

August 3, 2020

Vince Malta
2020 President

Bob Goldberg
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William E. Malkasian
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Shannon McGahn
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The Honorable Doug Jones
United States Senate
330 Hart Senate Office Building
Washington, DC 20510

The Honorable Cory Gardner
United States Senate
354 Russell Senate Office Building
Washington, D.C. 20510

Dear Senators Jones and Gardner:

On behalf of the 1.4 million members of the National Association of REALTORS® (NAR), I am writing to express gratitude for your efforts to develop and introduce the American Dream Down Payment Act, which would establish Qualified Down Payment Savings Programs. NAR believes 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 needed down payment.

The current coronavirus pandemic is wreaking havoc with the economy and the finances of untold millions of American households. Still, one of the few bright spots of good news these days is the resilience of our residential real estate market. Even so, it is heartbreaking that a great many would-be homebuyers find it very difficult or impossible to save or otherwise amass the cash necessary for a down payment on a home. This is especially frustrating now that record low interest rates are making it easier to afford the monthly mortgage payments. In too many cases, the missing element is an adequate down payment. Thankfully, this is what your legislation is targeting.

Modeled on the very popular education savings account concept, your proposal would allow savers to make deposits to a Qualified Down Payment Savings Program. Moreover, family members and friends can contribute to the project, much as they are allowed to do with a 529 plan. 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 growing population of those who need the down payment assistance that should help open the door to that all-important first home purchase.

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

Sincerely,



Vince Malta
2020 President, National Association of REALTORS®

