



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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November 5, 2009

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

The NATIONAL ASSOCIATION OF REALTORS® (NAR) strongly supports H.R. 3548, the Unemployment Compensation Extension Act. This important legislation includes a provision that extends and expands the \$8,000 homebuyer tax credit through April 30, 2010. We urge you to **VOTE YES** and pass the bill on a timely basis.

The current law \$8,000 refundable tax credit has worked. A year ago, in November 2008, the inventory of existing homes offered for sale stood at its 2008 – 2009 peak. The \$8,000 credit was enacted in February 2009. With one exception, the inventory has declined every month since then. (A spike in April reflects increased listings at the beginning of the important spring selling season.) Moreover, prices have stabilized in many areas and even shown modest gains in some markets.

NAR's most recent monthly housing survey shows that in September 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.

The expansion of the homebuyer credit provides a \$6,500 credit for current owners (the so-called "move-up" market). This new incentive, along with revised income limits, is an essential feature of this legislation. Together, they expand the universe of potential purchasers. While the current first-time homebuyer credit generated substantial activity in the entry- level category of homes, inventories of "move-up" homes have remained high. Expanding the credit to purchasers who have a proven track record of homeownership should even out the current inventory.

NAR urges your strong support for this essential measure.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Charles McMillan'.

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

