



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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September 21, 2009

The Honorable Charles Rangel, Chairman
House Committee on Ways and Means
2354 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Rangel:

The 1.2 million members of the NATIONAL ASSOCIATION OF REALTORS® (NAR) are pleased to support your bill H.R. 3590, the Service members Home Ownership Tax Act. Your bill recognizes the unique homeownership patterns of military and other sensitive personnel who have been stationed outside the US or who will be required to move to posts in other countries.

NAR fully supported the Defense Department Homeowner's Assistance Program (HAP) in the Recovery legislation and has urged its full implementation. We are pleased that your bill provides tax-exemption to HAP payments made to wounded soldiers, their spouses and to those who relocate before September 30, 2012.

The recapture provisions in the first-time homebuyer tax credit are based on a general policy to create a deterrent for those who may purchase a home solely for the purpose of claiming the credit. Citizens such as military families, Foreign Service and intelligence community workers would not fall in this category. Rather, they need the added flexibility your bill provides. We support the waiver of recapture for them.

Finally, we are most pleased about your one-year extension of the benefits of the homebuyer credit to those who have served outside the US for at least 90 days during 2009. This provision will make homeownership available to individuals and families who are in greatest need of having a place of their own to call home.

An important addition to the provisions in HR 3590 would be an extension of the current law \$8000 tax credit for first-time homebuyers. NAR believes that the current law \$8000 credit must be extended to eligible families through December 2010. According to the IRS, 1.4 million individuals will receive the benefit of the credit. NAR believes that roughly 355,000 (or 25%) of those sales would have not have occurred during 2009 without the incentive of the tax credit. The housing market is stabilizing and improving, but NAR does not expect the housing crisis to have fully resolved itself by December 1 of this year. Thus, NAR urges the Committee to move forward quickly with a one-year extension of the current credit so that the progress achieved to date can be sustained.

We appreciate your ongoing support for housing. We look forward to passage of H.R. 3590 and also to an extension of current law for the first-time homebuyer tax credit.

Sincerely,

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

CC: Members, House Committee on Ways and Means

