



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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June 23, 2008

United States Senate
Washington, DC 20510

Dear Senator:

The 1.2 million members of the National Association of REALTORS® thank the Senate for moving much needed housing legislation. This important bill is critical to calming mortgage markets, strengthening housing markets, and stabilizing our economy.

As the Senate continues to debate the measure, NAR would share four items for your consideration:

1. NAR Supports an Amendment to the Effective Date of the Homebuyer Tax Credit

Senator Johnny Isakson (R-GA), author of the homebuyer tax credit provision, will offer an amendment to make the effective date for the tax credit the date of enactment of the legislation. This will preserve the original intent of the legislation for a one-year credit, and we urge your support of the amendment.

2. NAR Opposes Raising the FHA Downpayment Requirement

While NAR supports efforts to protect homeowners from the low and no-downpayment loan products that helped create the subprime crisis, raising FHA's current 3% downpayment requirement is unwarranted and could hurt many families' ability to purchase a home. We do, however, support the bill's provision to eliminate seller-funded downpayment assistance programs, which have largely contributed to FHA's default rate. Eliminating these programs will eliminate unnecessary risk to FHA.

3. NAR Opposes Requiring GSEs to Securitize and Sell Jumbo Conforming Loans

NAR is pleased that the Senate bill no longer explicitly prohibits the GSEs from holding jumbo conforming mortgages in their portfolios. We remain concerned, however, that the section giving the new regulator the authority to establish regulatory criteria governing the GSEs' portfolios could be interpreted as allowing the regulator to require the GSEs to securitize and sell all or a large majority of jumbo conforming loans, for which there is no reasonably priced secondary market. NAR urges Congress to clarify that the regulator may not require the GSEs to sell jumbo conforming loans.

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4. NAR Urges the Senate to Accept the House Language on Loan Limits

While the increased loan limits for FHA and the GSE mortgages are an improvement over the previously approved Senate language, higher loan limits are still needed in the highest cost areas of our nation. Nearly one-third of all Americans live in high-cost communities, where mortgage liquidity remains a problem. Higher loan limits are simply a matter of geographic fairness to those American families living in these communities. We urge the Senate to adopt the House's loan limit formulas, which more accurately reflect the needs of our nation's families.

Again, the National Association of REALTORS® thanks the Senate for its hard work on this legislation. We urge you to pass this bill and provide relief to homeowners, homebuyers, and our national economy.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard F. Gaylord". The signature is fluid and cursive, with a long horizontal stroke at the end.

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