

**ASIAN REAL ESTATE ASSOCIATION OF AMERICA
NATIONAL ASSOCIATION OF HISPANIC REAL ESTATE PROFESSIONALS
NATIONAL ASSOCIATION OF REAL ESTATE BROKERS
NATIONAL ASSOCIATION OF REALTORS®**

July 7, 2003

Dear Member of Congress:

As the four principal trade associations involved in the marketing of the American dream of homeownership, we stand ready to work with you to develop public policies that maintain a fundamentally sound and dynamic U.S. real estate market, and to foster initiatives that help to create vibrant communities in which to live and work. As a matter of introduction, we represent a broad cross section of the real estate community with overlapping but distinct constituencies:

THE NATIONAL ASSOCIATION OF REALTORS® (NAR) is the nation's largest professional trade association with more than 900,000 members and comprised of 1,700 local and state REALTOR® associations. Founded in 1908, NAR represents a wide variety of housing industry professionals committed to the development and preservation of the nation's housing stock and making it available to the widest range of potential homebuyers.

THE NATIONAL ASSOCIATION OF REAL ESTATE BROKERS (NAREB) is the oldest minority national trade association comprised primarily of African-American real estate brokers, agents, property managers, appraisers, developers, mortgage brokers and bankers and others dedicated to enhancing the economic advancement of its members and the minority and underserved communities it serves. Founded in 1947, NAREB is headquartered in Lanham, Maryland, in the suburbs of the nation's capital and has chapters in more than sixty (60) major metropolitan areas of the United States. It advocates for "Democracy in Housing," and has been and continues to be the leading proponent of affordable and accessible housing for African Americans and others in the markets its members serve.

THE NATIONAL ASSOCIATION OF HISPANIC REAL ESTATE PROFESSIONALS (NAHREP) is a national trade association comprised of more than 10,000 real estate professionals in 44 states committed to helping Hispanics increase homeownership through education, advocacy and educational development. Founded in 1999, NAHREP is dedicated to improving the business success of Hispanics in the real estate profession and increasing the Hispanic homeownership rate by empowering real estate professionals that serve Hispanic consumers.

THE ASIAN REAL ESTATE ASSOCIATION OF AMERICA (AREAA) is a national trade association committed to enhancing business opportunities and success of real estate professionals serving the Asian American community. Forming this year, AREAA is dedicated to promoting homeownership opportunities among the many Asian American communities throughout the nation.

As real estate professionals we are committed to making certain that our real estate markets are fundamentally sound and in balance, and to ensuring that our industry is positioned to expand and deliver broader housing opportunities benefiting all Americans. Our organizations share in the President's commitment to increase minority homeownership. To accomplish these objectives our organizations value the importance of working hand-in-hand with Congress as we recognize and understand that

responsible public policies promoting homeownership, providing real estate investment opportunities and protecting the free market system are absolutely vital for America to continue to grow and prosper.

With Congress undertaking its legislative agenda to address national issues confronting America, our organizations have a strong and shared interest in the following issues that comprise the real-world business realities important to our members, the consumers we represent and America:

Increase the Supply of Affordable Housing – The national supply of housing available for low- and moderate-income families to purchase is inadequate. We encourage Congress to enact H.R. 839 and S. 875, Renewing the Dream Tax Credit Act, creating a tax credit for developers and investors who construct or rehabilitate housing for low- and moderate-income families to purchase. Additionally, we encourage Congress to enact legislation creating a rental housing production program to expand the supply of housing for extremely low-, low-, and moderate-income families through mixed income communities.

Improve Access to Capital – Achieving the necessary downpayment and closing cost funds continues to be a major hurdle for families seeking homeownership. We encourage Congress to enact H.R. 1276 and S. 811, The American Dream Downpayment Act providing grants to state and local governments through HUD's HOME program to help low-income, first-time homebuyers achieve the dream of homeownership.

Enhance Consumer's Ability to Make Informed Homebuying Decisions -- As Congress, the Administration and the real estate industry seek to expand homeownership opportunities nationwide for underserved families, together we share a responsibility to ensure households are educated and informed regarding the mortgage transaction process and the responsibilities of owning a home. Thus, we encourage Congress to support HUD's FY2004 funding request of \$45 million for housing counseling. We also encourage Congress to enact legislation that requires lenders to disclose credit and insurance scores to consumers along with information that explains the reasons for the score.

Undertake Comprehensive Analysis of Real Estate Settlement Procedures Act (RESPA) – We support Secretary Martinez' intent to simplify the homebuying process and reduce costs to borrowers and believe that RESPA reform is needed. However, HUD's RESPA reform proposal radically alters the mortgage financing landscape and could pose unintended consequences for consumers. We urge Congress to hold additional hearings to obtain the full viewpoints and perspectives of the various participants affected by the RESPA reform effort

In closing, our organizations stand ready to work with Congress to meet the challenges confronting our nation and to help lead our economy forward. Real estate is America's greatest tangible asset and is again poised to serve as the pillar of our nation's economy in 2003. Your support of our legislative agenda would be appreciated.

Sincerely,

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