

2019 NAR Advocacy Success: Federal

“The Group”

NAR has spent much of the past 12 months emphasizing and leveraging industry partnerships to strengthen its advocacy efforts. After a four-year gap, NAR hosted a reunion in March of “The Group,” the informal name given to the four key industry trade leaders – the National Association of Home Builders (NAHB), American Bankers Association, Mortgage Bankers Association (MBA), and NAR. The Group met several times throughout the year and will meet throughout 2020 to continue building policy consensus and convey a united real estate industry.

Condo Rule

After nearly a decade of NAR advocacy efforts, the Department of Housing and Urban Development released new Federal Housing Administration condominium loan policies. NAR is hopeful the changes will yield thousands of new homeownership opportunities and help increase access to credit, as condominiums are often the most affordable option for first-time homebuyers, small families, and those in urban areas. The rule extends certifications from two years to three and allows for single-unit mortgage approvals, among other reforms. After being officially implemented on October 15, 2019 the changes are already being felt in many parts of the country where affordability and inventory concerns are the most significant.

For additional information, visit the [Condominiums page](#).

Flood Insurance

NAR worked closely with Congressional leaders to ensure reauthorization for the National Flood Insurance Program (NFIP), which was extended through September 30, 2020. NAR also lobbied for H.R. 3167, the “NFIP Reauthorization Act of 2019.” This legislation includes a longer, 5-year extension for the NFIP along with significant reforms to improve mapping, enhance mitigation, and remove obstacles to private flood insurance policy. NAR believes the legislation “strikes a delicate balance between NFIP sustainability and affordability.” The bill was unanimously approved by the House Financial Services Committee and is awaiting action in both chambers of Congress.

For additional information, visit the [National Flood Insurance Program page](#).

Veterans Home Loans

On the heels of the 75th anniversary celebration of the GI Bill, the Blue Water Navy Vietnam Veterans Act was signed into law in late June 2019, increasing well-deserved resources for America’s veterans. This legislation eliminates the cap on home loans issued by the Department of Veterans Affairs and helps ensure our nation’s veterans have greater access to the American Dream of homeownership. NAR, along with other housing industry trade groups and veterans affairs associations, had been actively engaged in Capitol Hill negotiations to ensure veteran health benefits could be extended without increasing unrelated VA home loan guarantee fees.

For additional information, please visit the [Veterans Affairs page](#).

GSE Reform

NAR hosted its first Policy Forum, which focused on Housing Finance Reform. The February 7, 2019, event brought together hundreds of academics, industry stakeholders, and policy leaders to discuss the future of the government sponsored enterprises and the impact on the consumers and the economy. NAR unveiled its whitepaper on GSE reform, "[*A Vision for Enduring Housing Finance Reform*](#)," developed in collaboration with Susan Wachter of the Wharton School and Richard Cooperstein of Andrew Davidson and Company. NAR's policy recommendations ensure that responsible, creditworthy Americans can secure a mortgage in all types of markets. The utility model proposed in the whitepaper outlines the best possible path forward for the GSEs, and 2020 advocacy efforts will be shaped by NAR's collaboration with policymakers to secure these positive, pragmatic system reforms.

For additional information, visit the [Government Sponsored Enterprises page](#).

Opportunity Zones

NAR participated in a White House event on the Qualified Opportunity Zone ("QOZ") program on April 17. The second round of proposed rules for the program, released in connection with the event, provide more specific details on how investors can participate in the program, and receive the full tax benefits it offers. NAR also participated in a Department of Housing and Urban Development (HUD) Policy Development & Research Stakeholder "HUDDle" on Qualified Opportunity Zones (QOZs). At the event on June 20, HUD Secretary Ben Carson gave the opening remarks, and he highlighted the goal of the program to draw long-term investment, jobs, and economic growth to the distressed communities designated as QOZs. In August 2019, NAR released the [QOZ Toolkit](#) that included info on RPR QOZ tool and the Community Planning Grant for QOZ events.

For additional information, visit the [Qualified Opportunity Zones page](#).

Cannabis Banking

The Secure and Fair Enforcement (SAFE) Banking Act passed the House in September 2019 by a vote of 321-103. The bipartisan legislation provides a clear framework for cannabis businesses to access financial services. NAR sent a letter to the full House supporting the bill and in late July NAR sent a letter to the Senate Banking Committee supporting the Senate version of the legislation.

Commercial Real Estate Investment

NAR participated in the Department of Commerce SelectUSA Investment Summit in Washington, DC in June 2019. Dr. Lawrence Yun, NAR's Chief Economist, presented the "State of the Industry: Real Estate" segment.

Terrorism Risk Insurance

NAR scored a major victory, primarily for its commercial members, with the seven-year reauthorization of the Terrorism Risk Insurance Program. Terrorism risk insurance is often required to secure necessary

financing for the thousands of commercial practitioners nationwide. NAR repeatedly called on Congress to reauthorize TRIP before its scheduled expiration in 2020, publicly supporting Chairwoman Maxine Waters' Terrorism Risk Insurance Program Reauthorization Act of 2019.

For additional information, visit the [Terrorism Insurance page](#).

Tax

In December 2019, Congress passed a spending package funding the federal government for fiscal year 2020. Included in the package are temporary extensions of three tax provisions directly impacting the real estate industry: 1) the exclusion of forgiven mortgage debt from gross income, meaning that owners of primary residences who sold them short and had part of their mortgage debt written off will not have to pay tax on the amount forgiven; 2) the deductibility of premiums for mortgage insurance; and 3) the deduction of the cost of improvements to commercial buildings that make them energy efficient. These provisions had all expired at the end of 2017, but the bill extends them, retroactive to the beginning of 2018, and through the end of 2020. NAR also advocated strongly for H.R. 5377, “the Restoring Tax Fairness for States and Localities Act,” which would provide a temporary two-year repeal of the \$10,000 cap imposed on state and local tax deductions (SALT). The bill passed the House at the end of December.

For additional information, visit the [Mortgage Debt Cancellation Relief page](#) and the [Tax Reform page](#).

Fair Housing Act

NAR continues to promote the importance of the Fair Housing Act and encourage member compliance with the law. [NAR's Fair Housing Toolkit](#) offers resources to expand understanding of and compliance with fair housing responsibilities. NAR also supported HR 5, “the Equality Act,” a bill that would protect LGBTQ people from discrimination in housing and other settings. In May 2019, HR 5 passed the House by a vote of 236 – 173. NAR also worked closely with the Department of Housing and Urban Development to develop policies that protect those who rely on the assistance of companion animals while preventing individuals from exploiting the system.

For more information, visit the [Fair Housing page](#).

WOTUS Repeal and Replace

Since 2015, NAR has supported efforts to repeal and replace the “Waters of the U.S.” (WOTUS) regulation, which would have swept more water bodies under control of the federal government and resulted more burdensome and expensive regulation. These efforts came to fruition in 2019, when EPA finalized the repeal of the WOTUS regulation. NAR continues to support the second step of this process, which is to develop a common-sense WOTUS rule that provides consistency, predictability and a bright line on which waters are regulated by the federal government and which are regulated by state and local governments.

For more information, visit the [Clean Water Act page](#).

Association Health Plans

On June 10, 2019 NAR jointly filed an [amicus](#) (friend of court) brief with five local boards to defend the US Department of Labor's (DOL) rule enabling working owners (including NAR members) to participate in association health plans. Over 200 state and local REALTOR® associations signed in support of this effort. NAR and several state and local associations also met with Department of Labor (DOL) and White House officials to discuss the industry's strong support for AHPs in May. NAR built a toolkit and resources for state associations to work with their state legislature and insurance commissioner to better understand and seek opportunity with adopt DOL's association health plan rule into state law and continues to meet with the Secretary of Labor to support these state efforts.

For more information, visit the [Health Care Reform page](#).

Access to Credit

NAR is working to ensure the American Dream of homeownership is not out of reach due to an inaccurate determination on willingness and ability to repay a mortgage. NAR has supported several bills affecting federal credit policy and student loan debt, including H.R. 123, "the FHA Additional Credit Pilot Program Reauthorization Act," which passed out of the House Financial Services Committee in September 2019. The bill would allow HUD to create a pilot program to automate alternative credit.

Consumer Financial Protection Bureau

On December 12, 2019, NAR jointly filed a neutral [amicus](#) (friend of court) brief with MBA and NAHB in the Supreme Court case examining the structure of the Consumer Financial Protection Bureau (CFPB) that requested the least disruptive remedy possible to ensure market stability and certainty. The Brief argues that if the Court finds the restrictions on the President's ability to remove the Director of the CFPB unconstitutional, it should sever the restrictions rather than strike down the entire Consumer Financial Protection Act. This would prevent significant disruption to the economy including substantial uncertainty in our housing markets.

U.S.-Mexico-Canada Agreement (USMCA)

NAR supported the USMCA, the recent agreement with Mexico and Canada in the renegotiation of the North American Free Trade Agreement (NAFTA). The USMCA will bring North American trading activity into the 21st century through groundbreaking reforms on digital trade, agriculture and the environment, among many others. The agreement also preserves and strengthens the strong trade ties between Canada, Mexico, and the U.S.

Loan Limits

The 2020 mortgage loan limits for FHA and Freddie Mac and Fannie Mae (the GSEs or the Enterprises) increased in high-cost areas. The baseline (national) limit increased to \$510,400 from \$484,350 in 2019. In high-cost areas, the limit will go up to \$765,600 (from \$726,525). The loan limits are based on the Federal Housing Finance Agency's (FHFA) Housing Price Index, which increased by 5.38% since last year. NAR has strongly advocated that the FHFA allow the GSEs to meet their public mission of supporting liquidity and broad access to mortgage credit. This includes adjusting the loan limits each year for the GSEs to reflect the change in the average U.S. home price, required under the Housing and Economic Recovery Act (HERA).