



NATIONAL ASSOCIATION OF REALTORS®

*The Voice For Real Estate®*

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**Charles McMillan, CIPS, GRI**  
*President*

June 4, 2009

The Honorable Eric K. Shinseki  
Secretary of Veterans Affairs  
US Department of Veterans Affairs  
810 Vermont Avenue, NW  
Washington, DC 20420

Dear Secretary Shinseki:

On behalf of the 1.2 million members of the National Association of REALTORS®, I request that the US Department of Veterans Affairs (VA) utilize its authority and permit financing that would effectively result in monetizing the federal tax credit currently available to first-time homebuyers. The National Association of REALTORS® (NAR) 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®.

The program offered by VA could be similar to the program recently announced by the US Department of Housing and Urban Development's (HUD). This program allows government entities and instrumentalities of government to provide a second mortgage for FHA-insured mortgage transactions. Currently, 10 state housing finance agencies offer a product buyers can use that will effectively monetize the tax credit for down payment purposes. These states are Colorado, Delaware, Idaho, Kentucky, Missouri, New Jersey, New Mexico, Ohio, Pennsylvania, and Tennessee<sup>1</sup>. The down payment may also be a gift from a family member, employer or nonprofit, charitable organization.

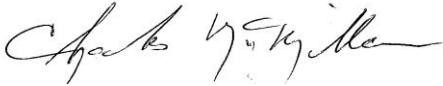
While VA generally offers mortgage products that require no downpayment, there are other uses for the tax credit. Veterans purchasing a home could use a second loan, backed by the tax credit, for closing costs, interest rate buy downs, or to make a downpayment. Monetizing the tax credit for these purposes would reduce the costs of purchasing a home for our country's veterans.

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<sup>1</sup> Get information on these programs at <http://www.ncsha.org/section.cfm/3/34/2920>.

Thank you for the opportunity to present the views of the National Association of REALTORS®. VA continues to offer safe, affordable, mortgages for homebuyers across the country. Granting access to the first-time homebuyer tax credit through collateralized loans will further ensure VA products are the mortgage products of choice for veterans purchasing their first home. If you have any questions or comments regarding this letter please contact our Senior Policy Representative, Jerry Nagy, at 202.383.1233 or [jnagy@REALTORS.org](mailto:jnagy@REALTORS.org).

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles McMillan".

Charles McMillan, CIPS, GRI  
2009 President, National Association of REALTORS®