



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

500 New Jersey Avenue, N.W.
Washington, DC 20001-2020
202.383.1194 Fax 202.383.7580
www.realtors.org/governmentaffairs

Richard F. Gaylord
CIPS, CRB, CRS, GRI
President

Dale A. Stinton
CAE, CPA, CMA, RCE
EVP/CEO

GOVERNMENT AFFAIRS
Jerry Giovaniello, Senior Vice President
Walter J. Witek, Jr., Vice President
Gary Weaver, Vice President

January 28, 2008

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the 1.3 million members of the National Association of REALTORS®, we strongly support the inclusion of housing provisions in the economic stimulus package that will create safe and affordable mortgage options for American homeowners and provide much needed stability for local economies.

Specifically, NAR supports increasing the Fannie Mae and Freddie Mac (GSE) loan limits to infuse much-needed liquidity to an important segment of the mortgage market now under stress. Raising the GSEs' conforming loan limit will provide immediate relief to borrowers and alleviate any downward pressure on already fragile housing markets and the broader economy.

Additionally, NAR supports a provision to increase the FHA loan limits. Current law restricts FHA loans to levels that are well below the median home price in many areas of the country and caps even high cost states to \$363,790. Higher loan limits are of particular importance at this point in time, in order to meet credit needs arising from mortgage market dislocations and problems associated with softening housing markets.

We are extremely disappointed that broader language to modernize the FHA single-family mortgage insurance program was eliminated from the stimulus package. This language, which passed the House and Senate, includes a reduction of the downpayment requirement, reform to the manufactured housing mortgage program, and streamlining of the condominium loan requirements. These reforms would greatly improve FHA as a viable mortgage purchase and refinancing instrument for today's troubled homeowners and homebuyers. We urge you to reconsider their inclusion in the economic stimulus.

NAR's near-term forecast for the housing market continues to point toward weak conditions and sizeable pent-up housing demand. While FHA reform and increasing the conforming loan limits will not solve the full range of housing challenges ahead, together both proposals will help stabilize an important segment of the economy and play an important role in a stimulus bill aimed at preventing a recession. Please consider both of these proposals to help address our current mortgage crisis.

Thank you,

Richard F. Gaylord, CIPS, CRB, CRS, GRI
2008 President, National Association of REALTORS®