

November 21, 2022

The Honorable Susan E. Rice  
Director  
United States Domestic Policy Council  
The White House  
1600 Pennsylvania Ave, NW  
Washington, DC 20500

Dear Director Rice:

On behalf of the more than 1.5 million members of the National Association of REALTORS® (NAR), thank you for hosting the meeting on November 16 of housing industry groups to discuss the current housing availability and affordability challenges in the country. We appreciate the opportunity to engage in discussion on these important issues with policy makers, advocates, and other industry leaders and to collaborate on policy solutions.

First, thank you for your actions to date on housing affordability, including the Federal Housing Finance Agency's (FHFA's) recent elimination of fees on products serving many first-time buyers. There is more that can be done, including policies supporting federal down-payment assistance, special-purpose credit programs (SPCPs), reduction of the mortgage insurance premiums (MIP) on FHA-insured mortgages, and reduction of the guarantee fees charged by Fannie Mae and Freddie Mac. Down-payment assistance programs present an opportunity for the federal, state, and local governments, along with non-profit organizations and employers, to give potential homeowners the boost they need to make the purchase. We advocate that lenders, federal guarantee programs, and the GSEs accept them. The reduction of the FHA's annual MIP increases the purchasing power for many consumers, including first-time buyers, by lowering their monthly costs, expanding options in higher-cost markets. Similarly, encouraging access to SPCPs helps meet the credit needs of underserved borrowers and communities, and expands credit access for economically-disadvantaged homebuyers, neighborhoods, and business owners.

On the issue of housing supply, NAR continues to advocate for investment in new construction, zoning reforms, and tax incentives designed to spur investment in housing and convert unused commercial space to residential housing. Towards that end, NAR supports the *Neighborhood Homes Investment Act*, which would mobilize private investment to build and rehabilitate 500,000 affordable homes over the next decade, and the *Affordable Housing Credit Improvement Act*, which would improve the Low-Income Housing Tax Credit. We also support increasing the FHA's large loan limit to help create additional housing supply, and actions by the Administration to incentivize zoning reform at the state and local level.

Increasing the supply of affordable rental housing is also a top priority for NAR. NAR supports the bipartisan *Choice in Affordable Housing Act*, which makes improvements to the Section 8 Housing Choice Voucher program to attract more housing-provider participation, thereby increasing the number of rental units that accept vouchers. NAR also supports rental-assistance programs at the national, state, and local levels as a way to assist residents and keep them in their homes. In general, NAR supports more housing-choice voucher assistance for Americans who need it. We were also early advocates for the Emergency Rental Assistance Program and have pushed for expanded access to such programs for renters post-COVID, including through the CARES Act State and Local Fiscal Recovery Funds. Thanks to Congress

and this Administration, states have more funding than ever to help their residents find affordable and quality rental housing and have the opportunity to create incentives to increase development and availability.

NAR has read reports of other groups advocating to the White House policies which would ultimately harm residents and the rental housing market by reducing the number of affordable units. Proposals to place rent control or rent stabilization measures on rental properties backed by Fannie Mae and Freddie Mac – which represent a large share of the market - would have a hugely detrimental effect on rental housing in the country, including potentially exacerbating inequities in housing. Such policies, if implemented, will have many unintended consequences, including, but not limited to, driving many housing providers from the market – especially smaller, “mom-and-pop” landlords who own just a few units and are unable to absorb rising costs that increase at a rate higher than they can raise rents. They may be unable to afford basic improvements, or even maintenance on the properties, and eventually be forced to sell – likely to large, corporate landlords with histories of higher rents. Shifting the full burden of cost increases and inflation onto housing providers is harmful for renters and for the economy long-term and does not allow states and localities to make policy decisions that are best for the unique needs and demands of their communities. Further, rent control or rent stabilization measures will lead to a lower property values and tax revenues due to a decline in the return on investment on rental housing. We strongly urge you to seek other solutions to the economic challenges being faced by both residents and their housing providers.

Again, thank you for the opportunity to discuss these critical housing issues. We appreciate the hard work this Administration is doing to resolve the housing-supply and affordability crisis. We look forward to our continued work together to address the housing-supply shortage contributing to the current affordability crisis, and we offer our continued support for short-term assistance necessary to help homebuyers and renters afford housing.

Sincerely,



Kenny Parcell  
2023 President, National Association of REALTORS®