



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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June 16, 2010

United States Senate
Washington, DC 20510

Dear Senator:

At least two amendments have been filed for consideration during debate on the jobs and extenders bill (H.R. 4213) that would extend the closing date for homebuyer tax credits from June 30, 2010 to September 30, 2010. More than 1.1 million members of the National Association of REALTORS® (NAR) urge your support for this extension.

The pending amendments are intended to assure that those who have satisfied the requirements for the homebuyer tax credit, but not yet completed their purchase, will be eligible to utilize the credit, so long as they close the transaction before October 1, 2010. If Congress fails to act promptly, then prospective homebuyers might not get the benefit of the homebuyer tax credit, even though they have completed contracts to purchase a principal residence before May 1, 2010. They could be deprived of the credit, even though they followed all the rules.

Presently, to qualify for the homebuyer tax credit, a purchaser must have entered into a binding contract before May 1, 2010 *and must close that transaction no later than June 30, 2010*. As that date approaches, more and more purchasers and even some real estate settlement/title companies are concerned that, despite their best efforts, many purchases may not close by the June 30 date. They cite a variety of reasons: inability to secure timely approval from the seller's lender for sales related to distressed properties, recent natural disasters that have damaged the property, delays in processing various types of Federal mortgage program applications (such as VA loans, FHA loans and USDA rural housing loans) and a clogged pipeline for settlements.

Extension of the closing date is a pro-consumer relief provision. It assures the fair treatment of prospective purchasers who have followed the rules and done their part to assure that the sale goes through. Congress must assure that those who have met the eligibility requirements for the credit and done all within their power to satisfy the timing requirements will not have to forfeit the credit because of events and challenges outside their control.

NAR seeks this relief ONLY for sales where loans are in the pipeline and where the buyer and seller have satisfied all other eligibility requirements. We do NOT seek an extension of the homebuyer credit itself. Data from the NAR Pending Home Sales survey suggest that as many as 75,000 prospective purchasers of distressed properties met the contract deadline but may not be able to close by June 30.

We urge you to support amendments that allow eligible purchasers to qualify for the credit, so long as the settlement of the transaction occurs before October 1, 2010.

Sincerely,

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

