2010
NAR Legislative & Regulatory Accomplishments

NATIONAL ASSOCIATION *of* REALTORS®

As the largest professional trade association in the United States, the NATIONAL ASSOCIATION OF REALTORS® represents nearly 1.1 million members involved in all facets of residential and commercial real estate as brokers, salespeople, property managers, appraisers and counselors. NAR advocates policy initiatives that will result in the return of a fundamentally sound and dynamic U.S. real estate market fostering vibrant communities in which to live and work.

During the 111th Congress, the REALTOR® Legislative and Regulatory Agenda has been focused on efforts to stimulate, stabilize and strengthen real estate markets across the nation while also protecting the business interests of members. NAR has made significant progress on both fronts. The issues highlighted here represent a portion of the activity conducted on behalf of REALTORS®.*

Located just one block from the U.S. Capitol, the headquarters of the National Association of REALTORS® is perfectly positioned to make REALTORS®' voices heard in Washington, D.C.

NAR's staff uses this physical proximity and its long-standing relationships with legislators to work closely with Congress and regulatory agencies to push forward issues that benefit REALTORS®, the real estate industry and consumers.

**Note that items in this brochure were current as of October 2010. Please visit www.REALTOR.org/government_affairs for the latest updates on these issues.*

★ PROTECTING REALTORS®' BUSINESS INTERESTS AND ACTIVITIES

A. BANKS IN REAL ESTATE

After eight years of continuous struggle to convince Congress that real estate is not financial in nature and banks should not be allowed in the real estate brokerage business, NAR achieved its objective. On March 11, 2009, the Omnibus Appropriations Bill, H.R. 1105, was signed into law, and with it a declaration that, going forward, neither real estate brokerage or real estate management can be classified as a financial activity.

B. WALL STREET REFORM AND CONSUMER FINANCIAL PROTECTION

On July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010. This comprehensive reform of the nation's financial services sector is the most sweeping since the financial reforms ushered in during the Great Depression. NAR worked with both Democrat and Republican members of the House and Senate committees responsible for the legislation to secure a "real estate professional exclusion" ensuring that the daily business of REALTORS® was not negatively impacted by this historic piece of legislation.

www.REALTOR.org/government_affairs/consumer_protection_act?finalcountdown

C. MORTGAGE REFORM

Since the creation of the NAR Subprime Working Group in 2005, NAR has been a strong advocate for responsible mortgage reform. Title XIV of the Dodd-Frank Wall Street Reform and Consumer Financial Protection Act of 2010 focuses on the reformation of mortgage lending, specifically lending activities that were deemed predatory. Seller-financing was severely impacted by the initial draft of the legislation. NAR worked with a bipartisan set of members of Congress to reduce the bill's impact on seller-financing and ensure that consumers would have this tool at their disposal.

www.REALTOR.org/government_affairs/consumer_protection_act?finalcountdown

D. FANNIE MAE/FREDDIE MAC — THE GSEs

In September 2008, the Government-Sponsored Enterprises (GSEs), Fannie Mae and Freddie Mac, were placed into conservatorship to ensure that the residential secondary mortgage market continued to function. Since that time, NAR has convened a GSE Presidential Advisory Group (PAG) to determine the best approach for reforming the functions that these organizations perform that are vital to the viability of the housing industry. NAR recommends a government-chartered, nonshareholder-owned structure, which federally guarantees mortgage-backed securities, that would assure the availability of mortgage lending in all types of markets throughout the country. NAR has worked diligently to communicate the REALTOR® recommendations to Congress, the Obama Administration and our Industry Partners via face-to-face meetings, participation in housing finance symposiums and through responding to requests for input from the government. To date, the REALTOR® recommendations have been hailed as the best to promote a smooth, seamless transition from the current to any future housing finance system.

www.REALTOR.org/GSES

E. RESPA GFE/HUD-1 DISCLOSURES

Provisions of HUD's final Real Estate Settlement Procedures Act (RESPA) rule went into effect in 2009 after NAR successfully urged HUD to make significant changes to the proposed rule, including:

- Elimination of the "closing script"
- Creation of a 30-day cure period
- Improved uniform formatting of GFE/HUD-1

NAR held a number of education sessions and webinars for its members and led in efforts to seek additional clarifications from HUD on the rule throughout 2009 and 2010.

F. RESPA GUIDANCE

NAR secured guidance from HUD on the issue of "admin fees" charged by brokers under RESPA. The guidance helped clear up long-standing concerns on the appropriateness and the manner in which these can be charged and should be disclosed.

In addition, NAR and industry partners secured guidance on the sale of home warranty contracts. A 2008 informal letter by a HUD staff attorney threw the entire industry into disarray and led to class action lawsuits. The 2010 HUD guidance makes clear that agents and brokers can be paid on a per transaction basis and that each sale of a contract must be reviewed on a case-by-case basis. However, the guidance leaves many questions unanswered and has caused confusion. NAR continues to work with industry partners to address these questions.

G. SHORT SALES

NAR continues to urge servicers, mortgage investors and regulators to improve the short sales process, through both the Home Affordable Foreclosure Alternatives Program (HAFA) and proprietary programs of the servicers and lenders. Keeping families in their homes is a top priority for REALTORS®. But if our loan modification and other programs are not able to help a family stay in their home, HAFA or another short sale program can give that family a "graceful exit" and allow them to avoid foreclosure.

www.REALTOR.org/shortsales

H. MEETINGS WITH LARGE LENDERS

Starting in the summer of 2010, NAR's elected leadership initiated a series of meetings with large lenders and servicers to discuss issues of concern for REALTORS®. The topics included origination issues (underwriting standards, appraisal issues, credit policy, condo financing); short sales; bank-owned properties; and the impact of the Dodd-Frank Wall Street Reform and Consumer Financial Protection Act. NAR and the banks are discussing how we can work together to make significant improvements in all of these areas. The goal is to increase our mutual success and help support market recovery.

I. FORECLOSURE PROBLEMS

Starting in September 2010, several lenders suspended foreclosures in two dozen states, and one did so for all 50 states, due to questions about whether foreclosures were being processed consistent with applicable state law requirements. As they completed their reviews, banks started the process of resuming foreclosures in October. On October 12, 2010, NAR wrote to Treasury Secretary Geithner, HUD Secretary Donovan and Acting Director of the Federal Housing Finance Agency DeMarco to convey REALTOR® concerns about the resulting confusion and uncertainty. NAR called on lenders to assess the situation and correct any problems as soon as possible, in order to restore confidence in the system and minimize damage to the housing recovery. Lenders must not only assure the protection of the rights of borrowers, but also remove doubt that buyers may have about whether the seller is able to convey clear title. NAR also urged the lending industry to place additional resources into processing loan modifications and short sales, which are far better than a foreclosure for all involved.

J. HEALTH INSURANCE REFORM

NAR successfully raised the profile of the challenges that face the self-employed and small employers, including REALTORS®, throughout the 111th Congress' debate over health care reform. As a result, the underwriting and rating reforms in the final bill—guaranteed issue policies, ban on pre-existing condition exclusions, limited age rating, etc.—are in line with NAR's policy principles and will give the self-employed access to insurance with most of the characteristics of a group plan. In addition, individual affordability credits and tax credits for small employers will help to make health insurance more affordable for many NAR members who are currently uninsured.

K. DEDUCTIBILITY OF HEALTH INSURANCE PREMIUMS FOR PAYROLL TAX PURPOSES

As the result of provisions championed by NAR in the Small Business Jobs and Credit Act of 2010, self-employed persons will be allowed to deduct health premiums when calculating their self-employment tax payments for 2010. For many years, self-employed individuals have been permitted to deduct the cost of any health insurance premiums they pay for themselves and their family from their self-employment (Schedule C) income when calculating their income tax obligation. However, the health insurance premium was NOT permitted as a deduction when computing payroll taxes, so the self-employment payroll tax base included the full amount of the premium. As a result, the self-employed have been required to pay an additional 15 percent in self-employment tax on the very sizeable health care premiums they pay. With the enactment of the Small Business Act, this additional tax burden is eliminated. While the change is only effective for the 2010 tax year, NAR will advocate for an extension or making this provision permanent.

★ SUSTAINING HOUSING OPPORTUNITIES

A. FIRST-TIME HOMEBUYER TAX CREDIT

H.R. 1, the "American Recovery and Reinvestment Act of 2009," was signed by the President on February 17, 2009. Included in the provision, at the urging of NAR, was a tax credit for first-time home buyers. Between 2008 and 2010, NAR conducted numerous Calls for Action and two special fly-ins seeking enactment, expansion and extensions of the credit. In addition, extensive advocacy advertising supported each initiative.

- **February 2009:** A $7,500 tax credit for first-time home buyers enacted in 2008 was increased to $8,000 and extended through November 30, 2009. The extension applied only to first-time home buyers.
- **November 2009:** The $8,000 credit was again extended and expanded. The legislation:
    - ❖ Extended $8,000 credit for first-time purchasers through April 30, 2010. Those under contract by April 30 retained eligibility for the credit, so long as the transaction closed before July 1, 2010.
    - ❖ Created an additional credit of up to $6,500 for current homeowners purchasing a new or existing home between November 7, 2009 and April 30, 2010. Repeat buyers were also subject to the July 1, 2010 settlement requirement.
- **June 2010:** Many purchasers who had signed contracts on or before April 30 were unable to close their transactions, particularly in short sales. At NAR's urging, Congress extended the closing date requirement through September 30, 2010.

B. PROTECTING THE MORTGAGE INTEREST DEDUCTION

The Administration's proposed budgets for Fiscal Years 2010 and 2011 included a recommendation that health insurance reform be "paid for" by limiting the value of the mortgage interest deduction (MID) and other itemized deductions for upper income taxpayers. The limitation proposal was based on an individual's tax bracket. Itemized deductions for individuals in tax brackets above 28% would have not have received the value of their higher tax brackets. Rather, the "value" of itemized deductions would have been limited to 28 cents on the dollar, rather than the 33 cents or 35 cents to which they would have otherwise been entitled. NAR aggressively and successfully fought off changes to the MID through grassroots, advertising and similar advocacy tools.

C. MORTGAGE CANCELLATION RELIEF

In 2007, Congress provided relief so that individuals in short sales, foreclosures and mortgage restructuring arrangements would not be required to pay income tax on any portion of mortgage debt that a lender forgave. The relief provision was the result of NAR efforts that had begun in 1995, set aside during the boom years and then renewed more vigorously when the market began to turn in 2006. NAR was the sole advocate of this relief during its formative stages. Enactment came as NAR members successfully educated Congress about the hardships in the market that began in 2006.

The mortgage cancellation relief was scheduled to expire at the end of 2009. In February 2009, the economic stimulus legislation included a provision that extended that relief through the end of 2012.

D. CARRIED INTEREST

NAR, in conjunction with a large number of real estate and other industry organizations, succeeded in assuring that so-called "carried interest" legislation was not enacted. That legislation would have changed the tax treatment of the profits interest of many general partners in real estate investment entities (including LLCs, partnerships and other pass-through arrangements). Those profits have generally been taxed as capital gains at the time the underlying property was sold. The carried interest proposal would have taxed those profits interests as ordinary income. The proposal would have applied to both existing and new entities.

Advocate

E. LEASEHOLD IMPROVEMENTS

The special provisions that permit a cost recovery period of 15 years for leasehold improvements expired December 31, 2009. While that provision (as well as about 40 other expired provisions) has not been renewed, a small business bill enacted in September 2010 will allow small investors to deduct (rather than depreciate) the expenses incurred for leasehold improvements placed in service during 2010. The provision, like its predecessor, is temporary and is available only for 2010 expenditures.

F. FHA REFORM

NAR worked with Congress and the Administration to strengthen FHA and maintain its continued viability. These changes ensure the financial stability of FHA while protecting consumers by keeping the program affordable. Specifically, NAR successfully defeated proposals to increase FHA's down payment requirement and proposals to prohibit the financing of premiums.

G. FHA AND GSE LOAN LIMITS

NAR successfully advocated for legislation to once again extend the temporary higher loan limits for FHA and the GSEs in both 2009 and 2010. Had the limits expired, NAR estimates that more than 612 counties in 40 states and the District of Columbia would be negatively impacted, with an average decline in loan limits of more than $50,000. The current limits (at the greater of $271,050 [for FHA] and $417,000 [for the GSEs] or 125% of local area median up to $729,750) are now in place through September 30, 2011.

H. FHA AND GSE CONDOMINIUM POLICY

NAR has continued to work with the FHA on changes to its condominium rules. In November 2009, FHA unveiled new condominium rules, including temporary enhancements addressing NAR's concerns. These rules, which currently remain in effect through December 31, 2010, increase FHA concentration requirements to 50 percent, eliminate vacant and REO property from the calculation of the owner-occupancy percentage, and reduce the pre-sale requirement to 30 percent.

I. FHA MULTI-FAMILY LOAN LIMITS

Although not yet law, NAR has been instrumental in the passage of language in the House to increase the FHA multi-family loan limits in multi-story (elevator) buildings. The current FHA multi-family loan limits prevent the financing of rental housing in many urban areas. Although NAR has been successful in raising the base limits and high cost factors over the last several years, the limits still don't account for high-rise construction costs. Companion legislation is pending in the Senate, and NAR will continue to work for final passage.

J. RURAL HOUSING

NAR was successful in advocating for legislation restoring funding to the Section 502 single-family rural housing program. This program ran out of funding (due to higher than usual demand) in the summer of 2010. NAR championed legislation to restore funding to the program and make the program self-sustaining, with minimal impact to consumers. In FY09, the 502 program guaranteed 116,000 rural families' affordable, safe home loans.

Sustain

Protect

★ SUSTAINING COMMERCIAL REAL ESTATE OPPORTUNITIES

A. ECONOMIC STIMULUS

H.R. 1, the "American Recovery and Reinvestment Act of 2009," was signed by the President on February 17, 2009. Those provisions of the bill most helpful to commercial real estate relate to: green building and energy efficiency, business tax incentives, and investment in transportation and infrastructure. Some of the most important tax provisions included in the bill would be the extension of the 50 percent bonus depreciation provision through the end of 2009 and the cancellation of debt income provision that provides tax relief for businesses that discharge debt obligations from 2009 through 2014.

B. TALF

The "Financial Stability Plan" announced in early 2009 by Treasury Secretary Geithner included a major expansion of the Term Asset-Backed Securities Loan Facility (TALF) program to include commercial mortgage-backed securities (CMBS). To further ensure the stability and recovery of the commercial credit markets, NAR was successful in advocating for the extension of TALF loans from three years to five years, as well as having the TALF program extended through 2010.

C. SMALL BUSINESS LENDING FUND

On September 27, 2010, the Small Business Jobs and Credit Act of 2010 (H.R. 5297) was signed into law. Under this bill, which NAR supported, the U.S. Treasury is authorized to lend up to $30 billion to interested community banks to further expand lending to small businesses. As an incentive for community banks to participate and increase small business lending, participating banks' interest rates will be adjusted relative to the amount of their small business lending activity. It is estimated that community banks could use the $30 billion lending fund to leverage up to $300 billion in new loans to small businesses. Additionally, NAR successfully worked to include provisions in the legislation that enhance Small Business Administration (SBA) programs and provide $12 billion in tax relief for commercial real estate practitioners and small businesses.

D. SURPLUS LINES

In September 2009, The U.S. House of Representatives passed H.R. 2571, the Nonadmitted and Reinsurance Reform Act, a bill that seeks to modernize the insurance regulatory system by providing a uniform approach to regulating the commercial surplus lines market. More than 25 percent of commercial insurance in the United States is placed in the surplus lines market, also known as the nonadmitted insurance marketplace. This legislation is a key component in overhauling insurance regulation and will help ensure the availability of nonadmitted and surplus lines of coverage in areas of the country where admitted property and casualty coverage has grown costly and may even be unavailable.

★ ELIMINATING BARRIERS TO HOMEOWNERSHIP

A. DEVELOPMENT OF NAR CREDIT POLICY

The Conventional Finance and Lending Committee is planning to propose a NAR Credit Policy for consideration by the Board of Directors in November 2010. The proposed policy calls for the lending industry to reassess and amend its credit policies to increase mortgage liquidity for qualified home buyers, including low- and moderate-income families and first-time home buyers. The policy also includes specific recommendations.

www.REALTOR.org/government_affairs/GApublic/FinCredIssues

B. FLOOD INSURANCE

NAR secured a full one-year extension through September 2011 of National Flood Insurance Program (NFIP) authority, after supporting legislation, which twice broke congressional stalemates that led to multi-week shutdowns of the program. Without the program, thousands of property owners in tens of thousands of communities across the U.S. were not able to obtain the insurance necessary for them to obtain a mortgage in federal-designated floodplains.

NAR successfully worked with FEMA to ensure that, as the NFIP flood maps were updated and modernized, the best available local information and data was utilized to develop the new flood maps.

www.REALTOR.org/government_affairs/natural_disaster

C. ENERGY EFFICIENCY INCENTIVES

NAR successfully fought to eliminate time-of-sale energy efficiency requirements from H.R. 2454: the American Clean Energy and Security Act before passing the House of Representatives. Those provisions would have prescribed energy audits and recording, public disclosure and MLS listing. NAR also succeeded in securing provisions in the final bill that exempted existing residential and commercial buildings from state building labeling programs in the bill. The House bill also includes additional funding and guidelines for state governments to offer financial and other incentives to property owners who voluntarily improve the energy efficiency of homes.

When H.R. 2454 stalled in the Senate, NAR successfully worked to retain the energy labeling exclusions in successor legislation, which would offer tax rebates for voluntary home star energy improvements. NAR also was able to get clarification that energy efficiency standards prescribed in the GREEN Act for federally assisted housing programs did not apply to FHA or GSE loan programs. Congress failed to enact these bills.

NAR worked to successfully delay the implementation of a voluntary building labeling program (part of the larger Recovery Through Retrofit program) developed by the federal Department of Energy (DOE); and pressured the DOE to emphasize the voluntary nature of the program for homeowners.

D. HOME VALUATION CODE OF CONDUCT (HVCC)

The Government-Sponsored Enterprises (GSE), Fannie Mae and Freddie Mac, updated and coordinated their HVCC frequently asked questions (FAQ). NAR had previously called on both GSEs to coordinate their FAQs and codify them into existing appraisal policy. Both GSEs state that, while there may be some differences with two sets of FAQs in terms of style or structure, they present no substantive differences in interpretation or implementation of HVCC. Nor do they impose any different operational requirements. The FAQs include new questions and are also organized by subject area. As a result of the enactment of the Dodd-Frank Act, HVCC sunset in October 2010.

E. APPRAISAL REFORM

On July 21, 2010, the President signed into law the Dodd-Frank Wall Street Reform and Consumer Financial Protection Act. The legislation includes the first major appraisal reforms in more than a generation. NAR worked with Congress on this legislation, which regulates appraisal management companies (AMCs), establishes new appraisal independence standards, and regulates automated valuation models (AVMs) and broker price opinions (BPOs). The legislation also sunsets the Home Valuation Code of Conduct (HVCC). NAR is currently working with the Federal Reserve on the implementation of regulations related to appraisal independence, which must be implemented within 90 days of enactment of the legislation.

F. FANNIE MAE APPRAISAL ISSUES

Fannie Mae's Selling Guide Updates and Additional Guidance on Appraisal-Related Policies, Announcement SEL-2010-09, addresses many concerns raised by NAR regarding HVCC and the appraisal policies of the GSEs. The announcement addresses geographic competency, lender changes to the appraisal report, communication with appraisers under HVCC, and the use of short sales and foreclosures as comparable sales. NAR had previously called on the GSEs to provide additional guidance on these issues.

G. FEDERAL HOUSING ADMINISTRATION (FHA) APPRAISALS

In 2009, FHA unveiled appraisal rules to make HVCC and AMCs easier to cope with in the industry. In a letter to FHA in September 2009, NAR recommended that FHA adopt components of HVCC and supported the new FHA appraisal rules because of the fee disclosure, the transfer rules now in place, and because FHA explicitly states that AMCs do not have to be used by lenders.

H. VALUATION SUMMIT

NAR hosted a Valuation Summit in October 2010 to discuss policy issues of all methods of valuing real property. NAR volunteer and industry leaders discussed current market trends and the critical role played by valuations in the recovery of the real estate markets. President Vicki Cox Golder presided and 2010 President Elect Ron Phipps and First Vice President Moe Veissi participated in the event. NAR's CEO Dale Stinton also attended. The day was filled with an open conversation about Valuation Issues. Speaker highlights were Congressional Staffer Todd Harper, Senior Director, House Financial Services Committee and FHA Commissioner Dave Stevens, who gave the keynote luncheon speech.

I. "GREEN" ENERGY TAX CREDITS

The February 2009 economic stimulus legislation extended many temporary tax credits for both residential and investment/commercial property through the end of 2010. These included: green building and energy efficiency credits, business tax incentives, and investment in transportation and infrastructure. Other credits were extended to provide individuals with incentives for retrofits to enhance energy efficiency in their homes.

J. CLEAN WATER ACT EXPANSION

NAR successfully opposed legislation that would have expanded federal permitting authority under the Clean Water Act to real estate with non-navigable waters.

K. AFFORDABLE PROPERTY INSURANCE

NAR advanced the debate by securing committee passage of two bills—one to offer federal reinsurance to fiscally viable state programs and another to offer optional wind coverage under the National Flood Insurance Program.

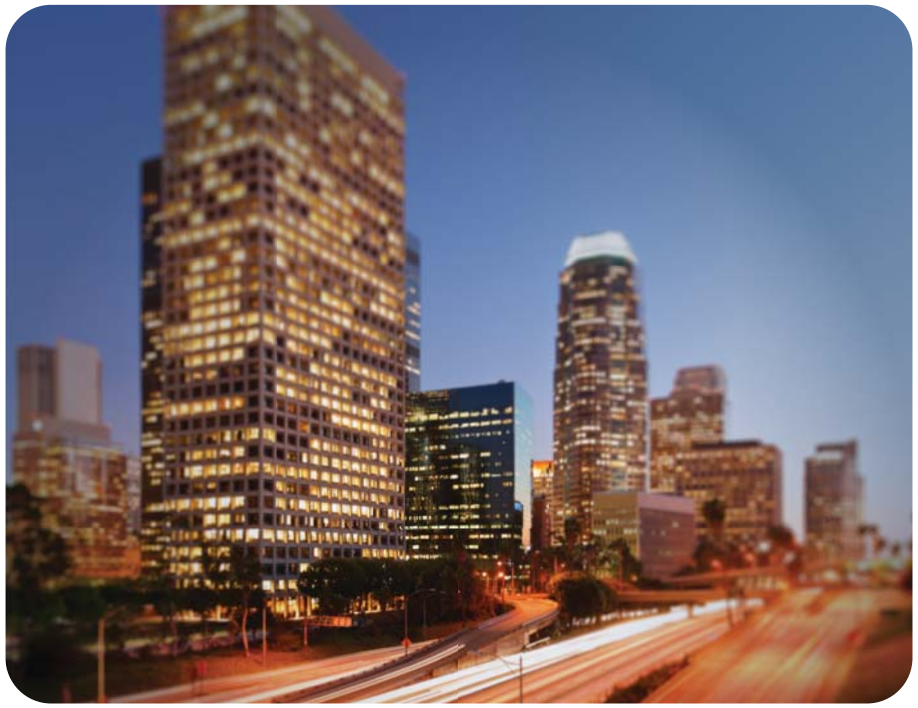
L. RADON IN HOUSING

NAR eliminated time-of-sale requirements from draft legislation to fund state grant, research, outreach and education programs for radon in housing. Originally, the bill would have required radon inspections for approval of FHA-backed mortgage loans and disclosure of radon tests.

M. FHA FLIPPING RULE

NAR was successful in lobbying for an extension of the waiver to the flipping rule (which prohibits resale of a home with FHA within 90 days) for HUD-owned homes, new homes sold by builders, and homes being sold by relocation companies and the property owner's employer as part of a job relocation.

In addition, NAR successfully lobbied for an expansion of this waiver for investors and entities that purchase foreclosures either singly or in bulk for resale. Under the waiver, homes that were foreclosed on and are being sold by the bank or on its behalf may be purchased by FHA borrowers without regard to the 90-day seasoning period.



N. FHA ELECTRONIC SIGNATURES

On April 8, 2010, Commissioner Dave Stevens announced that, effective immediately, FHA will begin accepting electronic signatures on "third-party documents originated and signed outside of the lender's control, such as real estate contracts." This change, which NAR has long advocated, is the first in a series of changes that eventually will permit more real estate transaction documents to contain electronic signatures, thus improving the efficiency of FHA mortgage transactions.

O. IMPLEMENTATION DELAY AND COMPLIANCE EDUCATION FOR THE LEAD PAINT RENOVATION RULE

NAR was successful in pushing for a delay in the implementation of the EPA's new lead paint Renovation, Repair and Painting Rule. The delay gave contractors additional time to get trained and certified so that they could comply with the new rule. NAR also developed an education and compliance Web page on *REALTOR.org* to help REALTORS® understand and comply with this new rule.

P. FORECLOSURE PREVENTION AND RESPONSE PROGRAM

In March 2009, NAR launched a new program to provide grants to state and local REALTOR® associations for a variety of education and community action projects. Projects were screened and evaluated by a national review panel composed of senior volunteers, after collaboration between state and local associations. Totaling $2.56 million, NAR has provided funding for 156 state and local grants. This program expires at the end of 2010.

www.REALTORS.org/foreclosure

Q. REALTOR® NEIGHBORHOOD STABILIZATION PROJECT

Working in partnership with the National Community Stabilization Trust, NAR has worked with eight targeted states with the highest foreclosure impacts to educate and assist REALTORS® in direct engagement with local governments and other community organizations for the purpose of developing revitalization strategies and engaging in marketing of foreclosed properties and the neighborhoods that have been impacted by foreclosures. Activities have included statewide webinars, on-site training and one-on-one technical assistance, all designed in close collaboration with state and local REALTOR® association staff and members.

www.REALTORS.org/foreclosure

Reform

★ EDUCATIONAL MATERIALS

A. NAR WEBINARS WITH HUD

On March 29, 2010, NAR kicked off the first in a series of webinars between REALTORS® and the U.S. Department of Housing and Urban Development (HUD). These webinars have included: A conversation with Federal Housing Administration (FHA) Commissioner David H. Stevens; and Credit Policy Enhancements with Deputy Assistant Secretary for Single Family Housing Vicki Bott. These provide REALTORS® with unprecedented access to HUD officials to discuss policy issues and concerns.

B. VA TOOLKIT

The Veterans Affairs (VA) Toolkit is an interactive education piece designed for REALTOR® members with little previous experience in using products offered by VA, or members who have not worked with veterans as clients in recent years. The toolkit provides an overview of VA's Home Loan Guaranty Program, detailed information on VA products and resources to address common misconceptions about the VA Loan Guaranty.

Using the toolkit, REALTORS® will understand how the VA's Home Loan Guaranty Services programs help families become homeowners by lowering some of the costs of their mortgage loans.

C. TALKING TO HOME BUYERS ABOUT FLOOD RISK AND FLOOD INSURANCE

NAR worked with FEMA to create two flyers — one for REALTORS® and one for home buyers — that talk about flood risk and flood insurance. For REALTORS®, the flyer clarifies what they should know about flood risk and flood insurance, and how they can talk about it with their customers. For home buyers, the flyer is designed to be used in discussions with their insurance agent by serving as a checklist for the home buyer to ensure their new investment is adequately protected. You can view the flyer online:

www.REALTOR.org/government_affairs/gapublic/flood+brochures+for+members

D. LEAD PAINT RENOVATION COMPLIANCE GUIDE

This online compliance guide provides information for REALTORS® on the EPA's new Renovation, Repair and Painting Rule. The guide describes the new lead-based paint safety practices established by the rule and what steps real estate agents, brokers and property managers need to take to comply with the new procedures.

The guide includes a short introduction, two narrated presentations and two sets of frequently asked questions answered by EPA officials and regulatory experts. There is one video available for real estate agents and brokers, and one available for property managers. You can view the guide online:

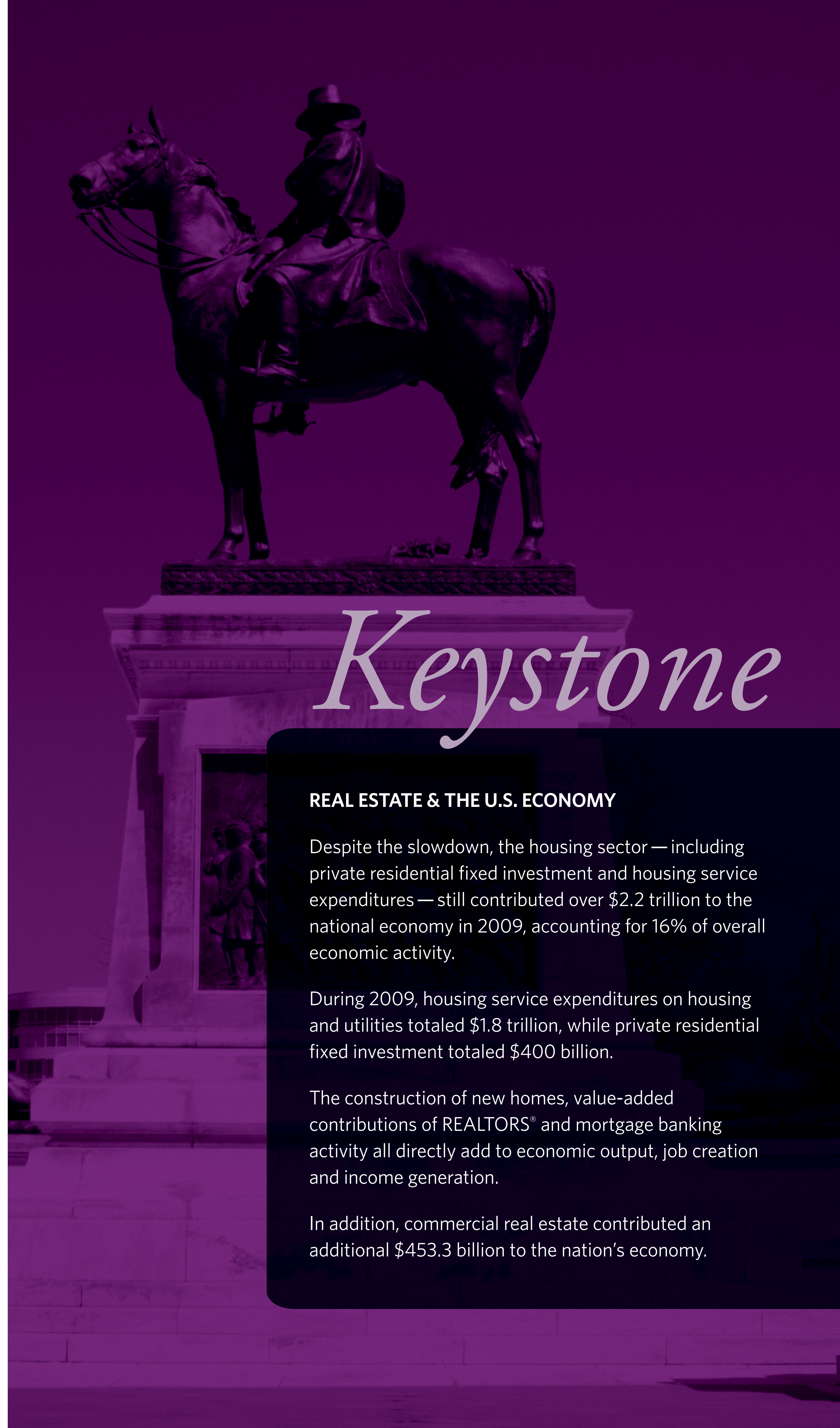
www.REALTOR.org/government_affairs/lead_paint_main

E. SHORT SALES

NAR makes extensive information about short sales available on its website at:

www.REALTOR.org/shortsales

You can find links to guidelines for the Home Affordable Foreclosure Alternatives Program (HAFA) and HAFA FAQs, brochure, video, webinars and other information prepared by NAR.



Keystone

REAL ESTATE & THE U.S. ECONOMY

Despite the slowdown, the housing sector — including private residential fixed investment and housing service expenditures — still contributed over $2.2 trillion to the national economy in 2009, accounting for 16% of overall economic activity.

During 2009, housing service expenditures on housing and utilities totaled $1.8 trillion, while private residential fixed investment totaled $400 billion.

The construction of new homes, value-added contributions of REALTORS® and mortgage banking activity all directly add to economic output, job creation and income generation.

In addition, commercial real estate contributed an additional $453.3 billion to the nation's economy.

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WWW.REALTOR.ORG/GOVERNMENT_AFFAIRS

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NATIONAL ASSOCIATION *of* REALTORS®