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Stemming the foreclosure crisis

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You've heard it before — stabilizing home values is how we begin an economic recovery. It is important that President Obama and Congress complete a bipartisan stimulus package strongly focusing on housing. The American Recovery and Reinvestment Act of 2009 is a good start but much more needs to be done. The federal government needs to act promptly to encourage homebuyers to re-enter the market and to stop families from losing their homes to foreclosure.

The National Association of Realtors® has been advocating a comprehensive stimulus package that will reduce inventory, make mortgages more affordable and available, and help deserving families refinance or modify their loans to help them keep their home. There can be no doubt that stabilizing home prices and restoring confidence in the housing market is critical to a recovery.

We are pleased that both the House and Senate have taken steps towards enactment of a bill that includes a number of necessary provisions to turn the housing market and economy around. It is our hope that the final bill sent to President Obama includes the \$15,000 homebuyer's tax credit available to all homebuyers, not just first-timers.

The elimination of the repayment feature and the credit's extension through Dec. 31 will also have a meaningful impact for homebuyers and the nation's housing market. Reinstating the 2008 loan limits that expired at the end of last year will also help the recovery by increasing mortgage liquidity.

Realtors strongly believe that the administration must focus the Troubled Asset Relief Program funds to bring relief and stability to Main Street. TARP II makes some important improvements and we await more details. Wall Street and big banks using federal "rescue" dollars must be directed to make mortgages and loans available at more attractive rates and encouraged to more aggressively prevent foreclosures.

Everyone — Realtors®, lenders and local municipalities — must work together to turn the economy around. President Obama and Congress will have to move quickly to get a housing recovery plan in place to protect families, homes and jobs. I cannot state strongly enough that a stable housing market is the only way to begin an economic recovery. A multi-faceted approach is needed to stabilize housing and ensure that home values do not become artificially low, exacerbating today's problems.