



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

500 New Jersey Avenue, N.W.

Washington, DC 20001-2020

Charles McMillan
CIPS, GRI
President

Dale A. Stinton
CAE, CPA, CMA, RCE
Chief Executive Officer

GOVERNMENT AFFAIRS DIVISION
Jerry Giovaniello, Senior Vice President
Gary Weaver, Vice President
Joe Ventrone, Vice President
Jamie Gregory, Deputy Chief Lobbyist

The Honorable Harry Reid
Majority Leader, United States Senate
522 Hart Senate Office Building
Washington, DC 20510

Dear Senator Reid:

The 1.2 million members of the NATIONAL ASSOCIATION OF Realtors® (NAR) are very pleased that the Senate will likely consider an extension of the first-time homebuyer tax credit during the week of October 26, 2009. Timely action is essential because in most markets the credit program has already expired, notwithstanding its statutory sunset of November 30.

The current law \$8000 refundable tax credit has worked. Hard numbers support that conclusion. Housing inventory is measured not in units, but in months' supply of available homes. The inventory reflects the number of months it would take to sell all homes that are being offered for sale. A year ago, in November 2008, the inventory of existing homes stood at its 2008 – 2009 peak of a 10.6 month supply.

The refundable \$8000 tax credit was enacted in February of this year. *With one exception, the inventory has declined every month since then.* (In April there was a spike as increased listings reflected the beginning of the important spring selling season.) NAR's most recent monthly housing survey, issued today, shows that in August 2009 the inventory of homes for sale decreased again. It now stands at a 7.8 months' supply.

A "normal" housing inventory, one that reflects a stable market, is a 6 month supply. Thus, we strongly believe that we are within sight of a "normal" market. We can achieve a consistent 6 month supply if the \$8000 tax credit is extended **without phase-outs** through mid-2010.

NAR strongly supports an amendment that Senators Dodd, Lieberman and Isakson will offer to extend the credit through June 2010 at its full \$8000 level. Consumers, particularly first-time buyers, need certainty about the amount of the credit so that they can plan their transaction without any worry that a timing problem would penalize them.

We urge you to support our goal of restoring a "normal" housing market by supporting an extension of the \$8000 tax credit through midyear 2010.

Sincerely,

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

CC: Members, United States Senate

