



NATIONAL ASSOCIATION OF REALTORS®

*The Voice For Real Estate®*

430 North Michigan Avenue  
Chicago, Illinois 60611-4087  
312.329.8540 Fax 312.329.5962  
Visit us at [www.REALTOR.org](http://www.REALTOR.org).

Coldwell Banker Residential Brokerage  
2801 Gateway Drive, Suite 180  
Irving, TX 75063  
972.582.9100 Fax 972.582.9157  
Email: [charlesmcmillan@prodigy.net](mailto:charlesmcmillan@prodigy.net)

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

December 02, 2008

The Honorable Steven C. Preston  
Secretary of Housing and Urban Development  
Washington, DC 20410

Dear Secretary Preston:

On behalf of the 1.25 million members of the National Association of REALTORS® (NAR), I am writing to request enhancements to the appeals process for loan limits established by the US Department of Housing and Urban Development (HUD) for Federal Housing Administration (FHA)-insured mortgages. The median area sales prices determined by HUD are also used to determine the conforming loan limits for Fannie Mae and Freddie Mac, making the appeals process even more important for the nation's mortgage markets. 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®.

According to Mortgagee Letter 2008-36 issued on November 7, 2008, appeals to local area loan limits determined by HUD must be filed by December 6, 2008. Each request for appeals must contain sufficient housing sales price data, listing one-family properties sold in an area, to represent home prices in a look-back period of January – August 2008. Appeals should differentiate among single-family, condominium, and cooperative unit sales. All requests are handled exclusively by FHA's Santa Ana Homeownership Center.

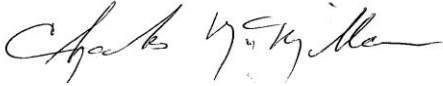
NAR urges HUD to restore the appeals process in Mortgagee Letter 2007-01 that was suspended as a result of the enactment of the Economic Stimulus Act of 2008. The 2007 letter authorized ongoing appeals throughout the year. The appeals process for 2008 was limited to 30 days due to the limited time the new loan limits were authorized by Congress and the need to have stability in the mortgage market. The loan limits for 2009 are not temporary and are not being implemented in a shortened time frame so continuing the suspension of the appeals process outlined ML 2007-01 is no longer necessary.

Requiring all appeals to be submitted by December 6, 2008, does not provide sufficient time to request increases to FHA's mortgage limits. It is difficult for those seeking to appeal to analyze and compile the necessary data in 30 days to justify an increase in the mortgage limits. By following the appeals process outlined in ML 2007-01, local areas will have adequate time to provide thorough, accurate data when submitting requests to increase its FHA mortgage limits and can appeal based on market changes during the year.

Thank you for the opportunity to present the views of the National Association of REALTORS®.  
Reforming the process for challenging the local loan limits will allow local areas to ensure the loan limits

are accurate and reflect the true home prices for these areas. If you have any questions or comments regarding this letter please contact our Regulatory Policy Representative, Jerry Nagy, at 202.383.1233 or [jnagy@REALTORS.org](mailto:jnagy@REALTORS.org).

Sincerely

A handwritten signature in cursive script that reads "Charles McMillan". The signature is written in black ink and is positioned below the word "Sincerely".

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