



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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April 30, 2008

The Honorable Barney Frank
Committee on Financial Services
2252 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Frank:

The 1.2 million members of the National Association of REALTORS® urge support for H.R. 5830, the “FHA Housing and Homeowner Retention Act.” According to recent testimony by the FDIC, more than 1.7 million loans will reset in 2008 and 2009.¹ Without immediate help, many of these families will face foreclosure.

Mortgage restructuring can help many homeowners keep their home with a loan they can afford. H.R. 5830 is a voluntary program that will allow homebuyers to refinance their mortgage with an FHA loan at a rate and principal amount they can afford to repay. We are pleased to see the bill includes underwriting guidelines to ensure that borrowers repay the mortgage and additional monies for counseling to help educate borrowers so that they are able to retain their homes long-term. While the FHA program is the most appropriate vehicle for the refinanced mortgages, we appreciate the bill’s significant safeguards to make sure FHA isn’t overburdened by risk.

We also urge you and your colleagues in the Senate to continue work towards enactment of FHA Reform. While the Economic Stimulus bill increased the FHA loan limits for one year, limits will be radically reduced to \$362,790 in eight short months without permanent reform. Higher limits appropriate for every area of the country are needed to continue much-needed refinancing options for our nation’s homeowners, and liquidity for mortgage markets. In addition, reforms to lower the downpayment requirement and ease FHA financing for condominium purchases are necessary to create safe and affordable mortgage options for homebuyers.

The National Association of REALTORS® urges you to support H.R. 5830, to stem the housing crisis. Congress must act to help our nation’s homeowners, communities, and local economies recover. Realtors® stand ready to work with you on solutions.

Sincerely,

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

¹ Testimony of Sheila Bair, Federal Deposit Insurance Corporation, before the House Financial Services Committee, April 9, 2008.

