

April 24, 2020

The Honorable Brian Montgomery
Assistant Secretary for Housing – Federal Housing Commissioner
U.S. Department of Housing and Urban Development
451 Seventh Street, S.W. Washington, D.C. 20410

Vince Malta
2020 President

Bob Goldberg
Chief Executive Officer

ADVOCACY GROUP

William E. Malkasian
Chief Advocacy Officer / SVP

Shannon McGahn
SVP Government Affairs

Dear Commissioner Montgomery:

On behalf of the 1.4 million members of the National Association of REALTORS® (NAR), I write in response to your recent comments that the Federal Housing Administration (FHA) is considering raising premiums on FHA borrowers. NAR urges FHA to maintain the current premium levels and not to raise them on American families when they are facing the most far-reaching health crisis in many generations.

Today, NAR is seeing the majority of lenders in this country adding overlays and raising costs in response to concerns over borrower forbearance and possible default. These overlays are already stifling the real estate market, especially for first-time homebuyers. Should FHA increase premiums, NAR believes the real estate market could grind to halt for much of the potential homebuying population given the already strict overlays being imposed by the lending community. Over the long run, this could potentially damage the Mutual Mortgage Insurance Fund more so than simply riding out the brief period of turmoil we see this spring. As the Administration is already showing confidence in an opening up of the economy by summer, any potential losses to the Fund could be quickly restored during what economists are predicting as a delayed homebuying season. NAR recognizes the uncertainty in today's real estate market due to the novel coronavirus epidemic facing the country. In its counter-cyclical role, FHA traditionally supports the housing market afloat in times like these, ensuring first-time homebuyers and low to moderate-income households are able to complete planned home purchases. The need for shelter is paramount in this particular crisis, when staying at home is a matter of saving lives.

Now is not the time to raise premiums on FHA borrowers and turn this health care emergency into a housing crisis. Housing can lead the economic recovery, but the market needs to continue to function as normally as possible during these trying times.

Thank you again for your diligent work during this crisis and consideration of these comments. If I may be of any assistance to you, please do not hesitate to contact me or our Senior Policy Representative, Sehar Siddiqi, at (202) 383-1176 or SSiddiqi@NAR.REALTOR.

Sincerely,



Vince Malta
2020 President, National Association of REALTORS®

