



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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April 15, 2009

The Honorable Douglas Shulman
Commissioner
Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, DC 20224

Dear Commissioner Shulman:

I am writing on behalf of the National Association of REALTORS® (NAR) in regards to assignment of a refund related to the First Time Homebuyer Tax Credit. NAR is a national trade association of 1.2 million real estate professionals. Affiliated with NAR are 54 state and territorial and approximately 1400 local associations of REALTORS®.

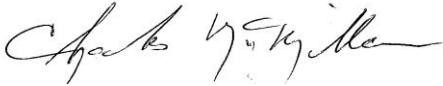
It has come to our attention through our members that while the homebuyer credit is popular, its stimulative effect would be greater if buyers were able to take advantage of the credit as part of their downpayment at the closing table. In light of this, a number of states, through their state housing finance agencies, have developed bridge loan programs. The basic framework involves a short term low or no interest loan made in anticipation of repayment upon receipt of the tax refund. The programs tend to mirror the eligibility requirements for the credit itself or in some cases are stricter. Nearly a dozen states have implemented or are developing such programs but some are facing impediments.

One obstacle in these tight budgetary times is a concern about the ultimate timely repayment by the borrower and the need to replenish the lending base throughout the year. For this reason we ask you to consider laying out a framework whereby a refund from an amended 2008 tax return (associated with the homebuyer tax credit) could be assigned to the relevant state housing finance agency. Such a framework would help ensure that states receive prompt payment on their loans and are enabled to help many more borrowers throughout the year.

Restoring a healthy housing market is essential to our economic recovery. The first time homebuyer tax credit coupled with state programs to “monetize” the credit at the closing table is a key tool in rebuilding that market. The IRS could improve that tool’s effectiveness and reach by allowing the assignment of refunds associated with the credit.

Because the tax credit expires November 30, 2009; time is of the essence. Thank you for your time and consideration in this urgent matter. If you have any questions or concerns, please do not hesitate to contact Joe Ventrone, our Vice President for Regulatory and Industry Relations at (202) 383-1095 or jventrone@realtors.org.

Sincerely,

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

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