. In addition, with the even more recent tightening of the jumbo market, many homebuyers may not be able to find a safe, affordable financing option without an increase in the FHA loan limits.

Although the underlying bill would increase the loan limits, we strongly believe that the Frank/Miller/Cardoza amendment is needed to affect real change. H.R. 1852 creates a new loan ceiling of \$417,000. Many markets are significantly higher than this limit. Median home prices of communities in New York, New Jersey, Connecticut, California, Massachusetts, and Pennsylvania are already far above this limit. The Frank/Miller/Cardoza amendment creates geographic fairness by raising the loan limit to 125% of the area median home price. Under the amendment working families in Newark, NJ can buy a home for \$512,000, and families in Los Angeles, CA can buy homes for \$650,000 – both median price homes for their area.

FHA reform is needed now, more than ever. Please vote for H.R. 1852 and the Frank/Miller/Cardoza amendment when these measures come to the Floor.

Thank you,

Pat V. Combs, ABR, CRS, GRI, PMN  
2007 President, National Association of REALTORS®