



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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April 3, 2008

The Honorable Vito Fossella
2453 Rayburn House Office Building
Washington, DC 20515

Dear Representative Fossella:

The NATIONAL ASSOCIATION OF REALTORS® salutes your leadership in stepping forward with your bill H.R. 5670 to create a tax credit for individuals who purchase a home to use as their principal residence. Your timely response to the very difficult market and inventory conditions in the residential real estate market can play an important role in drawing purchasers back into the market.

Your proposal for a \$10,000 credit is a meaningful incentive. It also creates a favorable environment for a broad variety of likely purchasers to buy the home they choose. The credit would be available to all purchasers, irrespective of their income. But for the most expensive properties, all properties are eligible for the credit. Thus, the proposal does not create an artificial premium for one property over any other property. These are excellent features. In addition, we share your belief that any credit should be limited to principal residences only.

Our members all over the country have shared stories about their experiences showing homes to prospective buyers, only to have the potential purchaser back away because they have no confidence that the market has stabilized in their community. Potential buyers remain on the sidelines. If they remain on the sidelines, values will not stabilize, inventories will continue to increase and we will not resolve the housing problems.

REALTORS® firmly believe that a temporary tax credit can bring purchasers to market to buy homes – not just look at them. Bringing buyers – not just lookers -- back into the marketplace can contribute to improved perceptions about the long-term value of real estate ownership. Making the credit available for only one year can act as a true stimulus, while providing adequate time for prospective purchasers to find homes and arrange financing.

NAR's goal is to restore confidence in the residential real estate market and to show prospective homeowners that buying a home now is a sound, prudent investment. We know that you share this goal and look forward to working with you to secure enactment of a sound tax credit proposal. We are pleased to offer any assistance we can in moving a tax credit toward enactment.

Sincerely,

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