



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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March 13, 2008

The Honorable Steve Buyer
U.S. House of Representatives
2230 Rayburn House Office Building
Washington, DC 20515

The Honorable Shelley Moore Capito
U.S. House of Representatives
1431 Longworth House Office Building
Washington, DC 20515

Dear Representatives Buyer and Capito:

The 1.3 million members of the National Association of REALTORS® thank you for introducing bills to amend the Economic Stimulus Act of 2008 and increase the loan limits for the VA home loan guarantee program. The omission of a VA loan limit increase in the earlier economic stimulus measure was an unfortunate oversight and one that we hope will be corrected immediately.

The VA home loan guarantee program is an entitlement program designed to provide veterans unable to qualify for a conventional loan with access to mortgage loans with favorable terms. A recent study showed that 82% of first-time VA homebuyers, and 78% of repeat VA borrowers, could not qualify for a conventional loan. In addition, 61% of VA first-time borrowers could not meet either the downpayment and/or maximum debt-to-income ratios required to obtain an FHA loan. The VA program, therefore, offers a unique and important benefit that allows our military families achieve the dream of homeownership.

Keeping VA loan limits at their historic levels in communities where FHA and conventional limits will exceed \$417,000 is unfair to the military personnel and veterans who live in these communities. They and their families should be afforded the same homeownership and refinancing opportunities provided to other consumers. NAR's members believe the VA program is a vital homeownership tool that provides veterans with a centralized, affordable, and accessible method of purchasing and refinancing homes as a benefit for their service to our nation.

Thank you for your attention to this important matter. We look forward to working with you to secure quick passage of this important legislation.

Sincerely,

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

Cc: The Honorable Barney Frank
The Honorable Spencer Bachus
The Honorable Bob Filner