

July 27, 2009

The Honorable John Adler
US House of Representatives
1223 Longworth House Office Building
Washington, DC 20515

The Honorable Christopher Lee
US House of Representatives
1711 Longworth House Office Building
Washington, DC 20515

Dear Representatives:

The undersigned organizations, representing the real estate industry, offer our strong support for H.R. 3146, the “21st Century FHA Housing Act of 2009.” This bill will modernize the Federal Housing Administration (FHA), and allow it to insure safe and affordable mortgage products for millions of Americans, and provide stability to the mortgage markets – in both the single-family and multifamily arenas.

FHA’s market share has grown dramatically in the last two years, but FHA’s infrastructure has not kept up. Staffing levels are down and its computer systems are nearly obsolete. To better serve American consumers and protect taxpayer interest, immediate changes need to be made. FHA must hire additional professional staff to help process both consumer and lender applications and conduct additional risk management. Additional resources must be provided to upgrade computer systems and improve the use of technology. These changes will help FHA effectively provide mortgage insurance for those wishing to purchase a home, and for developers who want to provide affordable rental housing.

Because a reasonably priced, dependable supply of warehouse credit lines is critical to the continued availability of many mortgage loans, H.R. 3146 stresses the importance of liquidity for FHA mortgage insurance. Lastly, the bill provides a number of legislative tweaks to allow FHA to fully operationalize its mortgage insurance programs.

FHA modernization will make it easier for first-time homebuyers and hard-working families to purchase a home by ensuring FHA continues to have the ability provide safe, affordable mortgages, at no cost to the American taxpayer. In addition, the upgrades will help FHA be more efficient with the processing of loan insurance for multifamily apartment developments. We urge you to act quickly to update FHA’s programs to address the pressing needs of the current mortgage market.

Sincerely,

Mortgage Bankers Association
National Association of Homebuilders
National Association of REALTORS®