

May 31, 2022

Julia Gordon
Assistant Secretary for Housing and the
Federal Housing Commissioner
Federal Housing Administration
451 7th Street, S.W., Washington, DC 20410

Dear Commissioner Gordon:

On behalf of the 1.5 million members of the National Association of REALTORS® (NAR), I thank you for your efforts to support the nation's housing market through the COVID-19 health pandemic. NAR supports the Department of Housing and Urban Development's proposal (*FR-6263-P-01*) that would allow the Federal Housing Administration's (FHA) to recast existing mortgages to terms of up to 480 months. This change provides the FHA with an important tool to help struggling homeowners and NAR fully supports efforts to support distressed owners and ameliorate negative impacts on them in the post pandemic environment.

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 1,200 local associations or boards, and 54 state and territory associations of REALTORS®. NAR represents a wide variety of housing industry professionals, including approximately 25,000 licensed and certified appraisers, committed to the development and preservation of the nation's housing stock, along with its availability to the widest range of potential homebuyers.

A Responsible Alternative

REALTORS® were concerned about the impact of the pandemic on the housing market and urged action to protect homeowners and homebuyers. Today, the FHA faces a new challenge as 9.58 percent of its borrowers were in some stage of delinquency during the first quarter of 2022. The FHA will need new tools to help these borrowers sustain homeownership or to help ease their transition.

NAR believes that a standard for determining a borrower's ability to repay must be flexible to accommodate borrowers with unique circumstances. Allowing the FHA to modify the mortgages of distressed homeowners to a monthly payment that they can meet with a moderately longer amortization helps to support homeownership and stability of the market. Furthermore, both Fannie Mae and Freddie Mac effectively use this tool to support homeowners during stress events demonstrating its merit.

Further Collaboration

Once again, thank you again for your efforts to support the nation's homeowners and housing market through this pandemic and future stress events. We would greatly appreciate the opportunity to discuss the proposed modification tool detailed in this letter. If you have any questions or comments, please feel free to reach out to Ken Fears, NAR's Senior Policy Representative at (202) 383-1066 or KFears@NAR.REALTOR.

Sincerely,



Leslie Rouda Smith
2022 President, National Association of REALTORS®