



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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December 9, 2008

U.S. Senate
Washington, DC 20510

Dear Senator:

The 1.2 million members of the National Association of REALTORS® urge your strongest support for a package of urgently needed measures to stimulate our nation's housing markets. We believe these measures are critical to stabilize housing and help boost our nation's economic recovery.

Stemming the rising tide of foreclosures is a critical step toward boosting homebuyer confidence in the housing market and bolstering the economy. As home values significantly decrease in many markets and job losses escalate, distressed homeowners needing to refinance their mortgages or sell their homes are left with few alternatives and are "walking away" from their mortgage responsibilities. This is increasing inventory and further fueling the decline in home values.

To staunch this cycle, we are advocating a federal mortgage interest rate buy-down program financed through the Treasury Department's Troubled Asset Relief Program (TARP). The buy-down program would complement the loss mitigation elements of TARP and provide an incentive to buy homes which will reduce the huge inventory of houses in our nation's markets. This in turn will stabilize home values, further boost home sales activity and breathe new life into our nation's economy.

We have estimated that lowering the mortgage interest rate by 1 percentage point can result in 500,000-700,000 additional home sales. We are pleased to see that the leadership of the Treasury Department is seriously considering actions to lower mortgage interest rates, and we are encouraging the Treasury Department to move swiftly to implement a buy-down element to motivate homebuyers to act rather than continue to sit on the sidelines. Housing has always led our economy out of downturns and lower interest rates coupled with foreclosure mitigation are the key ingredients to stabilizing our housing markets and preserving homes and communities.

We urge your strong support for our 4-point housing stimulus plan and particularly our federal mortgage interest rate buy-down proposal. Please see the attached article from *The Washington Post* for an independent take on the impact of such an interest rate buy-down. Together with carefully considered measures to address the rising number of foreclosures, these four points can help to provide our nation's housing markets with needed stability.

Sincerely,

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