



NATIONAL ASSOCIATION OF REALTORS®

*The Voice For Real Estate®*

500 New Jersey Avenue, N.W.  
Washington, DC 20001-2020  
202.383.1194 Fax 202.383.7580  
www.realtors.org/governmentaffairs

Richard F. Gaylord  
CIPS, CRB, CRS, GRI  
President

Dale A. Stinton  
CAE, CPA, CMA, RCE  
EVP/CEO

GOVERNMENT AFFAIRS  
Jerry Giovaniello, Senior Vice President  
Walter J. Witek, Jr., Vice President  
Gary Weaver, Vice President

September 16, 2008

United States Senate  
Committee on Appropriations  
Subcommittee on Military Construction, Veterans Affairs & Related Agencies  
The Capitol, S-131  
Washington, DC 20510

Dear Senator:

The NATIONAL ASSOCIATION OF REALTORS® strongly supports housing opportunities for veterans. H.R. 6832, the "Veterans' Programs Extension and Construction Authorization Act of 2008" (Filner, D-CA; Buyer, R-IN), approved last week by the House, will enhance and improve the VA home loan guarantee program, to be a real benefit in today's market environment to those who have so bravely served our country. We urge the Senate to act quickly to stop some important programs from expiring and to ease refinancing restrictions for our veterans.

H.R. 6832 includes three reforms to the VA home loan guarantee program that are critical to help veterans through this housing crisis. They are:

- 1) Extending the authority for VA to offer adjustable rate mortgages (ARMs) to veterans. While the vast majority of VA loan guarantees are for fixed term loans, VA does have authority to guarantee ARMs and hybrid ARMs through September 30, 2008. These ARM loans are appropriate for families on active duty who know they will be moving from location to location and also for career military who are advancing through the ranks. HR 6832 extends the authority through 2012;
- 2) Making permanent the loan limit increases for VA loans. While the HERA bill moved the VA limits to the same level as the FHA loan limit for 2008, this authority expires at the end of 2008. HR 6832 would extend the loan limit increases through 2011; and
- 3) Increasing the ability of veterans to use the VA loan guaranty program to refinance an existing loan. Many veterans, like other Americans, were seduced by the low payments promised by abusive subprime lenders. Some veteran homeowners will not be able to afford those loans when the interest rate or loan terms reset. Current law makes it nearly impossible for veterans to refinance into a VA home loan. HR 6832 will make the refinancing limits (currently restricted to \$144,000) the same as the purchase limits, and will eliminate the equity requirement (currently 10%) for veterans wanting to refinance into a safe, affordable, VA loan.

It is critical that the Senate act NOW to make these reforms law. Veterans are currently hampered by refinancing restrictions, VA's authority to make ARM loans expires in 15 days, and the loan limits will expire in December. Please pass H.R. 6832 to provide our veterans the benefits they have been promised.

Sincerely,

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