



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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November 17, 2008

United States Senate
Washington, DC 20510

Dear Senator:

The 1.2 million members of the National Association of REALTORS® urge you to make the 2008 FHA and GSE loan limits permanent. These loan limits will expire December 31, 2008. Waiting until January is too late. We need these changes now to continue the push to strengthen housing and our nation's economy.

As the housing crisis continues, we must do all we can to expand mortgage liquidity – not restrict it. These limits were enacted in February of 2008 as a first effort to stem the economic crisis in this country. These limits succeeded in increasing liquidity and allowing homebuyers to purchase and homeowners to refinance. But come January 1, the limits will go down in many areas of the country.

Based on the 2009 loan limits published last week by FHA and FHFA, 51 Metropolitan Statistical Areas (MSAs) nationwide will see their loan limits decrease by an average of nearly \$30,000. Some communities will see a decrease of more than \$100,000. Now is not the time to lessen the availability of credit. Making the 2008 FHA and GSE loan limits permanent will expand mortgage affordability in a time when home sales and refinance activity are required to stabilize the housing market and move it towards recovery. As other sources of mortgage capital have dried up, FHA and the GSEs have grown in importance. Today, FHA and the GSEs make up more than 88% of the available mortgage credit.

Making the 2008 limits permanent will assure that a wide range of borrowers will have access to fair and affordable mortgages, including those residing in high cost areas. This cannot wait until the new Congress. We urge you to pass legislation now making the Economic Stimulus limits for FHA and the GSEs permanent.

Sincerely,

Charles McMillan, CIPS, GRI
2009 President, National Association of REALTORS®