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Dale A. Stinton
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GOVERNMENT AFFAIRS DIVISION

Jerry Giovaniello, Senior Vice President
Gary Weaver, Vice President
Joe Ventrone, Vice President
Jamie Gregory, Deputy Chief Lobbyist

500 New Jersey Ave., NW
Washington, DC 20001-2020
Ph. 202-383-1194 Fax 202-3837580
www.REALTOR.org

August 2, 2011

The Honorable Robert Menendez
United States Senate
528 Hart Senate Office Building
Washington, DC 20510

The Honorable Johnny Isakson
United States Senate
131 Russell Senate Office Building
Washington, DC 20510

Dear Senators Menendez and Isakson:

On behalf of the 1.1 million members of the National Association of REALTORS®, I thank you for introducing the “Homeownership Affordability Act.” Without Congressional action, the current loan limits will expire on September 30, 2011; the VA limits will expire December 31st. Housing markets remain very fragile. Your bill will make sure these markets are not disrupted, causing a further decline in home values and making it even harder for American families to purchase a home.

If the limits fall, 59% of all existing homes will be ineligible for FHA mortgage financing. More than 5 million homes will be ineligible for GSE financing. Given that there is little private market financing, buying these homes will be difficult. Without eligible buyers, families who need or wish to move will be forced to lower their already depressed listing prices even lower. These reductions will erode the wealth of American families and extend our housing recovery. Given the struggles millions of American face in dealing with unemployment and underemployment, it is simply irresponsible to devalue their assets any further.

Your bill will keep the current limits in place while private capital regains the confidence to return to the market. Without this legislation, homebuyers will find it even more difficult to purchase a home, and homeowners will find it very difficult to sell. The National Association of REALTORS® strongly supports this legislation, and stands ready to work with you on its passage.

Sincerely,

Ron Phipps, ABR, CRS, GRI, GREEN, e-PRO, SFR
2011 President, National Association of REALTORS®



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