



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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June 7, 2010

United States House of Representatives
Washington, DC 20515

Dear Representative:

The 1.1 million members of the National Association of REALTORS®, representing American consumers in the real estate transaction, urge you to support H.R. 5072, the FHA Reform Act of 2010, and oppose any amendments that would place undue burdens on American homebuyers. The FHA single family mortgage insurance program has played a vital role in ensuring America's economic recovery. This legislation is necessary to ensure the financial stability of FHA and to protect taxpayers from risk.

H.R. 5072 implements changes necessary to help FHA remain strong and rebuild its capital reserves. The legislation gives FHA the authority to increase the annual premium charged to FHA borrowers. While this is the most efficient way for FHA to rebuild its reserves, FHA cannot make this change without passage of this legislation. The bill also provides for increased lender enforcement to make lenders accountable for improper underwriting by indemnifying the FHA. FHA cannot fully protect taxpayer resources without these critical provisions.

The National Association of REALTORS® urges you to oppose any amendments to increase downpayments for FHA loans. Raising FHA's downpayment requirement will do little to strengthen FHA's capital reserve ratio or improve underwriting standards. Rather, it will put homeownership out of reach for many families and for others could deplete their cash reserves for unexpected home repairs and other emergencies. According to HUD, increasing FHA's downpayment to 5 percent would reduce the volume of loans endorsed by FHA by more than 40 percent, while only contributing \$500 million in additional budget receipts -as opposed to the \$4.1 billion expected from other announced changes to the program. Moreover, such a proposal will disenfranchise more than 300,000 responsible homeowners.

Just as it was designed to do, FHA is filling the void left by lenders existing mortgage markets during a housing finance crisis, and facilitating safe, affordable, sustainable homeownership for American families. FHA needs this legislation to rebuild its capital reserves, protect taxpayers, and continue its mission of providing responsible borrowers with affordable mortgage financing. Please support H.R. 5072 and oppose amendments that will further hamper our housing and economic recovery.

Sincerely,

A handwritten signature in black ink that reads "Vicki Cox Golder".

Vicki Cox Golder, CRB
2010 President, National Association of REALTORS®