

NATIONAL ASSOCIATION OF REALTORS®

EYE ON THE HILL

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NAR Urges Congress to Consider New Housing Stimulus Package

As we race toward the finish line of the 2008 election, NAR is continuing to press Congress to act on a new stimulus package to help stabilize the housing market and give a boost to the sagging economy.

NAR has presented a four point stimulus plan to Congress for consideration either after the election or in the early days of the new 111th Congress. The current economic crisis is, at its core, the result of problems in the nation's housing and mortgage markets. This circumstance, along with the fact that housing has always lifted our economy out of downturns, makes it imperative that efforts be taken immediately to foster a housing recovery, so that a recovery of the overall economy can occur.

NAR's plan includes features such as consumer-driven provisions that eliminate repayment of the first-time homebuyer tax credit and expands it to all homebuyers, makes higher mortgage loan limits permanent, focuses the economic stabilization efforts once again on the housing and mortgage markets as opposed to providing banks with capital with no strings attached and prohibits banks from entering into real estate.

NAR strongly believes that inclusion of these priorities in a stimulus package is imperative to move our nation out of this economic crisis:

1. Remove the requirement in the current law that first-time homebuyers repay the \$7,500 tax credit, and expand the tax credit to apply not only to first-time buyers but also to all buyers of a primary residence. This will help address inventory issues in many markets.
2. Revise the FHA, Fannie Mae and Freddie Mac loan limit increases to reflect the higher temporary level enacted in February. Although subsequent legislation made loan limit increases permanent, the permanent loan limits were reduced from the February levels. This has broad implication for homebuyers in high cost areas.
3. Urge the government to use a portion of the allotted \$700 billion that was provided to purchase mortgage-backed securities from banks to provide price stabilization for housing. The Treasury department should be required to use the newly enacted Troubled Assets Relief Program to push banks to:
 - Extend credit down to Main Street, making credit more available to consumers and small businesses;
 - Expedite the process for short sales;
 - Expedite the resolution of banks' real estate owned (REOs) properties.
4. Make permanent the prohibition against banks entering real estate brokerage and management, further protecting consumers and the economy.

NAR has presented this plan to Congress and will continue to strongly pursue a special session of Congress to enact this vital housing stimulus legislation package after the national election. Housing has always help lift the economy out of downturns. It is imperative to get the housing market moving forward as quickly as possible. Congress must take immediate and specific actions to boost the confidence of potential homebuyers in the housing market and make it easier for qualified buyers to get safe and affordable mortgage loans.

If you are attending the 2008 REALTORS® Conference & Expo please show your support for the NAR Plan by sending a letter to your Member of Congress and "Signing the House" on the floor of the Expo.