July 22, 2011

The Honorable Harold Rogers
Chair, House Appropriations Committee
2406 Rayburn House Office Building
Washington, DC 20515

The Honorable Norm Dicks
Ranking Member, House Appropriations Committee
2467 Rayburn House Office Building
Washington, DC 20515

The Honorable Tom Latham
Chair, House Appropriations T-HUD Subcommittee
2217 Rayburn House Office Building
Washington, DC 20515

The Honorable John Olver
Ranking Member, House Appropriations T-HUD Subcommittee
1111 Longworth House Office Building
Washington, DC 20515

Dear Chairman Rogers, Ranking Member Dicks, Chairman Latham and Ranking Member Olver:

It is no secret that our economy remains weak. Any further disruption to the real estate market will stall our recovery. The undersigned groups strongly urge your support for a one year extension of the current mortgage loan limits that are set to expire September 30, 2011. Housing markets remain fragile and cannot handle a mortgage disruption like lower loan limits.

With tight underwriting already constraining mortgage availability, lowering the loan limits will only further restrict liquidity. Private lending remains wary of returning to the market with all the current uncertainty. Extending the current limits at levels appropriate for all parts of the country will provide homeowners and homebuyers with safe, affordable financing and help stabilize local housing markets.

Although the current limits don't expire until September 30, 2011, action cannot wait. It takes several months for lenders to reset their underwriting systems to accept any changes in loan limits. Already several of the largest lenders have stopped accepting mortgage applications at the current limits, fearing the loans won't close prior to the expiration. This has halted some home sales, and will greatly curtail future lending in many communities.

The more than 200 counties affected by the changes for the GSE conforming loan limits contain 27% of all owner-occupied homes in the United States. The more than 600 counties affected by the changes in the FHA loan limits contain 59% of all owner-occupied homes. If families can't sell their homes and others cannot buy, the inventory of homes for sale will grow. Expanding the current inventory will further depress housing prices. If families cannot obtain financing to buy, sellers will need to further reduce the prices on their homes. This will delay our housing recovery, and erode the wealth of American families.

To avoid such a drastic impact on our economy, we urge you to include language in the FY12 THUD Appropriations bill to extend the loan limits for an additional year.

Sincerely,

American Land Title Association
Council of North American Insulation Manufacturers Association
Community Mortgage Lenders of America
Consumer Mortgage Coalition
Leading Builders of America
Lenders One
Mortgage Bankers Association
National Association of Home Builders
National Association of REALTORS®
National League of Cities
National Reverse Mortgage Lenders Association
Quicken Loans
Realogy
U.S. Conference of Mayors
VA Mortgage Center