



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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July 22, 2008

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

The National Association of Realtors® (NAR) urges Members of Congress to co-sign a letter being circulated by Representative Rubén Hinojosa (D-TX) and Representative Judy Biggert (R-IL) to the U.S. Department of Housing and Urban Development (HUD). The letter asks HUD Secretary Preston to withdraw the agency's Real Estate Settlement Procedures Act (RESPA) proposed rule and begin a joint rulemaking process with the Federal Reserve Board (Board) to produce more simplified mortgage and settlement cost disclosures.

It has been twelve years since Congress first asked HUD and the Board to collaborate on a joint RESPA-Truth in Lending (TILA) rule. Ignoring this request, both agencies recently issued independent proposed regulations with conflicting mortgage disclosure provisions. These non-coordinated actions by HUD and the Board are counterproductive in the current mortgage and credit crises which were brought on, in part, by consumers not understanding the terms of their mortgages. The two sets of new rules are particularly perplexing in light of comment letters HUD received from several government agencies on their proposed rule. These agencies point out the problems inherent in separate and confusing disclosure provisions from HUD and the Board, and advocate for one set of coordinated RESPA/TILA disclosures. It is worth noting that one of these letters came from the Federal Reserve Board.

At a time when HUD should have been working with the Board on clear, unified disclosures, HUD has issued a tangential regulation that ignores and exacerbates the long-standing conflicts in RESPA and TILA disclosures, creates anti-competitive government controlled pricing mechanisms which will dramatically change how real estate settlements are conducted, requires fundamental and expensive alterations to existing software and training programs, at the same time that mortgage markets, housing markets and settlement service providers are struggling to survive. A regulation that seeks to achieve simplification simply needs to take a more simplified approach.

NAR urges you to co-sign the Hinojosa-Biggert letter calling for the withdrawal of the current RESPA proposed rule. To cosign this letter, please contact Greg Davis with Congressman Rubén Hinojosa at Greg.Davis@mail.house.gov or Nicole Austin with Congresswoman Judy Biggert at Nicole.Austin@mail.house.gov. Please provide your name, staff contact name, room number, and telephone number.

NAR stands ready to work with HUD and the Board to achieve Congress's interest in developing one set of clear mortgage disclosures to improve consumer understanding of mortgage terms.

Sincerely,

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