

July 8, 2016

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Mr. Edward Golding
Principal Deputy Assistant Secretary for Housing
US Department of Housing and Urban Development
Washington, DC 20410

Dear Mr. Golding:

On behalf of the more than 1.1 million members of the National Association of REALTORS® (NAR), I thank you for listening to NAR's concerns and for making enhancements to the Distressed Asset Stabilization Program (DASP) announced on June 30, 2016. While these enhancements are steps in the right direction, NAR urges the Federal Housing Administration (FHA) to further ensure investors work with local real estate professionals and other community partners in finding successful outcomes for the affected borrowers and their communities.

The National Association of REALTORS® (NAR) is America's largest trade association, including our eight affiliated Institutes, 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 1,200 local associations or boards, and 54 state and territory associations of REALTORS®.

NAR is encouraged that FHA is taking action to keep owner-occupants in their homes and protect the integrity of our neighborhoods. The release of performance and outcome data for each pool of loans, as well as demographic data on the sales, addresses NAR's previous request that FHA should collect and share more detailed performance data about the note sale programs to improve transparency in the program. NAR is pleased that more note sale pools will be set aside for nonprofits, as this recognizes NAR's request that community partners be more involved in the purchase of note sales.

While NAR appreciates FHA's efforts to improve DASP, NAR remains concerned about investor plans for DASP properties. Recent reports of investors forcing borrowers to sell their homes through the investor's online auction site, even in situations where a borrower and their real estate agent found alternate buyers for a direct sale of the property at a higher price, demonstrate clear conflicts of interest. Auction sales are generally problematic for first-time or unsophisticated bidders like the typical family looking to purchase a home, as the majority sell the property "as-is" without providing a buyer an opportunity to assess the current state of the property and can contain hidden fees. NAR urges FHA to review investor plans for conflicts of interest that could lead to harmful outcomes.

Homeownership helps families to build wealth and creates strong communities. The current inventory of affordable homes is incredibly tight, with many lower-income and first-time homebuyers unable to purchase in today's market. Non-occupant purchasers of distressed properties will often rent out those homes without providing proper maintenance or necessary rehabilitation. In some cases they fail to pay property taxes, further harming the community. These are the same houses that lower-income and first-time homebuyers would purchase, but are not given the opportunity to do so. NAR urges FHA to compel investors to prioritize sales to owner-occupants following foreclosure, in order to promote neighborhood stabilization and support prosperity in a community.



NAR once again thanks FHA for listening to NAR's concerns and suggestions in reforming DASP. While the current enhancements to the program will help in preventing further blight in hard-hit communities, NAR presses upon FHA to make investors work toward outcomes that keep owner-occupants in their homes and keep home ownership functioning in high foreclosure neighborhoods. NAR members are committed to working with FHA to promote homeownership and preserve affordable housing options.

Thank you again for your time and consideration. If I may be of any assistance to you, please do not hesitate to contact me or our Regulatory Policy Representative, Sehar Siddiqi, at (202) 383-1176 or SSiddiqi@REALTORS.org.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Salomone". The signature is fluid and cursive, with a long horizontal stroke at the end.

Tom Salomone

2016 President, National Association of REALTORS®