



NATIONAL ASSOCIATION OF REALTORS®

The Voice For Real Estate®

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March 27, 2007

The Honorable Barney Frank
Chairman, House Financial Services Committee
2129 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Frank:

I am writing on behalf of over 1.3 million members of the National Association of REALTORS® to convey our support for H.R. 1427, the "Federal Housing Finance Reform Act of 2007," which overhauls the regulatory structure for our nation's housing finance Government Sponsored Enterprises (GSEs). Fannie Mae, Freddie Mac, and the Federal Home Loan Banks are our partners in the real estate industry and keeping them strong and sound is in everyone's interest.

On March 12, 2007, NAR's immediate past president, Tom Stevens, testified before the Subcommittee on Capital Markets, Insurance and Government Sponsored Enterprises on GSE legislative proposals. Mr. Stevens reiterated NAR's longstanding position on GSE reform including the need to focus on safety and soundness regulation while preserving Fannie Mae's and Freddie Mac's abilities to accomplish their key housing mission.

We believe that H.R. 1427 strikes the appropriate balance and creates a world-class regulator with the appropriate authority to set capital levels, efficiently approve new programs and enforce affordable housing goals as needed. NAR also is pleased that H.R. 1427 does not impose statutory limitations on the GSEs' portfolios, as such rigid restrictions could stifle the housing finance market and limit funds available for affordable housing.

NAR also strongly supports the bill's provision to allow regional adjustments to the conforming loan limits in high-cost areas and applauds your hard work with Representative Gary Miller (R-CA) on this issue. Regional adjustments will help more moderate-income working families in high-cost areas qualify for safer GSE loans, and FHA and VA loans as well. Veterans, teachers and nurses are examples of those who may be forced into expensive non-traditional jumbo loans unless Congress acts to allow regional adjustments to the loan limits.

NAR stands ready to work with you, your cosponsors - Representatives Richard Baker (R-LA), Mel Watt (D-NC), Gary Miller (R-CA) and Carolyn Maloney (D-NY) - and the full Committee to pass H.R. 1427 which will ensure the continued vitality of our nation's housing finance system.

Sincerely,

Pat Vredevoogd Combs
2007 President, National Association of REALTORS®