

# Advocacy Issues A to Z

Fall 2021

NAR's Advocacy staff is working on a number of "active/hot issues" affecting real estate markets and REALTORS®. Each issue explanation is followed by the staff experts working on that issue. Use the staff contact list at the end of the document if you would like more information.

Issue	Staff Expert
<p><b>Affiliated Business 3% Cap on Fees</b> - NAR supports a fix to Dodd/Frank rules on Qualified Mortgages (QM) that disadvantage small lenders over big banks.</p>	<p>Christie DeSanctis Nia Duggins Sarah Young</p>
<p><b>Affirmatively Furthering Fair Housing</b> - NAR supports meaningful enforcement of the Fair Housing Act's requirement that jurisdictions receiving federal assistance should assess the impact of that spending on local patterns of segregation and disinvestment. NAR opposed the repeal of the 2015 AFFH rule, and supports issuance of a new rule creating a simpler process for communities to assess barriers to fair housing and develop local solutions to overcome them.</p>	<p>Alexia Smokler Sehar Siddiqi</p>
<p><b>Affordable Rental Housing</b> - NAR supports legislative and regulatory proposals to remove disincentives that inhibit owner participation in the development of new rental housing or the preservation of existing safe and affordable rental housing.</p>	<p>Erin Stackley</p>
<p><b>Alternative Credit Scores</b> - NAR supports legislative and regulatory proposals that support alternative credit scoring models aimed at responsibly expanding mortgage credit for millions of hardworking families.</p>	<p>Ken Fears Matthew Emery</p>
<p><b>Alternative Valuation Methods</b> - NAR is in discussion with legislators, regulatory agencies, and stakeholders on the increased use of data-based valuation methods and alternative appraisal products. NAR supports innovation in the valuation field, but only if safety and soundness concerns are also addressed.</p>	<p>Sehar Siddiqi</p>
<p><b>ADA Reform</b> - While NAR strongly supports the requirements of the Americans with Disability Act (ADA), NAR also supports legislation to curb abusive "drive-by" lawsuits that demand high payments or threaten legal action related to minor, often easily correctable infractions of the ADA.</p>	<p>Erin Stackley Bryan Greene</p>



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<p><b>ADA Website Compliance</b> - NAR supports clear website accessibility standards under the ADA, and has requested guidance from the Department of Justice on this issue to curb demand letters for alleged violations by businesses. NAR has also engaged with HUD and conducted research on Fair Housing Act-related claims on website accessibility.</p>	<p>Christie DeSanctis Sarah Young Nia Duggins</p>
<p><b>Appendix Q:</b> Appendix Q outlines underwriting guidelines for lenders, which may adversely impact the self-employed due to a lack of documentation when compared to salaried employees. NAR continues to advocate for updates to Appendix Q to promote greater lender flexibility when evaluating a self-employed consumer's earnings trend.</p>	<p>Ken Fears Matthew Emery Christie DeSanctis</p>
<p><b>Appraiser Qualifications</b> - NAR supports state-level adoption of revised national minimum requirements for trainee appraisers including more flexible education and work hour requirements.</p>	<p>Sehar Siddiqi</p>
<p><b>Appraiser Shortages</b> - NAR is engaged with legislators, regulatory agencies, and stakeholders on addressing barriers and market conditions that hinder timely and accurate appraisals.</p>	<p>Sehar Siddiqi</p>
<p><b>Assistance Animals</b> - NAR continues to monitor HUD for further guidance for property managers on handling reasonable accommodation requests for assistance animals.</p>	<p>Alexia Smokler Sehar Siddiqi</p>
<p><b>Association Health Plans</b> - NAR supports expanding access to affordable health insurance options for the self-employed and small employers. In particular, NAR supports the Department of Labor final regulation, which enables NAR members and other working owners to participate in higher quality, lower cost association health plans but was overturned by a federal court.</p>	<p>Christie DeSanctis Austin Perez</p>
<p><b>BASEL Capital Standards for Banks and Thrifts</b> - NAR supports legislation that would clarify the definition of High Volatility Acquisition, Development &amp; Construction loans (HVCRE ADC), and provide exceptions to the Rule.</p>	<p>Erin Stackley Ken Fears</p>
<p><b>Broadband Access</b> - NAR supports a national broadband plan to ensure all communities have affordable access to a world-class communications infrastructure.</p>	<p>Olive Morris Sarah Young Melissa Horn</p>



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<p><b>Brownfields Clean up and Reinvestment</b> – NAR believes it is important for state and local governments to support and encourage the cleanup of Brownfields by providing tax and other economic incentives. These incentives are necessary to attract private investment to abandoned properties and to compensate for the risk of investing in contaminated land - typically surrounded by economically blighted neighborhoods. NAR also supports EPA's Brownfield Revolving Loan Fund, which provide communities with resources to transform contaminated sites into community assets that attract jobs and achieve broader economic development outcomes.</p>	Russell Riggs
<p><b>Capital Gains Exclusion</b> - NAR believes the capital gains exclusion (\$250K for singles/\$500K for joint) for the sale of a home should be indexed for inflation.</p>	Evan Liddiard
<p><b>Commercial Real Estate Lending</b> - NAR supports legislative and regulatory proposals to create a covered bond market in the U.S., and also to increase the lending cap for credit unions.</p>	Erin Stackley
<p><b>Competition</b> - NAR asserts that the real estate market is vibrant, healthy and vigorously competitive. Technology innovation in the real estate industry is robust and listing data is available from multiple sources.</p>	Olive Morris Sarah Young Bryan Greene
<p><b>Condominium Lending</b> - NAR supports legislative and regulatory proposals to ease restrictions on the purchase and sale of condominiums.</p>	Sehar Siddiqi Ken Fears Matthew Emery
<p><b>Copyright/Trademark</b> - NAR supports the ability of MLS organizations to protect their intellectual property through the use of compilation copyrights.</p>	Nia Duggins Olive Morris Sarah Young
<p><b>COVID-19 Relief</b> – NAR supports funding for additional economic relief including unemployment assistance, rental assistance, mortgage assistance, small business relief, and funding for state and local governments</p>	All staff
<p><b>Data Privacy and Security</b> - NAR recognizes the importance of protecting client data entrusted to them and supports common sense data privacy and security safeguards that are effective but do not unduly burden our members' ability to efficiently run their businesses.</p>	Olive Morris Sarah Young



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<p><b>Deduction for Sole Proprietors and Owners of Pass-Through Businesses</b> – NAR successfully lobbied Treasury and IRS to clarify that the 20% deduction included in the Tax Cuts and Jobs Act of 2017 is effective in providing the maximum benefit permissible under the law for real estate professionals. Also following NAR discussions, IRS guidance provides a “safe harbor” of 250-hours of landlord-type activity per year to ensure that net real estate rental income qualifies for the deduction.</p>	Evan Liddiard
<p><b>Depreciation</b> - NAR supports shortening the 27.5- and 39-year cost recovery periods for real property.</p>	Evan Liddiard
<p><b>Disparate Impact</b> - NAR opposes policies and practices which are known to have a disparate impact on any demographic group defined by race, color, religion, national origin, sex, handicap, familial status, sexual orientation, or gender identity. NAR supports a disparate impact standard that allows such policies to stand if a housing provider shows a legitimate business purpose for the policy and the plaintiff challenging the policy cannot demonstrate a less discriminatory alternative.</p>	Sehar Siddiqi Alexia Smokler
<p><b>Drones</b> - NAR supports efforts to create new federal regulations to allow for the future commercial use of unmanned aerial vehicle technology by the real estate industry.</p>	Erin Stackley
<p><b>Eminent Domain</b> - NAR supports eminent domain authority only for a public use, as well as a broad interpretation of “just” compensation. NAR also supports states’ rights governing eminent domain.</p>	Russell Riggs
<p><b>Eminent Domain for Taking Mortgages</b> - NAR opposes the use of eminent domain to take underwater mortgages.</p>	Russell Riggs
<p><b>Endangered Species Act (ESA) Reform</b> - NAR supports reforms to the ESA that recognize economic impacts when designating endangered species and their habitats. Proposals must provide market-based incentives to encourage species protection, and compensate private property owners if their property’s economic value declines.</p>	Russell Riggs
<p><b>Fair Housing (Sexual Orientation &amp; Gender Identity)</b> - NAR supports legislation, including the Equality Act, that adds sexual orientation and gender identity as prohibited bases for discrimination under the Fair Housing Act. NAR has also included these categories in the Code of Ethics.</p>	Sehar Siddiqi Alexia Smokler



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<p><b>FHA Lifetime Mortgage Insurance Premium</b> - NAR urges FHA to remove the requirement that premiums be paid for the life of the loan, and instead return to the practice where these could be cancelled after the borrower has sufficient equity.</p>	<p>Sehar Siddiqi</p>
<p><b>Financial Readiness</b> – NAR supports the goals outlined in <a href="#">Promoting Financial Success in the United States: National Strategy for Financial Literacy</a>, which are designed to increase financial literacy to empower school-aged children and young adults to build financial knowledge, skills, and habits that will help them make sound financial decisions and prepare them for homeownership in the future.</p>	<p>Wendy Penn</p>
<p><b>First Time Home Buyer Savings Accounts</b> - NAR supports Home Buyer Savings Accounts established at the state level and urges states to adopt such plans. NAR believes individuals or families saving for homeownership should be able to put a percentage of income or maximum amount of funds into an account that is tax free to be used within a specified amount of time for the purchase of a home. Home Buyer Savings Accounts are typically used for first time homeowners or returning home buyers.</p>	<p>Melissa Horn Evan Liddiard</p>
<p><b>Flood Insurance</b> - NAR urges Congress and the Administration to reauthorize and reform the National Flood Insurance Program, and remove barriers to a more robust private market to offer higher quality, lower cost flood insurance.</p>	<p>Austin Perez</p>
<p><b>Global Climate Risk</b> - NAR supports action that protects property rights while emphasizing environmental stewardship and voluntary local action, based on private sector, market-based investments to encourage energy efficiency, adaptation and mitigation.</p>	<p>Russell Riggs Austin Perez</p>
<p><b>GSE Guarantee Fees</b> - NAR is concerned with the high G-fees charged by Fannie Mae and Freddie Mac, which have translated into huge profits for the entities, but high prices for consumers. NAR supports reasonableness when setting G-fees to avoid over charging tax-paying homeowners and a specific reduction in light of recent tax legislation.</p>	<p>Ken Fears Matthew Emery Christie DeSanctis</p>
<p><b>Homelessness</b> - NAR supports Veterans Affairs Supportive Housing (VASH) vouchers to ensure veterans have access to housing, and continuum of care programs that focus on housing first programs. NAR opposes HUD's proposed rule allowing HUD-funded shelter providers to refuse entry to a transgender person seeking shelter in a facility matching their gender identity.</p>	<p>Sehar Siddiqi Alexia Smokler</p>



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<p><b>Housing Counseling</b> - NAR supports housing counseling programs that incentivize housing education.</p>	<p>Wendy Penn Sehar Siddiqi</p>
<p><b>Housing Finance Reform</b> - NAR supports reforms to replace Fannie Mae and Freddie Mac with a government-chartered authority(s), in a way that ensures the mission of the GSEs continues to meet the needs of consumers while protecting taxpayers. Such reforms must also encourage private capital's participation in the secondary mortgage market, and ensure there is mortgage capital in all markets at all times and under all economic conditions, with the continued availability of the 30-year fixed rate mortgage.</p>	<p>Ken Fears Matthew Emery Christie DeSanctis</p>
<p><b>Impact Fees</b> - NAR opposes impact fees. Where impact fees exist, NAR urges their repeal. Impact fees should be used solely for capital improvements related to a specific new development.</p>	<p>Melissa Horn</p>
<p><b>Independent Contractor Status</b> - NAR strongly supports the continued right of brokers to choose whether to treat and classify agents as employees or independent contractors for federal tax purposes; and supports actions at the state level to strengthen the rights of brokers to make these determinations and opposes efforts at the federal level to weaken those rights.</p>	<p>Christie DeSanctis Evan Liddiard Nia Duggins</p>
<p><b>Infrastructure and Transportation</b> - NAR supports action to develop a long-term, dedicated source of revenue to maintain and fund surface transportation projects; rebuild and modernize other infrastructure needs such as transit, ports and water management systems; and streamline the permit process.</p>	<p>Russell Riggs</p>
<p><b>Internet Sales Tax Fairness</b> - NAR supports legislation to level the sales tax playing field for all retailers - online and brick and mortar.</p>	<p>Erin Stackley Evan Liddiard</p>
<p><b>Investor Visa</b> - NAR supports EB-5 Immigrant Investor Program reauthorization that encourages investment in the US economy and emphasizes program accountability in return for a path to citizenship.</p>	<p>Russell Riggs</p>
<p><b>Lead Based Paint</b> - NAR supports federal policies that reduce lead exposure risks in homes without costly and burdensome rules on property owners.</p>	<p>Russell Riggs</p>



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<p><b>Marijuana Legalization</b> – NAR does not have policy on the legalization of marijuana, but provides guidance to property owners/agents about issues to be aware of if state allows marijuana. Conflicts between federal and state law can create difficulties for all types of properties. NAR also supports access to financial institutions for state-legalized businesses.</p>	<p>Erin Stackley</p>
<p><b>Marketing Service Agreements (MSAs)</b> - NAR encourages the Consumer Financial Protection Bureau (CFPB) to publish guidance that specifically rejects the contention that the marketing of settlement services is a mere referral, and ensures that real estate professionals can be paid fair market value for such marketing.</p>	<p>Christie DeSanctis Nia Duggins Sarah Young</p>
<p><b>Money Laundering and Terrorism Financing</b> - NAR supports continued efforts to combat money laundering and the financing of terrorism through a risk-based analysis approach, focusing regulation on high-risk entities such as financial institutions. NAR supports the current rules requiring reporting receipt of cash over \$10,000 and ensuring real estate professionals understand their responsibilities to prevent criminal activity from infiltrating the real estate market without the imposition of burdensome or duplicative regulatory requirements.</p>	<p>Christie DeSanctis Nia Duggins</p>
<p><b>Mortgage Debt Cancellation Relief</b> - NAR supports legislation to provide a permanent provision for the exclusion from taxation of the phantom income generated when all or a portion of a mortgage on a primary residence is forgiven.</p>	<p>Evan Liddiard</p>
<p><b>Mortgage Interest Deduction</b> - NAR supports indexing for inflation the \$750,000 maximum loan amount eligible for deducting mortgage interest.</p>	<p>Evan Liddiard</p>
<p><b>National Disaster Policy</b> - NAR supports the development of a national disaster policy, which includes emergency post-disaster assistance but emphasizes pre-disaster planning, preparedness, mitigation and the proactive reduction of risk for natural and other disasters.</p>	<p>Austin Perez</p>
<p><b>Opportunity Zones</b> - NAR supports Qualified Opportunity Zones, which offer powerful capital gains tax incentives to investors to redeploy assets into economically troubled areas throughout the country and to keep them invested for long periods. Newly-constructed and revitalized commercial real estate is expected to be a primary focus for a great deal of the new investment expected through this incentive program.</p>	<p>Evan Liddiard Erin Stackley</p>





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<p><b>PACE Loans</b> - NAR supports legislative and regulatory proposals that require Property Assessed Clean Energy (PACE) loan terms to be fully disclosed to borrowers.</p>	<p>Russell Riggs</p>
<p><b>Patent Litigation Reform</b> - NAR supports common sense patent litigation reform in an effort to protect our members from abusive patent trolls.</p>	<p>Olive Morris Sarah Young</p>
<p><b>Possession and Evictions</b> - NAR believes that the fundamental right of rental property owners to regain possession of their property shall not be abridged. NAR opposes the erosion of these property owner rights: 1. The right to owner occupy property. 2. The right to inspect property with proper notice. 3. The right to terminate tenancy within the terms of the lease. 4. The right to freely go out of the rental business and convert property to other uses.</p>	<p>Melissa Horn</p>
<p><b>Real Estate Transfer Taxes</b> - NAR opposes real estate transfer taxes. Where transfer taxes currently exist, NAR urges their repeal and opposition to any increases. NAR urges the redirection of fees to be used for one-time capital acquisitions that are related to housing or commercial property improvements (e.g. infrastructure) and exemptions to transfer taxes for first-time homebuyers and for homebuyers from low- and moderate-income households.</p>	<p>Melissa Horn</p>
<p><b>Rent Control</b> - Rent control and rent stabilization are infringements upon private property rights. NAR opposes current and future rent control and rent stabilization laws on both residential and commercial properties. NAR encourages local and state REALTOR® associations to oppose any legislative measure allowing for rent control or rent stabilization efforts.</p>	<p>Melissa Horn</p>
<p><b>Remote Online Notarization</b> – NAR support ongoing legislative and education efforts to promote digital real estate transaction options for consumers, including the use of remote online notarization technology.</p>	<p>Olive Morris Sarah Young Melissa Horn</p>
<p><b>Rural Housing Loans</b> - NAR supports the role of the Rural Housing Service to provide loans for low to moderate income borrowers in rural areas and small towns. NAR urges the Rural Housing Service to move forward with efforts to allow lenders to directly endorse RHS loans, in order to increase the availability of guaranteed loans.</p>	<p>Sehar Siddiqi</p>





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<p><b>Sales Tax on Services</b> - NAR opposes the application of state or local sales tax to rent, and to real estate services and other professional services, including real estate broker commissions, title searches, appraisals, home inspections, property management services, and any other services related to the real estate transaction.</p>	<p>Melissa Horn</p>
<p><b>Short-term Worker Visas</b> - NAR supports federal visa programs, such as the H2-B program, that allows foreign workers to work in the U.S. temporarily. NAR also supports reforms to these programs that addresses national security, employer and visa overstay concerns.</p>	<p>Russell Riggs Nia Duggins</p>
<p><b>Sign Ordinances</b> – REALTORS® have the right to advertise properties and use For Sale signs, and NAR opposes efforts to restrict such activity.</p>	<p>Melissa Horn</p>
<p><b>Small Business Issues</b> – NAR supports policies that assist REALTORS® and the small-business clients commercial real estate practitioners work with access financing and other assistance to make their businesses successful. This includes access to small business loans and emergency relief, as well as education and counseling resources through the Small Business Administration.</p>	<p>Erin Stackley</p>
<p><b>State-Legalized Cannabis Businesses Access to Banking</b> – NAR supports the rights of states and residents of those states to create laws aligned with their interests. NAR supports allowing businesses that are properly registered and that are legitimate by state standards to have the ability to access banking services. NAR does not have a position on cannabis legalization.</p>	<p>Erin Stackley</p>
<p><b>Student Loan Debt</b> - NAR supports federal policies to allow student borrowers to refinance into lower rates and to streamline income-based repayment programs.</p>	<p>Ken Fears Matthew Emery</p>
<p><b>Tax Benefits for Property Ownership</b> - NAR supports the enactment of a meaningful tax credit for homeownership for those who do not currently benefit from the mortgage interest and real property tax deductions because they no longer itemize their deductions. Tax changes enacted in 2017 reduced the previously available homeownership tax incentives to only about 10% of households, which prevents many middle-income, minority and millennial households from realizing a direct tax benefit to owning a home.</p>	<p>Evan Liddiard</p>



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<b>Tax Deduction (State and Local)</b> – NAR supports legislative efforts to reinstate the full deductibility of state and local taxes. At a minimum, NAR urges legislators to index the current \$10,000 cap for state and local tax deductions to inflation and to remove the marriage penalty by increasing the deduction cap for joint returns to \$20,000, twice the amount of that for singles.	Evan Liddiard
<b>Terrorism Insurance</b> – NAR supports and urges Congress to continue to authorize the federal terrorism risk insurance program.	Erin Stackley Austin Perez
<b>Tort Reform/Class Action</b> - NAR supports legislative proposals to establish caps limiting noneconomic and punitive damage awards and standards for the assignment of certain class action lawsuits to federal court.	Christie DeSanctis Nia Duggins
<b>VA Home Loan Guaranty</b> - NAR continues to work with the Department of Veterans Affairs to allow veterans to be on a level playing field with other buyers.	Sehar Siddiqi
<b>Waters of the US (WOTUS)</b> - NAR supports legislation and regulation to clearly define what “waters” are under the jurisdiction of the federal government.	Russell Riggs
<b>Wildfires</b> - NAR encourages active forest management practices that return the ecological benefits of fire to forested areas, bring balance to our nation's firefighting policies, and protect homes and communities in the wildland/urban interface.	Russell Riggs Austin Perez
<b>X and Z</b> - RESPA (Regulation X) TILA (Regulation Z) Harmonization (Know Before You Owe or TRID) - NAR supports a RESPA/TILA harmonization that adds transparency, simplifies disclosures, and reduces burdens to settlement service providers, including real estate professionals. NAR continues to work with the CFPB to ensure outstanding concerns with the rule are addressed.	Christie DeSanctis

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