

Why do REALTORS® care about housing finance reform?

Issues Important to REALTORS®:

- A national mission to support a liquid and affordable mortgage market
- Cost of mortgage credit
- Availability of the 30-year fixed rate mortgage
- Access to credit in all markets at all times
- Smooth transition with no disruption that protects taxpayers
- Continuation of established loan limits under HERA
- Strong and reasonable federal regulatory authority
- Expansion of mortgage assumability

Current System under Conservatorship:

- Provides access to credit at a reasonable cost.
- Enables wide availability of a 30-year fixed rate mortgage.
- Has stabilized markets and ensures liquidity and access to credit.
- However, has not resolved the issue of implicit v. explicit government guarantee.

Moving Forward:

- Why scrap the mechanics of a system that provides access at a reasonable cost for an untested and uncertain future?
- Financial markets are comfortable with the GSE securities as well as the eventual single security platform.

Solution:

- Define the federal role – explicit government guarantee.
- Keep as much of the internal structure as practical to ensure continuity.
- Enterprises should be converted into government-chartered authority(ies) subject to tighter regulations on products, profitability, and minimal retained portfolio practices in a way that ensures the protection of taxpayer monies.