



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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May 2, 2008

The Honorable Christopher Dodd
Committee on Banking, Housing & Urban Affairs
448 Russell Senate Office Building
Washington, DC 20510

The Honorable Richard Shelby
Committee on Banking, Housing & Urban Affairs
110 Hart Senate Office Building
Washington, DC 20510

Dear Chairman Dodd and Ranking Member Shelby:

As you continue working on a GSE Reform bill, the 1.2 million members of the National Association of REALTORS® urge your consideration of four provisions. These measures would strengthen the regulation of our nation's government-sponsored enterprises (GSEs) and protect the vibrancy, liquidity and evolution of the housing finance system.

NAR strongly supports GSE regulatory reform legislation that would (a) establish a single, independent safety and soundness regulator for the housing finance GSEs, (b) give the regulator authority to require higher capital to address safety and soundness concerns, but with a "snap back" requirement to return to statutory capital levels after any safety and soundness concerns are addressed, (c) provide for program and product approval by the regulator that is flexible and expeditious, consistent with the need for product and program innovation, and (d) make higher conforming loan limits permanent, which is of particular importance to families in high cost areas.

NAR's longstanding position on GSE reform is that legislation should focus on safety and soundness regulation while preserving Fannie Mae's and Freddie Mac's abilities to accomplish their key housing mission. Our members believe it is important to create an independent regulator with broad powers analogous to those currently given banking regulators while not imposing rigid statutory limitations on the GSE's portfolios, which could stifle the housing finance market and limit funds available for affordable housing.

Fannie Mae, Freddie Mac, and the Federal Home Loan Banks are our partners in the real estate industry and keeping them strong and sound is in everyone's interest.

Sincerely,

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

