



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

500 New Jersey Avenue, N.W.
Washington, DC 20001-2020
202.383.1194 Fax 202.383.7580
www.realtors.org/governmentaffairs

Vicki Cox Golder
CRB
President

Dale A. Stinton
CAE, CPA, CMA, RCE
Chief Executive Officer

GOVERNMENT AFFAIRS DIVISION
Jerry Giovaniello, Senior Vice President
Gary Weaver, Vice President
Joe Ventrone, Vice President
Jamie Gregory, Deputy Chief Lobbyist

August 13, 2010

The Honorable Tom Vilsack
Secretary
US Department of Agriculture
1400 Independence Avenue SW
Washington, DC 20250

Dear Secretary Vilsack:

I am writing on behalf of the 1.1 million members of the National Association of REALTORS® (NAR) to ask that Rural Housing Service restore the Section 502 Rural Housing Guaranteed Loan Program.

The National Association of REALTORS® is America's largest trade association, including NAR's five commercial real estate institutes and its societies and councils. REALTORS® are involved in all aspects of the residential and commercial real estate industries and belong to one or more of some 1,400 local associations or boards, and 54 state and territory associations of REALTORS®.

Rural Americans rely on programs like the Section 502 Rural Housing Guaranteed Loan Program to provide them with services that are otherwise unavailable or difficult to obtain. In Fiscal Year 2009 this program provided 116,000 families with the opportunity to obtain safe, affordable mortgage financing to purchase a home. In May 2010, the funds for this program were exhausted, meaning consumers have been unable to access this program. In July, Congress authorized additional credit authority and premium changes to this program to restore its availability to homebuyers. The President signed that bill into law on July 29, 2010.

It is our understanding that the Rural Housing Service (RHS) will not be prepared to restore the program until well after the start of the next fiscal year. While we understand that RHS has been issuing conditional commitments since May 2010 this is not sufficient as many lenders are hesitant to offer a loan without the full guarantee of RHS. The objective of the new law was to restore the program and NAR implores USDA and RHS to be proactive in implementation. Rural homebuyers should not be denied access to a program Congress has restored. In addition, many rural homebuyers finalized contracts on their homes before April 30, 2010, assuming they would be able to take advantage of the homebuyer tax credit. Because it will be several months before RHS adequately updates its systems, residents in rural communities that were relying on the \$8,000 tax credit will lose their piece of the American dream. This is a significant amount of money for residents earning less than 115 percent of median.

We urge you to immediately restart the Section 502 Rural Housing Guaranteed Loan Program. We are pleased to meet with you to discuss further. Thank you for your time and consideration of this matter. If you have any questions or concerns, or if I may be of service to you, please do not hesitate to contact me or our Senior Regulatory Policy Representative, Jerry Nagy, at 202.383.1233 or jnagy@realtors.org.

Sincerely,

A handwritten signature in black ink that reads "Vicki Cox Golder". The signature is written in a cursive, flowing style.

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